Disaster Relief Corruption
A Case Study of Balakot Town

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Abstract
Natural disaster provides an opportunity for development as well as corruption. Corruption in disaster relief activities has gained a global attention. Pakistan is no exception. The vulnerability of Pakistan to a multiplicity of disasters like natural, hydrometeorological, man-made, etc. is well known. However, the Government's performance in Disaster situations and its ability in organizing and providing Disaster response including distribution of relief and the post disaster development is afar dream to come true. The main problem is the lack of governance and the culture of corruption generated and patronized by those who are responsible for it nipping. Corruption in humanitarian aid devoured most of the charities meant for the affectees and the national money allocated for the purpose. This paper takes Balakot as a case study of disaster relief corruption. In Balakot, only 14% developmental work in eight years was completed, i.e. less than 2% a year.

Keywords
Earthquake, Post-disaster Reconstruction, Development Opportunities, Disaster, Development, Governance not Government, Corruption, Patronage of Corruption on State Level.

Introduction
Asia is the biggest continent of the planet with four billion souls comprising 60% of the world population and covers over 29% of the planet land area. The continent is subdivided into three major chunks of Southeast Asia, Southwest Asia and Central Asia.

The region is confronted by all kinds of hazards and disaster – like as earthquakes, landslides and volcanoes, floods, cyclones, droughts, epidemics, insect infestations, hot and cold waves, and forest fires and the last but not the least the armed conflicts called terrorism.

During early 1970 to the first half decade of this century, in the region, 86% of all disaster-related deaths were caused by natural hazards, with just 14% resulting from technological disasters such as transport or industrial accidents. Pakistan, being a part and parcel of the area, is no exception to these hazards.

The devastating earth-quack of 2005 and the floods of 2010 has lead the researchers in Pakistan to address the issue of disaster. Disasters have a critical influence on modern society. Natural disasters cause far greater damage now than ever before. Human societies always responded collectively to natural disasters.
The areas struck by a natural disaster are helped by the fellow countrymen in other parts of the society. Aiding the needy in disaster is a characteristic of the collective consciousness of humanity. Humanitarian aid assists those who are affected by disasters, whether natural, such as typhoons, earthquakes, floods, or man-made.\(^3\) 

Humanitarian aid is aimed at preventing further sufferings of those affected by disasters. It also aims at preventing further sufferings of people from life-threatening situations. In the most apparent form, this relief is provided in the form of food, water, shelter, and other emergency services. In the long-run, however, this disaster relief also includes reconstruction of the infrastructure including roads, houses, schools, hospitals etc.\(^4\) 

Disaster relief is such a problem that cannot be addressed by private market solutions.\(^5\) To address a disaster like hunger of Sindh this year, flash-flood of 2010 or the Balakot earth-quack of 2005, there is a need for coordinated efforts between individual actors, charitable organizations, local and state government and international agencies including the UN and Red Crescent. 

Disasters result in the immediate flow of funds, often termed as 'disaster relief windfalls'.\(^6\) Corruption in such windfalls is an unwanted phenomena. Corruption in humanitarian aid undermines the spirit of aid. Many researchers have found that natural disasters have an incentive for corruption.\(^7\) It changes the cost and incentive structure faced by many bureaucrats and individuals including the victims of disaster (Yamamura, 2013).\(^8\) Corruption is usually defined as the use of public office for private gains.\(^10\) 

**Statement of the Problem**

This article discusses disaster relief corruption in Pakistan with reference to the Earthquake of 2005. Corruption is part of the normative structure of Pakistan and is built into the political economy of Pakistan since her genesis.\(^10\) “*Corruption refers to departures from correct procedures in exchange for goods, services or money.*”\(^11\) According to McMullan's definition, "*A public official is corrupt if he accepts money or money's worth for doing something that he is under duty to do anyway, that he is under duty not to do, or to exercise legitimate discretion for improper reasons.*"\(^12\) 

Corruption is built into the political structure of Pakistan and is part of the normative order. It is something glamorous and does not carry significant stigma as observed by a CIA report;

"*Pakistan is at a stage in its development wherein corruption is simply the norm. Those who have any kind of influence or access to the corridors of political powers flout the laws of the land with impunity. Pakistanis are not far wrong in their belief that the country's elite leaders, politicians, industrialists, generals, bankers, landlords with few exceptions use their*"
positions to enrich themselves, their families, their relatives...positions throughout the public service are valued for the wealth their holders can amass: jobs in the country's bureaucracy are literally purchased: those moving up or laterally to more lucrative positions buy it from those above. And, if the highest bidder lacks the capacity to honour his bid right away, he simply takes the money out of the salaries of those below him. This has affected the police as much as any other part of the administration. Jobs in the police from the Station House Officer (SHO or Thanidar) at the bottom of the management cadre to the provincial Inspector General of Police are now routinely sold.

 Corruption is one of the social problems of Pakistan. As put by Wejahat (2010), “The military, the executive, the judiciary, the civil society, and the liberal elites, are all in the common business of corruption. That is Pakistan's primary and perhaps existential problem. Not nukes. Not Osama. Not the Taliban. Not human rights abuses. Not biblical floods. Just corruption.”

Pakistan (and Russia as well) stands at 127h on the scale of 1 – 175 in the Global Corruption Perception Index published by Transparency International (Transparency International, 2014).15 Previously, Pakistan was ranked 139 in 2009, 143 in 2010, 134 in 2011 and 139 in 2012. This is worst than all the countries in South Asia including India (94), Nepal (116), Sri Lanka (91), and Bhutan (31) except Bangladesh which stands 136h in this ranking of 2013.16

Disaster bring numerous opportunities for corruption in Pakistan. Disaster is defined as “a serious disruption of the functioning of the society, causing wide spread human, material or environmental losses which exceed the ability of the affected people to cope using their own resources. And so disasters are classified according to the speed of onset (sudden or slow) or according to their cause (natural or manmade).17

Many experts raise their eyebrows on this definition and say that this definition only allude to physical events be it they natural phenomenon/ event or man-made or technological and their categories effects, and thus presents an incorrect and incomplete visualization.18

Besides corruption, disaster is also consider an opportunity for development. Whereas development is defined as “Sustained efforts intended to improve or maintain the social or economic well-being of a community. Development is a “positive change which contains five key words, well-being, livelihood, capabilities, equity and sustainability.”19

Corruption in disaster relief activities hampers the pace of development. It is in this connection that the policy makers need to address the issue of corruption in...
humanitarian aid. This research explores the disaster relief corruption in Pakistan by taking the Earthquake of 2005 as a case study.

**Disaster – Development Ties**

In the field of disaster related studies there are four paradigms/hypotheses explaining the relationship between disaster and development. They are:

- Development can enhance vulnerability
- Development can decrease vulnerability
- Disasters destroys the fruits of development
- Disasters can provide development opportunities.

Disaster offers socio-economic, politico-cultural, and environmental development opportunities which can be extrapolated in the post disaster rehabilitation and reconstruction period. The same can also be exploited to enhance the socio-economic and physical conditions of the impacted communities in the long run. However, time factor is important but limited up to Two years approximately for the purpose of development and public satisfaction.

This paradigm sees disasters as a window to socio-economic and psychophysical development. The collapse and damage to the old, unsafe structures ultimately leads to quality reconstruction, or shifting of sites if vulnerable. The good example can be the relocation of old Balakot town, situated in the red zone or on a seismic fault line, to the new site of Bakrial. The reconstruction and rehabilitation resulted from huge disasters requires huge investment and hence which not only extensive provides job opportunities that may not be available previously.

Many disaster reduction practitioners believe that “during the disaster recovery and reconstruction periods, flows of foreign currency into a disaster-affected country from aid, debt relief, insurance, private transfers and remittances can produce an apparent improvement in national balance-of-payments, and provide the financial means for enacting new development priorities Damaged buildings may highlight structural weaknesses which could be rectified, and may serve to improve building and planning regulations. Post-disaster situations create some kind of social and political atmosphere that important social, institutional and physical development programs could be initiated and implemented”.

The world over, it is now realized that disasters can afford many development opportunities by creating a political and economic atmosphere conducive for positive changes more rapidly than under normal circumstances. For example, in a post-disaster situation major land reforms, housing improvement schemes, new jobs and skill creation, expansion and modernization of the economic base of the
community that would not otherwise be possible. The collective will to take action is an advantage that should not be wasted.\(^\text{23}\)

Disaster provides development opportunities in terms of introducing mitigation measures in context of reconstruction, relocation, new investment and the environment protection. The mitigation measures increase the local's capacity to cope with disasters. The State on the other hand realize the importance of standard disaster impacts studies for all development projects with increased emphasis on hazard and risk mapping.\(^\text{24}\) The best aspect of the idea is that the Disaster an Development' realm create awareness among the masses and the governments to disaster threats and also increase flow of additional aid.\(^\text{25}\)

We add to this paradigm two further hypotheses that in order to exploit the post-disaster scenario needs two major conductor in lieu of which instead of development disorganization and chaotic situation can result. The two conductors are (1) time frame and (2) good governance instead of government or accountability of those who corrupted the charities meant for the affectees and the national wealth.

Disasters bring an opportunity for development as well as corruption. The disasters of 2005 Earthquake was a greater opportunity for development. However, the corruption in the disaster relief efforts washed away any opportunity for development. Corruption in the disaster relief has severe consequences for rehabilitation, reconstruction and development efforts. This article discusses the impacts of corruption on the disaster relief efforts in Balakot, Pakistan.

**The Balakot Earthquake of 2005**

It was 8\(^\text{th}\) October, 2005, 8.00A am. everybody was busy with his/her work. Students had just entered the classes after the assemblies, women were busy with cleaning and washing the dishes after serving the break fast to the children and men had just reached to the places of their daily jobs. Suddenly, an earth quick of 7.6 magnitude hit the northern areas of Pakistan including Kashmir, and Hazara Division, causing a wide spread destruction of human lives, roads, life line institutions like schools and hospitals.

According to International and national reports more than 77,000 human lost lives mostly women and children as Children were trapped in the debris of the schools collapsed building, women trapped in the collapsed houses. The damages include 128,304 injured, and 3.5 million affected. In addition to the human toll, it destroyed over 6,298 educational institutions, 796 health units, 600,000 houses, 6,440 km of roads and 50-70% of the telecommunication, power and water and sanitation services in the earthquake affected areas.
In order to help the people and the area the government of Pakistan, on 24th October, 2005, established Earthquake Reconstruction and Rehabilitation Authority (ERRA) as an autonomous, federal institution assigned the duty of the reconstruction and rehabilitation in the affected areas of the Azad Kashmir and KPK spread over an area of 28,000-km². The ERRA task included building, the reconstruction and rehabilitation of the houses, schools buildings, health institutions, and social safety nets. It was claimed by the organization that by end June, 2010, 92% of the development work will be completed.

Now, after eight years of the disaster, the question is whether these development opportunities have been used or lost. The aim of this paper is to assess the impacts of corruption on development works performed by the concerned authorities which were created by the disaster.

**Disaster Relief Corruption in Balakot**

The Balakot in Khyber Pakhtunkhwa (the then NWFP, Pakistan) incident of 2005 earthquake is a living example of how corruption impeded the chances of post disaster development. The post disaster development does not take place automatically or in a vacuum but requires a time schedule of the early two years to harness the opportunities and organize the activities and financial and technical support of the 'friends'.

Good governance and a check on corruption in such situations and transparency are important for every development particularly when the public is in hardship, which means “induction of various Mechanisms, Rules, Regulations, Processes and Institutions through which people's needs and expectations are assessed and services delivered by the governments. The characteristics of Good Governance include transparency, participation, rule of law, responsiveness, efficiency & effectiveness, and accountability etc.”

But we will add that due to bad governance and state insensitivity to the missing timing frame (characteristics of Pakistani society) instead of development we lost many things including public confidence but promoted corruption. Bad governance in the shape of corruption is simply a norm in Pakistan. The foreign aid meant for the disaster victims has been syphoned into off shore personal accounts. The amount so embezzled runs in billion. When those at the helms of affairs or the patrons of corruption realized that now their corruption stories are gone public, they, instead of accountability of the corrupts, the ERRA, the organization responsible for development as well as this kind of corruption, is now slashed.

It is not only a characteristics of the public institutes. The NGOs also take their share of corruption.
“It was only the UN or the government of Pakistan who delivered something to the disaster ridden people in Balakot. The rest of the NGOs, their role was negligible. Instead they have filled their own pockets. They took the distribution items. Instead of distributing them, they sold it their. You can find the disaster relief tents even here in the market. (Personal Communication with Navid Iqbal, an NGO Worker in Mansehra, March 2014)"

A very famous figure of NGOs commented that

“I feel so sad, when i see that big NGOs, trust, Welfare organizations fill their walls, their soft boards, their offices with the pictures of the poor women, children, men, and communities.. just to reflect their miseries.. They sell their miseries and get the donations and money!! (Personal Communication with Shahida Kazmi, An NGO Worker, April, 2014).”

Corruption in Pakistan is not some thing new. What happened after eight years of the earthquake in Balakot, is reported by national and international media. Three official reports are produced here to comprehend the matter.

“Quoting the Accountant General of Pakistan Revenue, the news paper say that according to the draft audit report of 2011 to 2012, approximately Rs14.71 billion was shown in ERRA’s books but the reconciliation was not available on record with the Accountant General of Pakistan Revenue (AGPR).”

“Audit unveils Rs10.88b irregularities in ERRA : The Auditor General of Pakistan (AGP) has detected irregularities, unauthorised and unjustified payments, unlawful investment and negligence within the Earthquake Reconstruction and Rehabilitation Authority (ERRA) to the tune of Rs 10,880 million during the financial year of 2011-12.”

“The Earthquake Reconstruction and Rehabilitation Authority distributed Rs94 million among hundreds of bogus earthquake victims.”

“...Only 14 percent of development work has been done on New Balakot City Project, and even now it is estimated to take another few years to complete.” but the ERAA is no more there now after 13 August, 2013 as it is abolished completely.”

In October 2011, in a Press Conference, the President of ERRA Contractors Association revealed that “4,043 projects worth Rs60 billion were approved for education, health and road communication in Abbottabad, Mansehra, Battagram, Kohistan and Shangla. However, ERRA has so far released only Rs15 billion, due to which 200,000 students are being forced to study under the sky, while healthcare facilities have not been restored in many areas.”
ERRA claims to have completed 95% of its work. However, most of the projects credited by ERRA to itself are the NGOs projects. ERRA is accused of having completed only 10% of its work in the earthquake ridden areas.

Conclusion

The damages caused by the 8 October, 2005 earthquake include over 73,338 deaths, 128,304 injured, and 3.5 million affected. In addition to the human toll, it destroyed over 6,298 educational institutions, 796 health units, 600,000 houses, 6,440 km of roads and 50-70% of the telecommunication, power and water and sanitation services in the earthquake affected areas. Billions of Dollars poured into Pakistan for relief and rehabilitation by the international community. The government immediately handed over the management to the Pakistan Army and an organization named ERRA (Earthquake Reconstruction and Rehabilitation Authority).

Very little work has been completed on the multi-billion dollars reconstruction and rehabilitation. In eight years only 14% of the total work or less than 2% work per year, and the amount spent there on do not commensurate and indicates that massive corruption and embezzlement has happened. Only minor works like drinking water supply, public toilets, provision of prefabricated houses to a few hundred people, construction of schools and health facilities etc by donor and NGOs is the total work. On macro level there seems nothing has happened except corruption.

The obvious reason are the misgovernment or bad governance with no accountability of the corrupt officials and the lapse and wastage of proper time frame required for such rehabilitation works.

We conclude that disaster does provide development opportunities but good governance and proper timing for carrying out such development are necessary components.
End Notes


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