

The Politics of Disaster: a study into Post-Katrina international aid

The way in which the United States perceives foreign aid is perhaps best understood in the way in which the country acts when they are the recipient nation. When other countries offered the United States \$854 million in cash and oil as foreign aid to help the areas devastated by Hurricane Katrina, they merely accepted 4.7% of the total offered, the rest went uncollected. There is no reason for not accepting the available resources, other than that aid is a politic tool. The United States wanted to avoid the political influence aid has on the policies of the recipient nation (Gestsson, 2007).

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Abstract: For the first time in its existence, the United States accepted foreign donations in the wake of Hurricane Katrina. This study focuses on the motives behind the aid, assuming political and economic considerations were important in the ultimate rejection of aid by the United States. First, by assessing the ad hoc bureaucratic networks in dealing with the disaster, three cases of rejection of aid are arrived at that cannot be accounted for in terms of bureaucratic failure. The rejection of Iranian aid is accounted for by using the theory of disaster diplomacy, proving political motives were important. Economic considerations are important when assessing Dutch and Greek Post-Katrina aid, using a framework of disaster capitalism combined with elements of neo-mercantilist thinking.

Keywords: *Hurricane Katrina, disaster capitalism, disaster diplomacy, neo-mercantilism, foreign aid*

1 Preface: Hurricane Katrina

On August 29, 2005 Hurricane Katrina struck the southeastern United States, inflicting widespread damage and prompting the largest domestic relief effort in US history (Green, 2005). Overwhelmed by the effects of this hurricane, the United States government on both federal and state-level saw itself unprepared to deal with a disaster of this magnitude. 'The images of destruction, suffering and death from Hurricane Katrina circulating around the world have evoked (...) disbelief that such a powerful country could be so overwhelmed by a natural disaster (Forero & Weisman, 2005).

This disbelief struck doubt over whether the status of the United States as world leader can be sustained throughout the twenty-first century. With a military presence in both Afghanistan and Iraq and in other parts of the world, military might seemed too overstretched abroad to be able to support American citizens in times of necessity. The leadership qualities of the government were also questioned, even from within government agencies.

'Domestic crises have international implications', concludes the report THE FEDERAL RESPONSE TO HURRICANE KATRINA: LESSONS LEARNED, 'soon after the extent of Hurricane Katrina's damage became known, the United States became the beneficiary of an incredible international outpouring of assistance' (Townsend, 2006). 'Unlike many other countries, the U.S. government has previously neither asked for nor accepted disaster assistance directly from foreign countries, choosing instead to direct offers of assistance to nongovernmental organizations such as the Red Cross' (United States Government Accountability Office, 2006). An op-ed in USA Today opened 'A foreign aid twist: U.S. gets, others give' (Editorial, 2005).

The management of international aid initially proved problematic, with President George W. Bush claiming 'I'm not expecting much from foreign nations because we haven't asked for it. I do expect a lot of sympathy, and perhaps some will send cash dollars. But this country is going to rise up and take care of it' (BBC, 2005). Later this statement was retracted by Secretary of State Condoleezza Rice claiming the United States will accept all offers of foreign assistance, with the State Department later rephrasing President Bush, saying: 'No, there's no change, no change of position. I haven't seen -- I haven't seen all of the President's remarks, but I believe that he is talking about the fact that the United States Government is actively and immediately coming to the assistance of those affected by this tragedy' (USDS, 2005a).

Sparked by the quote taken from the report AIDMARKET: TRANSFORMING THE AID ENVIRONMENT cited on the cover page, I have taken it up on myself to further inquire in the nature of foreign aid in the aftermath of Hurricane Katrina. I will do so by focusing on the broader concept of the 'politics of disaster' using the theories of disaster diplomacy (Kelman, 2006) and disaster capitalism (Klein, 2007). In the next chapter I state my problem and theoretical expectations.

Katrina Timeline

August 26: Gov. Kathleen Blanco declares a State of Emergency in Louisiana

August 27: Federal Emergency declared, Department of Homeland Security [DHS] and Federal Emergency Management Agency [FEMA] given full authority to respond to crisis

August 28: Mayor of New Orleans orders full evacuation, 30,000 evacuees gather at the *Superdome*

August 29: Katrina makes landfall

August 30: Looting reported, Pentagon claims enough National Guard Troops are in the region

2 Problem Statement

As stated above, the foreign pledged donations in the wake of Hurricane Katrina give us the first instance in which it is possible to research aid directed at the United States. A total of 151 nations and international organizations offered cash and/or in-kind donations and military assistance (Townsend, 2006). Unclassified documents from the State Department show figures of more than \$475 million offered cash contributions to the United States Government, excluding the value of offered in-kind donations and crude oil, worth over \$400 million (USDS, 2007b).

2.1 The Mismanagement of Aid

As the quotation on the cover assumes, the United States had no credible *reason* for rejecting foreign aid. First, days after Katrina made landfall, the Department of State publicly announced to accept all offers of foreign aid, and secondly, the mismanagement of the crisis and the resulting shortages of resources, communications and expertise should lead to acceptance of pledges, especially in-kind, in order to deal with the crisis effectively. Every account of a rejection of foreign aid, with reasons other than bureaucratic failure should therefore raise suspicion.

I will commence by looking into the bureaucratic failure of the United States in accepting and redirecting foreign aid, both cash and in-kind. I depart by assuming that only bureaucratic failure due to mismanagement of ad-hoc bureaucratic networks should account for the rejection in foreign aid.

2.2 Motives for Refusing Aid

In instances in which rejection of foreign aid cannot be accounted for by the failure of these ad-hoc bureaucratic networks, I assume other motives come into play. I use two logics of argumentation to explain this rejection by using literature on disaster diplomacy and disaster capitalism. I expect:

- (a) to witness incidents in which economic motives play a role in rejecting foreign aid, linking the occurrence of a disaster to the violent nature of capital, and
- (b) to witness incidents in which political motives play a role in rejecting foreign aid, linking disasters to windows of opportunity for diplomatic gains.

In chapters 4 and 6 I will enquire further into these expectations, elaborating more on the theories I will be using.

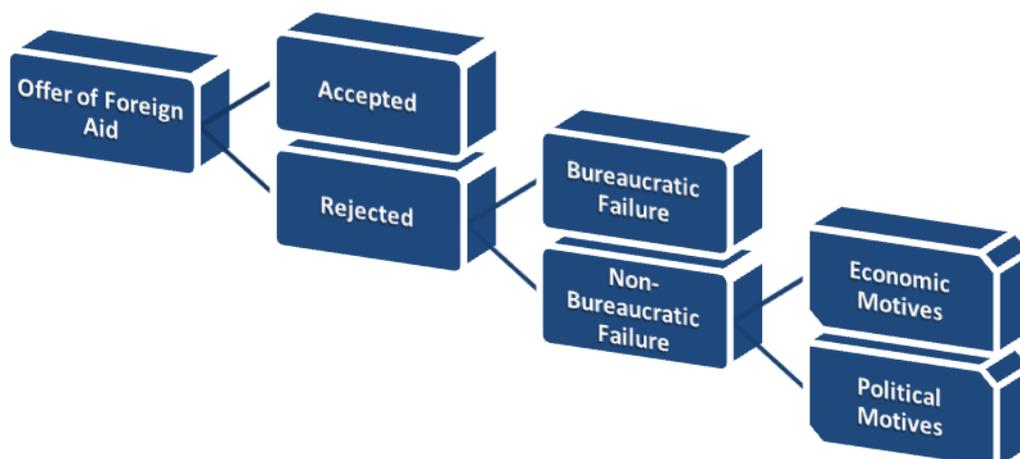


Diagram 1: A Representation of the Problem Statement

3 The Mismanagement of Aid: Bureaucratic Failure

Given the wide range of terms used to describe foreign aid, ‘international aid, foreign aid, overseas development assistance, multilateral aid, unilateral aid and bilateral aid’ (Gestsson, 2007), it seems useful to qualitatively define the aid in the wake of Hurricane Katrina. The AIDMARKET (Gestsson, 2007, p. 7) report’s typology of aid separates (1) benevolent aid, being private donations and person-to-person assistance, provided for ‘apolitical agents who address poverty reduction and aim to improve health services, education and other social necessities’, (2) humanitarian aid, being food and emergency aid, ‘rapid assistance given to people in immediate distress as means to relieve suffering’ and (3) development aid, being project and programme aid, budget support and microfinancing, ‘supporting long-term and sustainable development, institutional framework, services and policy’.

Post-Katrina aid is a clear example of humanitarian aid, provided by private actors, NGO’s, international organizations and national governments, in order to relieve immediate suffering. Humanitarian aid, other than benevolent or development aid, requires speed and effectiveness in allocating, moving and delivering funds, goods and services, and interagency cooperation and information sharing in order to achieve these ends. The previous non-existence of these networks, coined by Stone (1989) as “‘power to” networks’, and the subsequent ad-hoc nature of them, may account for the mismanagement of aid, and in this case the resulting rejection of international aid.

3.1 “Power to” Networks

Stephenson (2006) revisits Stone’s distinction between “power over” and “power to”, and applies it to the coordination of humanitarian aid. Stone suggests a pattern in American society of emerging networks of action characterized by both order and chaos or competition and potential cooperation among its participants:

Political power is the power to accomplish things. If society is not neatly integrated into a hierarchy of command and control, the problems of governance cannot be reduced to the question of who holds authority over others. Instead—assuming that numerous centers of authority exist, each pursuing its own ends—the purpose of governance is not to command but to create the capacity to act—to create the ‘power to’ accomplish collective goals. This is done by creating arrangements that allow numerous authorities to cooperate to achieve collective goals. (Stone, 1989, p. 229 cited after Stephenson, 2006, p. 46).

Stephenson’s (2006) appliance of this argument on networks of humanitarian actors in a crises situations imply that these networks must ‘create [their] own power to act without the strategic supervisory claim or influence exerted by a single strong coordinating agent and must develop commonly the (...) “power to” act collectively at the operational scale (p. 46). Creating such networks in a crisis situation is an exercise in ad hoc bureaucratic managing, which requires cooperation along a wide range of bureaucracies in order to achieve a common end, in this case the effective distribution of humanitarian aid. Relations along these bureaucracies must be established, based on the ‘exchange of information, money, political support, or credible commitments for cooperative behavior among state, societal, and private actors’ (Stephenson, 2006, p. 46). Humanitarian assistance is thus ‘best conceived as an interorganizational social network or regime’ (Stephenson, 2006, p. 42). Failure of these networks can result in ineffective response to a disaster, mismanagement of foreign aid and the ultimate rejection that follows from it. I will continue by

outlining the bureaucratic structure of the ad hoc network developed in order to handle foreign cash and in-kind donations in the wake of Katrina.

3.2 'Policies, Procedures, and Plans Were Not In Place'

The United States Government Accountability Office [GAO] performed extensive research reviewing the federal government's response to Hurricane Katrina. 'It examines (1) the amount and use of internationally donated cash, and (2) the extent to which federal agencies have adequate policies and procedures to ensure proper accountability for the acceptance and distribution of that assistance' (GAO, 2006). I will start by focusing on the second point, using the idea of "power to" networks to ultimately review the first point.

Unlike other countries, the United States up to Katrina had never accepted disaster assistance directly from foreign countries, always referring offers to NGO's as the Red Cross (GAO, 2006, p.6). The acceptance therefore proved problematic, as I will illustrate by giving a broad outline of the bureaucratic network that resulted in the failure to accept and distribute international aid.

The Robert T. Stafford Disaster Relief and Emergency Assistance Act (the Stafford Act, 1988) was among the federal legislative and executive provisions that support the preparation for and response to emergency situations (GAO, 2006). The responsibility for administering the provisions of the Stafford Act is invested in the Federal Emergency Management Agency [FEMA] that, after the terrorist attacks of 9/11, was absorbed into the Department of Homeland Security [DHS]. The National Security Council [NSC] alongside the Homeland Security Council has the power to elevate resolutions, as the Stafford Act, when they fall outside of the Secretary of Homeland Security's areas of authority, and consequently did so in the aftermath of Katrina.

The Department of State [DOS] and Department of Defense [DOD] both have gift authorities through their mission statement, but these restrict the acceptance of gifts or donations that do go beyond the reach of their mission statement. The Secretary of State is 'charged with the responsibility to coordinate international activities related to the prevention, preparation, response, and recovery from a domestic incident within the United States' (GAO, 2006, p. 8). In the wake of Katrina, the acceptance of foreign monetary and in-kind donations was invested in the DOS, on behalf of the U.S. Government and DHS (subsequently, FEMA). The DOS in its turn set up the Hurricane Katrina Task Force, consisting of representatives from the DOS, the Office of Foreign Disaster Assistance [OFDA] and the United States Agency for International Development [USAID], respectively.

The ad hoc processes to accept, receive, and distribute international assistance varies depending on the type of assistance being offered. However, whether the assistance was in the form of cash, or in-kind donations, including foreign military donations, offers were supposed to be initially coordinated through the DOS Hurricane Katrina Task Force. However, (...) not all foreign assistance was coordinated through DOS (GAO, 2006, p. 9).

The Hurricane Katrina Task Force proves to be the "power to" network, coordinating the acceptance, allocation and distribution of foreign aid in the wake of Katrina. A first instance of bureaucratic failure can be observed when we note that not all foreign assistance was coordinated through this network. The GAO report (2006) states 'an unknown quantity of in-kind assistance came through the United States directly from foreign militaries' (p. 9).

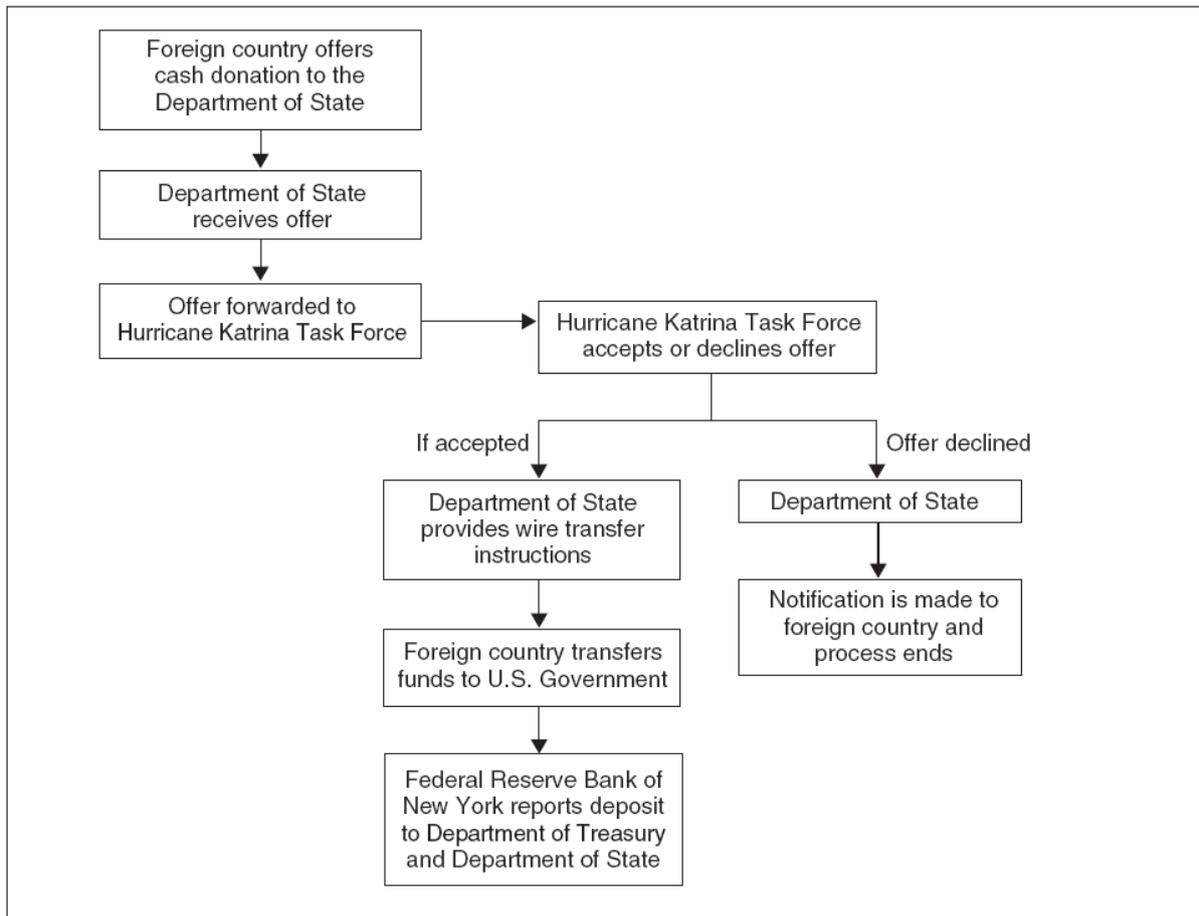


Diagram 2: ‘Overview of Process Developed to Receive International Cash Donations’ (GAO, 2006, p. 12).

GAO (2006) findings point at numerous other failings in accepting and distributing resources:

1. ‘Under the Stafford Act, FEMA could have held the funds in an account that can pay interest, but Treasury lacked the statutory authority to credit these DOS-held funds with interest’ (p. 13)
2. The USAID/OFDA created a database to track the assistance as it arrived. This system however did not include confirming that the assistance was received at the FEMA distribution sites. FEMA officials assumed such controls were in place, and subsequently there was no way to determine the extent to which all or part of the foreign assistance was received at the FEMA distribution sites.
3. ‘Lack of guidance, inadequate information up front about foreign offers (...) and insufficient advance coordination before agreeing to receive it’ resulted in food and medical items that did not meet United States Department of Agriculture [USDA] or Food and Drug Administration [FDA] standards entering the U.S. These consequently could not be distributed within the United States (p. 21).
4. Confusion arose over ‘which agency—DOS or FEMA—was to formally accept the foreign military assistance and therefore, each agency apparently assumed the other had done so under their respective gift authorities’ (p. 26).

These four findings reaffirm the picture of a failing ad hoc network with respect to creating a “power to” act collectively in allocating, receiving and distributing foreign aid. Lack of standardized operating

procedures due to the fact that this was the first instance in which the U.S. accepted foreign humanitarian aid account for this, as does the lack of information and guidance, bureaucratic agencies within the network saw themselves confronted with.

3.3 The Rejection of Aid: Does Bureaucratic Failure Account for it All?

The report THE FEDERAL RESPONSE TO HURRICANE KATRINA: LESSONS LEARNED (Townsend, 2006), prepared by the White House concludes with a total of 125 recommendations, which among many things are on the handling of foreign aid. The report states ‘some foreign governments sought to contribute aid that the United States could not accept or did not require. In other cases, needed resources were tied up by bureaucratic red tape. But more broadly we lacked the capability to prioritize and integrate such a large quantity of foreign assistance into the ongoing response’ (p. 62-63).

Ultimately, the failure of the “power to” act network accounts for the inability to deal with the massive amounts of international aid. On April 30, 2007, The Associated Press reported the U.S. ‘had collected about \$126 million and used just \$40 million of the \$454 million in cash that was offered’ (AP, 2007). The Press Bureau based its findings on the Citizens for Responsibility and Ethics in Washington [CREW] investigation in the rejection of humanitarian foreign aid after Katrina. CREW, by using the Freedom of Information Act [FOIA], declassified government documents showing the mishandling of in-kind donations, such as Italian medical supplies that went bad and had to be destroyed. “I think we need to come clean with the Italians, tell them we blew it, deeply appreciate and regret handling of this and let them know about disposal,” a State Department official wrote a colleague in October 2005’ (Grace, 2007). ‘(...) items that were rejected outright, according to CREW, included a charter flight full of MREs [Meals-Ready-to-Eat] from the Republic of Korea -- which were deemed unlikely to meet American tastes -- water purification units from Finland, canned fish from Namibia and troops from NATO’ (Grace, 2007).

In a Press Briefing in April 2007, the State Department reacted to the reports of wasted aid by pointing at ad hoc procedures:

(...) One could argue it was a unique circumstance in American history, the scope of this disaster and the generous outpouring from the international community. We did the best that we could, trying to direct these efforts in constructive ways and effective ways that didn't always succeed. (...) In these kind of situations where you face an unprecedented event, you are -- you rely -- you fall back on existing structures. But when existing structures and mechanisms and procedures don't work, you have to come up with ad hoc processes and mechanisms which is what we did. And everybody worked in good faith and made the best decisions that they possibly could, all with the thought in mind of how do we get assistance to the victims of Hurricane Katrina. That is the foremost thought in everybody's mind. So when people look back and say, well, they could have done this better or this didn't work so well. Okay. We take that criticism onboard. But also realize the circumstances under which people were working and that people were doing their very best to help get the most assistance we possibly could as quickly as we possibly could to our fellow citizens (USDS, 2007a).

While a lot of the rejection of foreign aid *can* be accounted for by the failure of the ad hoc bureaucratic network set up to deal with the foreign aid, ranging from canned fish from Namibia to Italian medical equipment, in the next chapters I will outline three examples of the rejection of aid —namely Iranian, Dutch and Greek aid— that cannot be accounted for in terms of this bureaucratic failure and in which I assume political and economic motives come into play. I will do so by focusing on the theories of disaster diplomacy and disaster capitalism, respectively.

4 Disaster Diplomacy: Iranian oil amidst crisis

Questions in the Press Briefings by the State Department in the days after Katrina focused mainly on two issues: (1) foreign citizens inside the disaster area, and (2) controversial foreign humanitarian aid, mainly from Venezuela, Cuba and Iran. A useful approach towards assessing the motives of these states is using the theoretical framework of disaster diplomacy, developed by Ilan Kelman. I will start by outlining his theoretical claims, and follow by moving on to Iranian post-Katrina aid which the U.S. ultimately rejected. I conclude by answering disaster diplomacy's main question for this case.

4.1 Disaster Diplomacy

Hurricane Katrina led to the publication of the 2007 article *Hurricane Katrina disaster diplomacy* by Ilan Kelman. 'To define and explore disaster diplomacy, the initial question asked was "Do natural disasters induce international cooperation amongst countries that have traditionally been 'enemies'?" (Kelman, 2006, p. 215). Enemy is operationalized as 'states that are not collaborating diplomatically or politically', and is thus conceived to be broader than the popular use of the word. The study of disaster diplomacy has, through the use of case studies, resulted in numerous useful typologies of characterization and categories of disaster diplomacy and the inhibition or promotion of disaster diplomacy. What follows is a quick review of these typologies.

4.1.1 Characterization and Categories of Disaster Diplomacy

In this section I will shortly summarize the main distinctions in characterization of disaster diplomacy and the categories thereof, which will prove useful in my analysis of Iranian aid.

1. **Passive versus active disaster diplomacy:** 'In active disaster diplomacy, actors can create opportunities for disaster diplomacy, (...) in passive disaster diplomacy there are no deliberate linkages between disaster-related activities and diplomatic activities.
2. **Proximity:** (1) 'there are states that share a land border', (2) 'there are states that do not share a land border but that are near each other', and (3) 'disaster diplomacy states are not near each other, for example the United States and Iran' (Kelman, 2006, p. 217).
3. **Aid relationship:** (1) mutual aid 'indicates that enemy states face a common threat or have been affected by the same event and aid each other as a result, (2) combined aid, 'means that enemy states coordinate aid to another state or that several states coordinate aid to a common enemy' and (3) donor-recipient: 'one state is a donor (assisting) and one state is a recipient (assisted)' (Kelman, 2006, p. 217).
4. **Levels at which aid is conducted:** (1) government level, (2) organization-led disaster diplomacy, and (3) people-led disaster diplomacy.
5. **Purpose:** 'Multiple purposes are often evident in disaster diplomacy outcomes', (Kelman, 2006, p. 217) among them are political survival, desire for peace, re-affirmation of old prejudices and enmity. Warnaar (2005; after Kelman, 2006) defines five different purposes being: (1) self-preservation, a poor response to a disaster might affect the government's re-election chances, (2) mutual benefit, (3) long-term global gains potentially requiring short-term self-sacrifice, (4) reaffirmation of old prejudices and enmity, and (5) to demonstrate humanitarianism.

4.1.2 The “Toolkit”: Promoting and Inhibiting Disaster Diplomacy

In his article, Kelman (2006) developed a “toolkit” both to promote and inhibit disaster diplomacy. The toolkit is a ‘set of possibilities’, from which ‘tools can be selected to develop a framework of action which is specific to each situation and actor’s interest’. Each tool consists of ‘lead levels’, derived from the categorization of levels at which aid is conducted, to which the numbers (1) governments, (2) organizations, and (3) people correspond.

4.1.2.1 Toolkit I: Promoting Disaster Diplomacy

<i>Pathway name</i>		<i>lead levels</i>
Avoid ‘forcing’	Disaster diplomacy cannot be forced nor can it be presumed to work	1,2
Focusing on disaster, not diplomacy	Declining to link disaster-related and diplomatic activities	1
Informal networks	Communication and interaction away from formal settings, which are effective in providing opportunities for disaster diplomacy	2,3
Multiple levels	Disaster diplomacy at a single level is usually unsuccessful	1,2,3
Multi-way process	Without exchanges amongst all actors, disaster diplomacy is unlikely to be promoted	1,2,3
Science	Informal networks, scientific and technical exchange between governmental and non-governmental agencies, as well as individuals can provide a basis for further cooperation	2,3
Symbolism	Symbolism which promotes disaster diplomacy occurs when states which have traditionally been recipients 1) do not necessarily need proffered assistance but accept it and 2) become donors	1

Table I: Disaster Diplomacy toolkit of pathways which promote disaster diplomacy (Kelman, 2006)

4.1.2.2 Toolkit II: Inhibiting Disaster Diplomacy

<i>Pathway name</i>		<i>lead levels</i>
Avoiding diplomacy	Refusing to collaborate on disaster-related activities	1
Dependency on disaster	Relying on disaster-related activities to advance diplomacy	1,2,3
Disaster as a weapon	Taking advantage of an enemy suffering from an event (...)	1,2
Disasters worsening relations	When the event is considered to be perpetuated by the enemy state	1
Distraction	Disaster diplomacy might detract from the core issues and long-term solutions surrounding both disaster-related and diplomatic activities	1,2,3
Events overwhelming disasters	Non-disaster events can effect diplomacy more than disasters	1,2,3

Expectations	Raising diplomatic expectations beyond what can reasonably be achieved and thereby hampering rapprochement	1,2,3
False propinquity	Unrealistic assumption that states being near each other must provide a basis for cooperation	1,2,3
Spotlight	When a disaster occurs, a spotlight is often placed on every word, action and innuendo that is publicized, analyzed and misanalyzed, to generate news or political value	1,2,3
Vindictiveness	Offering aid can be used to take advantage of a state's suffering or to highlight a state's weakness or one's own strengths. The goal is humiliating the enemy, enhancing the conflict or seeking revenge	1

Table II: Disaster Diplomacy toolkit of pathways which inhibit disaster diplomacy (Kelman, 2006)

4.2 Iran's Response to Katrina

Iran's Islamic Republic News Agency [IRNA] first on September 4, 2005 put out an article claiming Iran would help US storm victims if necessary. 'Iran will help US victims of Hurricane Katrina if there is a need to do so and regards such help as a humanitarian measure, Foreign Ministry Spokesman Hamid-Reza Asefi said here Sunday. Asefi made the remark as he was talking to domestic and foreign reporters at his weekly press briefing' (IRNA, 2005).

At the September 6 Press Briefing by the State Department, the question was posed 'There is a report that Iran is offering or offered to contribute 20 million barrels of oil. Can you confirm that or –' (USDS, 2005b). The answer was negative, suggesting there hadn't been any direct contact with the Iranian Government with regard to an offer of assistance.

The September 7, 2005 USDS Press Briefing followed up on the issue, this time the Departmental Spokesman answered: 'I guess we received this offer with some political conditions attached to it through the press. We have not received a formal offer via the Swiss channel from the Iranian Government' (USDA, 2005c). Later that same day Ambassador Thomas, Executive Secretary of the Department of State held a Press Briefing on the State Department's role in the coordination of international offers of support related to Hurricane Katrina.

QUESTION: All right. Iran has offered now, and we all know your lack of relations with Iran, ten million barrels of crude oil to help overcome the devastation. Would you accept --

AMBASSADOR THOMAS: That is a conditional offer so I think that speaks for itself.

QUESTION: No, it doesn't. I mean, you will not accept it because it's conditional.

AMBASSADOR THOMAS: It's a conditional offer, so we don't. We don't deal with that.

(...)

QUESTION: So for now, you're not taking Iran's offer up because it's --

AMBASSADOR THOMAS: I said it was a conditional offer (USDS, 2005d).

CNN, on September 4 published Iran in a list of countries offering aid, calling on a Reuters report: 'Iran has offered to send humanitarian aid to hurricane victims, Reuters reported' (CNN, 2005). By September 7, syndicated American newspapers were reporting the Iranian aid offer, 'A few come

tinged with political agendas or are cynical public relations ploys: Iran, for example, wants to send oil — just so long as sanctions are first lifted to allow it’ (Editorial, 2005).

Kelman (2007) places Iran in his table with aid offers related to disaster diplomacy. ‘20 million barrels of crude oil and assistance for the rescue efforts were offered’ (p. 297).

4.3 Assessing the Iranian Aid Offer: Disaster Diplomacy at Work?

In analyzing the offer described by multiple media outlets as well as academic work, I assume Iran made an offer of aid, be it through official channels or not. In assessing the offer, I will make use of the typologies offered by the theoretical work on disaster diplomacy. The main question is whether Hurricane Katrina induced international cooperation between Iran and the United States, two states not collaborating politically.

4.3.1 Characterization of Iranian Disaster Diplomacy

The Iranian aid in this case is an instance of the engaging in *active disaster diplomacy*, with Iran creating the opportunity for disaster diplomacy by making a conditional offer for humanitarian in-kind aid. The *propinquity* of both states can be categorized in the third category, where both states are not near each other, or, as Ahmadinejad put it ‘Divine providence has placed Iran and the United States geographically far apart’ (MSNBC, 2006). The *aid relationship* between both countries can be categorized as donor-recipient, with potential Iranian assistance and a recipient United States.

The *purpose* of Iranian aid can be distilled from their demands. With no leverage power, they demanded a lifting of economic sanctions, and thereby tied the aid to diplomatic gains. While seemingly demonstrating humanitarianism, the purpose can be seen to be achieving long-term political gains. I will elaborate further on the motives of Iran, and the reasons for American refusal, by applying the ‘tools’ from Kelman’s “toolkit” promoting and inhibiting disaster diplomacy.

4.3.2 ‘Tools’ from the “Toolkit”

Further analysis of the Iranian aid offer can be performed by applying the Kelman’s pathways to the promotion and inhibition of disaster diplomacy to this case. I will select useful pathways, analyze them and conclude by stating possible motives for the refusal of Iranian aid. This will be done by answering disaster diplomacy’s main question: whether Hurricane Katrina induced international cooperation between Iran and the United States.

Iran and the United States, in the definition of ‘enemy’ that the disaster diplomacy framework gives us, can be conceived to be enemies. Promoting disaster diplomacy in the wake of Katrina would therefore have required tools being used on both sides, on different lead levels, such as applying symbolism, and focusing on the disaster, not diplomacy. The United States —a traditional donor state—, had no economical or political reason for accepting the Iranian aid offer. The U.S. has sufficient financial resources to acquire crude oil on the international market and had the capability, neglecting for a moment the bureaucratic network failure, to address the lack of resources in handling the response to Katrina. Symbolism here, in accepting the Iranian aid offer despite these factors, would have promoted disaster diplomacy. Iran, on the other hand, should have focused on the disaster, and not solely on diplomatic gains, when offering aid to the United States. The conditionality of the offer effectively made it a political tool using the disaster as leverage. A third possible promoting factor of disaster diplomacy would have been to conceive of the aid effort not

entirely through government interaction, but leaving it in part up to domestic organizations and domestic society in both the United States and Iran, to create a joint humanitarian effort.

Inhibiting factors include the avoidance of diplomacy, the use of a disaster as a weapon and the vindictiveness of the Iranian aid offer. The avoidance of diplomacy on the American side was an inhibiting factor in achieving disaster diplomacy, as Ambassador Thomas put it, the refusal 'speaks for itself' (USDS, 2005d). A second inhibiting factor was the Iranian use of the disaster as a weapon, seeking to take advantage of the 'enemy' suffering to achieve diplomatic and political gains in the form of the conditionality. Thirdly, and perhaps most important, the Iranian offer was a vindictive exercise, seeking to highlight American weakness in addressing the crisis and highlighting Iranian strengths in the ability to allocate massive resources, knowing they would be refused. The goal is, in the words of Kelman (2006) 'humiliating the enemy, (...) seeking revenge' (p. 234).

4.4 Conclusion: Political Motives and the Refusal of Aid

With the case of Iran, we have witnessed an instance of refusal of aid, on the basis of political motives perceived by the United States. The refusal of Iranian aid in the light of the conditionality of the offer gives us the explanatory power to assume political motives, nicely wrapped up in humanitarian rhetoric on the Iranian part. The disaster diplomacy framework sheds more light on the causes of refusal, pointing at the inhibiting factors –next to the overall avoidance of diplomacy, of the use of disaster as a weapon and perhaps most importantly the vindictive nature of the Iranian aid offer. I conclude that would Iran and the U.S. have wanted to achieve potential substantive diplomatic gains as an outcome of the disaster diplomacy, on the Iranian side the focus should have been on the disaster, not on diplomacy and on American side the value of symbolism should have been taken into account.

Concluding, I would like to point out that days after the reports in the media surfaced of an Iranian aid offer, and it became clear the United States declined it, Iran put out a press statement fiercely denying reports it had offered oil to the United States as aid to victims of Katrina. The offer was purely theoretical, claimed Iran's envoy to the OPEC (AFP, 2005). As of October 11, 2008, the IRNA press release with the humanitarian remarks of Foreign Ministry Spokesman Hamid-Reza Asefi was removed from their Press Release archive. It is clear that in this instance, Hurricane Katrina did not induce international cooperation between Iran and the United States.

5 Disaster Capitalism: Capitalizing on Katrina

In my assessment of rejected foreign aid I suspect a second motive: the economic motive. In this chapter, using Klein's (2007) concept of disaster capitalism, I shall seek to explain why Dutch aid in the wake of Katrina was rejected. Disaster capitalism has its boundaries, being more of an analytical tool that compiles journalistic, historical and parts of economic and political theory, than a laid out theory, which leads me to lending from neo-mercantilist political economic theory. I commence by outlining Klein's argument, coupled with neo-mercantilist notions, and then further enquire into the nature of the Dutch and Greek offer, and reasons their rejection.

5.1 The Shock Doctrine: 'three decades of erasing and remaking the world'

Klein's (2007) account of the current neoliberal capitalist society builds links between war, violence and disaster to neoliberal globalization. Disaster capitalism, in her account, is the 'regime of accumulation that not only treats disasters as economic opportunities—to privatize public goods, to expand markets, to restructure production schemes and so forth—but which may also require such disasters to keep on functioning' (Hardt, 2007). Klein (2007) defines it as 'orchestrated raids on the public sphere in the wake of catastrophic events, combined with the treatment of disasters as exciting market opportunities' (p. 6). Her linkages treat disasters created by military violence, such as the "war on terror" the same as natural disasters, for instance Hurricane Katrina. In a neoliberal globalized world, disaster brings capital opportunity, hence the violent nature of capital.

In deriving at the concept of disaster capitalism, Klein makes use of Milton Friedman's 'laissez-faire' economical theory:

For more than three decades, Friedman and his powerful followers had been perfecting this very strategy: waiting for a major crisis, then selling off pieces of the state to private players while citizens were still reeling from the shock, then quickly making "reforms" permanent. (Klein, 2007, p. 6)

Major privatization programs require shock, according to Klein. This 'shock doctrine' is again derived from Friedman: 'only a crisis—actual or perceived—produces real change. When that crisis occurs, the actions that are taken depend on alternatives to existing policies, to keep them alive and available until the politically impossible becomes politically inevitable' (Friedman, 1962; cited after: Klein, 2007, p. 6). The ultimate argument Klein arrives at is that these specific economic policies cannot be adopted democratically: 'the bottom line is that while Friedman's economic model is capable of being partially imposed under democracy, authoritarian conditions are required for the implementation of its true vision. For economic shock therapy to be applied without restraints (...) some sort of additional major collective trauma has always been required, one that either suspends democratic practices or blocked them entirely' (Klein, 2007, p. 11).

What follows in her book is a detailed historical narrative into the appliance of the shock doctrine with the starting point of Pinochet in Chili and ultimately arriving at the Iraq war of 2003. Klein, however, also applies journalistic work in analyzing the aftermath of Hurricane Katrina, which she constitutes also to be an example of the shock doctrine—be it not man-made—at work.

5.2 “We finally cleaned up public housing in New Orleans”

In Klein’s estimation, a natural disaster, not unlike an authoritarian ruler can act as a catalyzer for privatizing agents to produce changes in the policy. Klein’s (2005) account of the current state of globalized neoliberal capitalism starts out by describing her experiences in Baton Rouge, Louisiana, in September 2005, shortly after it was partly wiped out by Katrina. She uses the example of post-Katrina New Orleans to make this point, citing the rumor that a prominent Republican congressman ‘told a group of lobbyists, “We finally cleaned up public housing in New Orleans. We couldn’t do it, but God did.”’ A wealthy developer from the area made a similar remark, stating ““I think we have a clean sheet to start again. And with that clean sheet we have some very big opportunities.”” (Klein, 2007, p. 4).

Talk about “clean sheets” in this case makes Klein’s linkage between catastrophic events and capital and market opportunities seem fitting. She also manages to fit in Friedman, who was already as early as in 1962 pleading for a system of ‘vouchers’ for school. In an op-ed, Friedman wrote ‘Most New Orleans schools are in ruins, as are the homes of the children who have attended them. The children are now scattered all over the country. This is a tragedy. It is also an opportunity to radically reform the educational system’ (Friedman, 2005). Friedman’s proposed voucher system for New Orleans school children would serve their interest, by introducing competition amongst schools, ‘which is missing from the present system. It would be a move to a bottom-up organization, which has proved so successful in the rest of our society’ (Friedman, 2005). The school voucher plan was amongst the measures shortly announced by President Bush (Klein, 2007, p. 410).

A last example of the linkage between Katrina and the capital opportunities it brought comes directly from the House Republican Study Committee [RSC] under the title of PRO-FREE-MARKET IDEAS FOR RESPONDING TO HURRICANE KATRINA AND HIGH GAS (Teller, 2005). Amongst the proposed ideas are suspending minimum wage laws in the disaster areas, making the affected area a ‘flat-tax free enterprise zone’, make the ‘entire region an economic competitiveness zone (comprehensive tax incentives and waiving of regulations)’, and ‘reduce, suspend, or eliminate tariffs on Canadian lumber, Mexican cement, and other materials used for new construction’ (Teller, 2005). In the next section I will further elaborate on the last point made, namely that of reducing, suspending and eliminating tariffs, or, when seen in a wider context, the neo-mercantilist modus operandi of sectors of the American economy.

5.3 A Neo-Mercantilist Approach to Disaster-Profiteering

In this section I will add to the work of Klein an international dimension by lending from the theory of neo-mercantilist economic development. Neo-mercantilism could be said to be ‘the pursuit of a current account surplus; namely, a persistent excess of exports over imports’ (Guerrieri & Padoan, 1986, p. 30). Neo-mercantilist policies include restricting internal demand, and thereby (1) keeping foreign firms from penetrating the domestic market, and (2) forcing domestic firms to look for foreign outlets. The result of such policies are low inflation rates which, in turn, undercut foreign competitors (Guerrieri & Padoan, 1986).

An essential component in neo-mercantilist thinking, when conceived as the authors do, is promoting domestic firms (both nationally and internationally) at the cost of foreign firms, whose penetration in the domestic market is unwanted. I use this theoretical approach to attach an international political economic line of thinking to Klein’s idea of disaster capitalism. Not only is a

disaster, in this sense, a market opportunity, it is a domestic market opportunity. Subsequently, it is in the interest of a states to use crises—actual or perceived, to stay in Klein’s terms—to promote domestic firms and thereby strengthen the national economy. In a world economy with competing states, states will seek to maximize their wealth and independence by ensuring self-sufficiency in key industries, and by using trade protectionism, subsidies and investments in the domestic economy (Woods, 2001). Klein’s assertion that ‘the disaster economy may well have saved the world market from the full-blown recession it was facing on the eve of 9/11’ (Klein, 2007, p. 14), might just as well have read that the disaster economy saved the American economy from a full-blown recession.

5.4 Assessing Dutch and Greek aid

In analyzing post-Katrina international aid from this perspective, I arrive at two cases that offer different insights. The first case of refusal of Dutch aid stems from long-run practices of institutionalized neo-mercantilist policy in place before Katrina, the second refusal of aid cannot be accounted for in this way and, thus more clearly confirms the disaster element coupled with neo-mercantilist notions.

5.4.1 The Dutch Response to Hurricane Katrina: ‘A Protectionist Storm’

Following Hurricane Katrina, the Dutch government announced it would offer to send a naval frigate to provide humanitarian assistance, containing 2,500 gallons of clean drinking water, medical personnel and supplies and food packages. Also, the government offered to send water pumps to the area and sent five experts to help operate these pumps (BuZa, 2005). Official government offers were accepted, and the U.S. in turn sent a delegation to inspect the Dutch’ handling of water.

Private enterprises soon saw themselves presented with a market opportunity, rebuilding the coast line, homes and infrastructure. Straver (2008) points at the linkage between Dutch government and Dutch private enterprises in promoting their expertise of ‘water management’. The Dutch Ministry of Transportation and Water Management, following Katrina sent out a message offering aid. Later, the Dutch Crown Prince Willem-Alexander recommended Dutch industry to the American Department of Agriculture, charged with water management. The State Secretary Van Gennip invited a trade delegation from New Orleans, which resulted in a visit to the Zeeland Deltawerken. The Netherlands Water Partnership [NWP] spokesman Silvis said ‘That’s a good opportunity at the highest level, let’s be honest: without these contacts, Dutch companies would be referred to the website of the American ministry for bidding contracts’ (Straver, 2008).

Dutch companies did find market opportunities in rebuilding New Orleans, but at the same time saw themselves confronted with American protectionist regulations. A *FEM Business* headline read ‘A Protectionist Storm on the Rise’, claiming Dutch companies cannot optimally apply their expertise, experience and material through protectionist laws. The main piece of legislation blocking this is the 1920’s Jones Act (Zweers, 2005). The Jones Act dictates that only American ships with American owners, built in the U.S. with cargo registered in the U.S. can move goods between U.S. ports. Additionally, 75 percent of the crew onboard must be American (Neleman, 2005). The Dredging Act imposes similar constraints on foreign companies seeking profitable dredging contracts from the U.S. Government.

Also, for reasons other the Dredging and Jones Act, Dutch companies without American ties had a hard time acquiring government contracts. American federal government regulation seeks to

achieve secondary goals when handing out government contracts, such as promoting small business through the Small Business Act, ordering the federal government to hand 23 percent of its contract in small- and medium sized American enterprises (Neleman, 2005), promoting local companies in subcontracting, and promoting minority-owned businesses through affirmative action (King, 2006). Dutch companies, hoping to win bidding contract would have needed to open offices in the United States, or cooperate with an American company and then play the role of subcontractor (Dircke, n.d.).

Boskalis and Van Oord, two large Dutch companies that specialize in dredging, ignored the American market after Katrina. 'If the Americans need our knowhow and expertise, they will first of all have to change their legislation', a Van Oord spokesperson said, regarding dredging in New Orleans (Neleman, 2005). Neleman (2005) points at another insurmountable problem Dutch companies face when bidding on U.S. government contracts: American nationalism. Halliburton, being an American company, was among the first to receive no-bid government contracts, even though the corruption charges over Iraq contracts for the company hadn't been cleared. Kevelam, CEO of the Dutch DHV, agrees saying 'You have to work through an American partner, otherwise you stand no chance' (Neleman, 2005).

5.4.2 The Greek Response: Greek ships, or the Carnival Cruise Line?

In the wake of Katrina the Greek government, among other things, offered to send two cruise ships to house those left homeless by the hurricane. The DOS spokesman claimed the offer had been accepted, saying: 'There has also been an offer of some cruise ships that would be docked off -- either off the coast or in a port to provide shelter for those people who have been displaced. That offer has been accepted and they're working to get those ships to the right place now' (USDS, 2005b). The initial acceptance was, however, later reversed and the complete Greek offer was rejected. A declassified document obtained by CREW shows the refusal of the Greek aid offer:

>1815 Greek offers of ships. ACTION: On Sept. 13 need to confirm with FEMA that cruise ship no longer needed (also, turn back cargo ship which USG has not accepted).
>Offer and acceptance of cruise ship - Greek govt waiting on word of waivers of mooring fees, taxes before sending ship. No need for ship (apparently two other ships are already available, and have been found to be unattractive options). There's another offer outstanding from the Greek govt --a cargo ship— no USG acceptance, yet it appears ship departed for U.S. on/around 9/8 (Oliva, 2005, p.2)

Controversially, instead of accepting the Greek aid offer free of charge, the Florida-based company Carnival won a \$236 million no-bid contract to house homeless hurricane victims aboard their cruise line (King, 2006). The CorpWatch report BIG, EASY MONEY: DISASTER PROFITEERING ON THE AMERICAN GULF COAST says: 'Jeb Bush [Florida Governor, brother of President George W. Bush] pushed for the contract, according to emails made public by Congressman Henry Waxman. Bush forwarded an email from the top Carnival executive directly to FEMA chief Mike Brown. Bush claimed to be "facilitating" communication between the parties' (King, 2006, pp 4-5). A letter from Henry Waxman to Governor Bush enquires into the nature of dealings of both parties and points at the possible conflict of interest: 'Mr. Cooper is an advertising executive who represents Carnival. He is also a major political donor to the Florida and national Republican parties. According to the Florida Division of Elections, Mr. Cooper donated \$65,000 to the Republican Party of Florida in advance of the 2002

gubernatorial election in which you were running for reelection. In addition, Mr. Cooper contributed \$50,000 to the Republican National Committee in advance of the 2004 presidential elections in which your brother was running for reelection' (Waxman, 2006).

In the end, the CorpWatch report cynically suggests the two Carnival ships floated half-empty for six months, with the cost per person per week for those on the ship more than twice that of a Caribbean cruise vacation for the same period (King, 2006).

5.5 Conclusions: Disaster Capitalism and the Rejection of International Aid

I will conclude this chapter by shortly recapping the nature of the refusal of both Greek and Dutch aid, and place them in my conception of disaster capitalism, using elements of neo-mercantilist theory.

Klein (2007) uses Hurricane Katrina as an illustration for a broader argument on the tendency, sometimes formulated as necessity, of disaster for the expanding of markets. The wiping out of entire parts of the city infrastructure, coast line defenses, oil rigs and the subsequent lack of order and security proved rewarding for corporations earning no-bid or bidding contracts from the U.S. government. Besides these awarded contracts, private enterprise saw long awaited policy changes be set into motion, as was the Friedman's school 'vouchers'.

I placed Klein's findings in a domestic context using neo-mercantilist argumentation. I expect the promotion of domestic firms in the wake of Katrina to be of main focus for the handing out of profitable government contracts, be it through the use of long-standing protectionist measures, or through the clear preference for domestic firms over foreign alternatives. Although Klein's findings point at a globalized economy and she places disaster capitalism in this setting, my argument is that disaster capitalism can also be conceived as a national economic tool within the setting of an interconnected, globalized economy.

The two cases of Dutch and Greek aid offers prove differently the same point. In the Dutch instance longstanding protectionist measures—the Jones Act being over 80 years old—proved problematic for Dutch companies seeking to access this sudden expansion of the market through the disaster caused by Hurricane Katrina. This is in my view no example of bureaucratic failure, since these measures weren't caused by the inflexibility of an ad hoc bureaucratic measure, but by longstanding protectionist measures favoring domestic over foreign firms. The handing out of no-bidding contracts to American companies, dubbed by an author as an example of American nationalism, and the legalistic difficulties for non-American companies to engage in bidding on government contracts support in my view the disaster capitalist account of Klein combined with neo-mercantilist theory.

The Greek case offers a more explicit illustration of the same argument. In this case it is not a legalistic protectionist measure fencing off the market for foreign companies, but instead a clear rejection of foreign aid, favoring the transfer of public funds to a private domestic actor. Greece offered, free of charge two cruise ships and initial acceptance of the DOS led to their departure. After suddenly turning down the offer though, a \$236 million no-bid contract was awarded to an American company. Again, in this instance, I see a disaster provide a market opportunity for domestic firms. The government's neo-mercantilist policies are clear when an international offer free of charge is declined and an expensive no-bid contract is rewarded instead to a domestic firm.

6 Conclusion

August, 2005 saw Katrina shocking an unprepared nation and led to great destruction and death in New Orleans and surrounding areas. For the first time ever, the U.S. opened its borders to foreign aid, gracefully by word of the State Department accepting every offer of aid. The international community, consisting of 151 countries and international organizations offered cash and in-kind donations in humanitarian aid to help the people suffering because of Hurricane Katrina, and help rebuild.

Much of the offered aid, however, never found its way to the people in need. This can to great extent be accounted for in terms of bureaucratic failure of ad hoc networks that did not successfully gain the power to act collectively and allocate, receive and distribute the goods and funds. Being the first ever time the U.S. accepted foreign donations, there were no procedures in place to handle foreign donations. The subsequent ad hoc nature of the processes developed account for most of the refusal of aid offers worldwide.

In this paper I sought to find the motives for rejecting foreign donations. Since the U.S. indicated it would accept all offers of foreign nations, and there was a need for supplies and cash, I assumed the U.S. would collect all offers, unless the aid did not arrive due to the failure of these ad hoc bureaucratic networks. I studied three cases in which I found bureaucratic failure not to account for the refusal of foreign aid: Iran, the Netherlands and Greece. I hypothesized political and economic motives to be the main cause of refusal.

Days after the disaster, news reports surfaced claiming Iran had offered 20 million barrels of oil to the U.S. as disaster relief for the citizens of New Orleans. Initially, the DOS denied such offers, but later claimed the offer was conditional and that the U.S. would never accept such offers. The Iranians sought to end the sanctions imposed on their country, and in return would offer crude oil as humanitarian aid. Using the theory of disaster diplomacy, in my estimation political motives caused the rejection of this aid. Diplomatic gains could have been made by Iran, had it not used Katrina as either a weapon seeking bargaining leverage or as a vindictive exercise pointing out America's weaknesses. The United States, in its turn could have achieved political gains, had it understood the symbolical nature of accepting the Iranian donation. Furthermore, the lead level being solely government-led, inhibited disaster diplomacy, ultimately not inducing international cooperation between Iran and the United States.

The second motive I hypothesized was the economical motive. Using the concept of disaster capitalism coupled with elements of neo-mercantilist economic theory, I constructed a theoretical basis useful in assessing Dutch and Greek aid offers to the United States and the rejection thereof. Disaster capitalism links war, violence and disaster to the current neoliberal economic order. It is a regime that treats disasters as economic opportunities for private enterprises that accumulate wealth by receiving government contracts, on the other hand new markets open through the shock disaster creates, and the subsequent window of opportunity for neoliberal reformers to change policies in favor of private enterprise arises. I add the neo-mercantilist line of thinking that allows for domestic considerations to enter the picture. In the face of shock and disaster, it is in the interest of states to promote domestic firms, thereby strengthening the national economy. Tools can be government subsidies to private enterprise or protectionist measures.

In my assessment of the Dutch and Greek offer two lines of argumentation amount to the same conclusion. Economic motives did matter. The Dutch government made offers of help and actively promoted their national industry in the United States, seeking to open this new market created by Katrina for Dutch companies. Longstanding protectionist measures however, disabled Dutch companies from bidding in government contracts. The United States in most cases preferred domestic companies over their foreign competitors, choosing to reward profitable no-bid contracts to American firms, frustrating Dutch companies. These legalistic, protectionist measures against foreign interference with the national economy are a clear example of neo-mercantilist economic policy in the eye of disaster capitalism. The United States hands the market opportunities created by disaster preferably to domestic firms.

The Greek offer, free of charge, of cruise ships to house dislocated New Orleans residents was ultimately rejected, favoring instead a domestic firm with a \$236 million no-bid contract. Katrina, in this instance again proved a market opportunity for a domestic company, government subsidized, to do work a foreign actor would have done for free. Again, the neo-mercantilist line of thinking combined with the work on disaster capitalism forms a credible explanation for the refusal of foreign aid.

Concluding, I have, by using theories built around disaster, sought to explain the motives for rejecting Post-Katrina foreign aid by the United States. I established bureaucratic failure accounts for part of this failure, but also established economic and political motives were cause for refusal. Further investigation is required; the field of disaster diplomacy is young and requires more case studies. Disaster capitalism on the other hand, as I stated is not so much a theory as it is an analytical tool. The premise seems promising, especially when combined with domestic considerations using elements from neo-mercantilist economical theory. Both fields require more study. Interesting cases to study are offered by other donor countries in the wake of Katrina. Both Venezuela and Cuba form interesting cases when assessing political motives for aid. Lastly, the divide of political and economic motives might prove to be erroneous, and an interplay between the two motives might be noticed. Interesting case studies for this argumentation might be offered by states like Saudi-Arabia, Qatar and the United Arab Emirates [UAE] that offered significantly more resources than other donating states in the wake of Katrina.

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