



COVALENCE ANALYST PAPERS

Humanitarian Action: The Role of the Private Sector

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I. Introduction

Within an age marked by technological innovation, unprecedented scientific advancements and globalization, fifty percent of the world's workforce still lives below the poverty line, earning less than \$2 a day.ⁱ Poverty has become endemic in developing nations where political corruption, economic instability and ethnic intolerance has abetted the spread of the disease in the face of a lack of immediate preventative measures. Liberia, a region where post-conflict reconstruction has often faltered, decades of civil war have destroyed the nation's infrastructure, economy and security. Simultaneously, the magnitude of the international community's role in facing the world's humanitarian challenges is becoming substantial through the involvement of international and non-governmental organizations. More recently, a new form of contribution was brought to the forefront of the global campaign against impediments to humanitarian development - that of the private sector. In an effort to broaden our perspectives, Mr. John Maresca, President of the Business Humanitarian Forum, discussed the salience of private sector contribution to meeting humanitarian challenges due to their permanent nature, claiming that sustainable economic development is the answer. In the case of Liberia, foreign direct investment has been a constant companion to its economy, playing an important role in the adoption of the American dollar as the national currency. One of the prominent multinational corporations in Liberia is Firestone, which has recently come under scrutiny by the international community for its conduct with regards to its workers and infrastructural contributions. Several lawsuits have been filed against Firestone by the International Labour Rights Fund, noting the impoverished state of slavery and fear under which the Liberian workers are employed. Furthermore, Firestone's reluctance to provide functional living, health and educational institutions has contributed to the demise of the large demographic dependant on these benefits. This situation highlights an important, and albeit elementary notion: the validity of a concept, the private sector contribution, is only verified with correct application – one which Firestone is apparently grappling with.

II. The Liberian Civil War

The Liberian civil war, one amongst many African conflicts, was solely responsible for claiming the lives of over 200,000 citizens in addition to ensuring the displacement of millions of refugees in neighbouring countries.ⁱⁱ It was deep rooted in ethnic segregation and discrimination committed by the Liberian government under the leadership of Samuel Doe. In 1989, the maltreatment of members of the Gio and Mano tribes resulted in an attempted coup against Doe, with its failure instigating forceful communal violence in the northeast of Liberia. Samuel Doe's oppression was further countered by the invasion of Liberia through the Ivory Coast by a small group of Libyan-trained rebels led by Charles G. Taylor into the Liberian Nimba County. Taylor was identified by his Americo-Liberian ancestry and service as Doe's former procurement chief. The band of rebels, National Patriotic Front of Liberia (NPFL), was candidly supported by neighbouring African countries in addition to Liberia's opposition, encouraging the cooperation of the Liberian citizens. The Gulf war and the consequent US withdrawal from Liberia facilitated the amplification of the

conflict to a prolonged civil war. ⁱⁱⁱ

In response to the insurgency in Nimba County, President Doe initiated an inexorable wave of violence where Liberian troops adopted a method of indiscriminate killing, making no distinction between combatants and non combatants. It was estimated by international human rights organizations that at least 200 members of the Gio and Mano tribes were murdered throughout Doe's counterinsurgency campaign.^{iv} The NPFL were in constant clash with government and other ethnic forces, contributing to the escalating crescendo of the conflict. Their deliberate murders of members of the Krahn and Mandingo ethnic groups reflected their sentiments towards those believed to support Doe's government. Throughout the four years between 1989 and 1993, they were held responsible of thousands of killings of civilians. The ascension of the civil war prompted international intervention upheld by the West African nations of ECOWAS in the form of an armed monitoring group, ECOMOG. Nevertheless, this intervention only contributed to the dire impact of the civil war through its support to Doe's forces against those of the NPFL.

The rationale behind the conflict was analyzed on two different levels, where in the international arena the conflict was viewed as a battle to instil Americo-Liberian power and domination within the government. Nevertheless, on a more domestic level it evolved into a conflict of ethnicities. Charles Taylor, responsible for the provocation of the civil war, had entered under the auspices of preventing Doe's government from any further exploitation and murder of the Gio and Mano tribes, ultimately leading both tribes to join Taylor's movement. The escalation of the conflict in Nimba translated into the murder of the Mandingos and the Gio tribe breaking away from the NPFL movement, forming their own band under the leadership of Prince Johnson. Officials of Nimba County encouraged locals to join the NPFL, believing that Taylor's sole purpose was to remove Doe from power, hence ending his tyranny. The epitome of the conflict lies herein where three opposing forces, Doe's Armed Forces of Liberia (AFL) including the Mandingos, Taylor's NPFL and Johnson's Gio Tribe had become engaged in one of the most brutal African conflicts of the 20th century.

Although employing different policies, Taylor and Johnson had entered the conflict under the same banner calling for the removal of Doe from power, causing the creation of the Taylor Johnson Axis versus Doe's AFL. The key to the sustainability of either member of the axis was the exploitation of Liberia's natural resources. The stronger of the axis, the NPFL, sustained the movement through dependence on Liberia's gold, timber, rubber and iron ore.

Although controlling the trade of these resources guaranteed Taylor's band weapons and impunity, when Doe's government was removed, a power vacuum resulted which none of the opposing rebel forces could fill. Johnson's band continued on to form the Independent National Patriotic Front of Liberia (INPFL), capturing and killing Doe in 1990. The NPFL continued in its opposition to international intervention by several organizations such as the ECOMOG and the interim government installed by ECOWAS, opting to persist in the war efforts. After the fall of Doe, the Mandingos and the Krahns, the constant targets of the NPFL, organized themselves into a new movement, The United Liberation Movement of Liberia (ULIMO) which helped ECOMOG prevent Taylor from invading Monrovia. Peace was scarce, the interim government's influence was limited and an increasingly large number of factions within the rebel groups came to the forefront of the civil war. ^v

Finally in 1996, ECOWAS was able to establish a ceasefire with Taylor emerging as the prevalent power a year later by winning the elections. As President, Taylor contributed to the emergence of a lasting internal peace, followed by the gradual return of opposition factions which had been exiled during the civil war. The implementation of a quasi-democratic state of government encouraged the reestablishment of diplomatic relations with neighbouring African countries and world powers such as the United States. With the placement of a sustainable government, it became vital for Liberia to strive for sustainable economic development which was aided by economic institutions in Washington through a constructive review of the Liberian economy after a decade of civil war. Although the civil war and consequent violence had ceased, Taylor was unable to persuade the international community to continue financial assistance. This rendered the government unable to provide basic public services to rural areas where the majority of Liberian citizens lived. Moreover, the Liberian government could no longer implement its economic reconstruction

plan as a reflection of the lack of aid offered by bilateral donors.

As the domestic social and economic situation deteriorated, Liberian foreign relations regressed, prompting direct action by the international community. In 1999, Britain, The United States, Nigeria and Ghana accused Liberia of inciting war in Sierra Leone by providing weapons for rebel militias in exchange for diamonds. Simultaneously, a prominent opposition group, Liberians United for Reconciliation and Democracy (LURD), began operations on the border of Guinea in the county of Lofa. LURD was originally a northern based insurgent band which grew to control the majority of the country. The fighting undertaken provoked Guinean authorities who accused Liberia of expelling the insurgents to Guinea. In response, the Liberian government charged the Guineans with shelling northern Liberian villages. The international community opted to act under the auspices of the United Nations by imposing sanctions on Liberian diamonds until the cessation of support for rebel insurgents. The situation worsened with the emergence of a second opposition party, the Movement for Democracy in Liberia (MODEL). This southern-based movement entered Liberia through the Cote D'Ivoire, causing deterioration of the humanitarian situation as a result of large scale population displacement. The year 2003 witnessed several failed attempts at negotiating a cease fire between the government, LURD and MODEL, triggering the need for direct international involvement through sending peacekeeping forces to Liberia.^{vi}

III. Firestone and Liberia

The Firestone Tire & Rubber Company was founded in 1900, producing rubber tires for carriage wheels. Henry Ford's decision to use Firestone tires for the mass production of vehicles in North America triggered unprecedented success for Firestone where its tires were used in legendary car races such as the Indianapolis 500. Simultaneously, the Bridgestone Tire Company was established in Japan in 1993, quickly gaining an equal amount of success, producing tires for companies such as General Motors, Ford and Chrysler. Almost 30 years later, Bridgestone expanded internationally through entering the US market by acquiring its first US production base in Tennessee. In 1988, Bridgestone purchased Firestone, creating the world's largest tire and rubber company. The merger of both companies was consolidated in 1990 establishing Bridgestone Firestone Incorporated.

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Harbel, the Firestone plantation, was established in Liberia in 1926 during a time when rubber was a newly innovative product released on the brink of the 20th century. The process of vulcanization which rendered rubber more flexible and efficient, encouraged countries such as Britain and the USA to acquire the material in order to quench the growing demand of the auto industry. In a move to maximize profits, many tire companies began purchasing plantations over seas in order to counter the British and south Asian cartels by lowering prices. Harbel was developed over one million acres of land, leased for up to 99 years, becoming one of the most crucial rubber plantations in the world during World War II. As a direct result of the defeat of the Japanese in 1943, the Firestone plantation in Liberia became the world's leading rubber producer, making \$ 35 million, simultaneously paving the way for the adoption of the American dollar as the national currency.^{viii} By 1960, Harbel had over 20,000 employees with 100,000 citizens dependant on the plantation, two functional hospitals, twenty schools and a Coca-Cola bottling plant.

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More recently, Firestone has graced the front pages of human rights publications for infringements against international labour rights. Accusations varied, claiming that Firestone is consistently exploiting the Liberian state of poverty, creating conditions ripe for 'virtual' slavery.^x The International Labour Rights Fund draws attention to the low pay and the substantial amount of work which must be completed by the workers on a daily basis as the foundation for the lawsuit against Firestone.^{xi} The inability of workers to complain for fear of losing their jobs in a local market where employment is virtually non existent, places them at the mercy of the rubber company which works diligently to ensure that the workers remain ignorant of their internationally approved labour rights, 'most of [them] have never been off of the plantation and do not even know that the world has moved on and slavery has been abolished.'^{xii} The tire company is using the poor economic condition of Liberia, its weak infrastructure, the ignorance and consequent fear of the Liberian citizens as fuel for their continued mistreatment of the workers.

The next step in the domino effect of disregard and purposeful digression from international labour standards is the use of child labour. Jerome Verdier, an environmental lawyer from Liberia, justifies the child labour allegation by stating that 'thousands of workers at the plantation cannot meet daily harvesting quota without unpaid aid, requiring them to put their own children to work or face starvation'.^{xiii} The expected response on Firestone's part was denial, which would be have been valid had they not played an indirect role in encouraging the use of child labour, 'workers are told that if they can't make their daily quota, they should put their children to work'.^{xiv} A prime example of the relentless dependency of Firestone on child labour is 11 year old Zachariah Alysious who toils with his father and often his mother in the plantation in order to secure a steady income, albeit an income which ensures a life beneath the absolute poverty line; 'every morning he is not in school, the Liberian child gets up at dawn to help his father work on the Firestone rubber plantation so their family of eight can afford one meal a day'.^{xv} The use of child labour on the plantation is an allegation amongst many which result from Firestone's ability to manipulate the minds of illiterate Liberians.

Another violation of human rights is one occurring as a result of Firestone's feeble attempt at fulfilling its share of corporate social responsibility. The tire and rubber company graciously provided on site housing, health and educational institutions for the use of its workers; nevertheless, the dire situation of these establishments impact the workers negatively, forcing them to spend their salaries compensating for Firestone's inability to maintain the state of its institutions.^{xvi} In short, Firestone justified the low wages with the fact that the company provides all of the fundamental requirements for a sustainable life at lower prices for its workers; nevertheless, they are not functional, forcing the workers to sacrifice their salaries in return for dismal living conditions. Verdier verifies this by stating that '[he has] seen six people living in one room, without any toilet, electricity, or running water'.^{xvii} The houses are un-liveable after being destroyed by the civil war and Firestone is hesitant to rebuild them, creating unsanitary conditions for those who opt to live in them^{xviii}. In the Alysious household, the oldest child perished after developing diarrhoea as a result of drinking the water. For those who would rather live in housing outside the plantation are subject to unaffordable prices, the rough equivalent of two years of wages.^{xix} Furthermore, the schools are unequipped and boast incompetent teachers, sometimes forcing the children to buy their own chair which costs approximately 400 Liberian dollars.^{xx} Terry Collins of the International Labour fund diligently sums up the situation in the Firestone plantation, stating that 'in [his] 22 years of working in corporate accountability issues, [he has] never seen a situation so extreme as the conditions on the Firestone plantation'.^{xxi}

IV. Private Sector Contribution

'The Private Sector is infinitely creative and infinitely resilient. It is also cautious....and it needs to be encouraged in new and special ways to invest in the world's poorest countries'.^{xxii} Ambassador John Maresca, President of the Business Humanitarian Forum, concluded his speech addressing the possible contributions of the private sector towards meeting the challenges of today's humanitarian problems. A speech calling for the involvement of the private sector at a conference titled 'Humanitarian Action: The Role of Governments, International and Non-Governmental Organizations', was eccentric and required the members of the audience to slightly alter their perspective. It addressed the negligence often applied towards the private sector when citing possible solutions to the world's humanitarian challenges, consequently calling for the establishment of new methods - namely the involvement of private businesses - to reach systematic long term solutions. The speech highlighted the importance of economic development in assisting a nation in establishing a functional infrastructure and sustainable economic growth, linking foreign direct investment with an increase in job availability, leading to a less vulnerable economy. Thus, he pointed out that multinational corporations are need of incentives and encouragement to invest in war torn nations where security is a luxury not a right.

The insistence of the business sector on the salience of economic development in ensuring the resolution of the world's long term humanitarian problems is equally countered by the ability of the business sector to contribute towards the demise of nations under the influence of these predicaments. Ambassador John Maresca defines economic development as 'investments that ensure economic growth and wider availability of

jobs'.^{xxiii} Clearly, this is not the case in Liberia where Firestone has enslaved many Africans, exploited child labour and subjected natives to poor and unsanitary living conditions. Additionally, Foreign Direct Investment, FDI, automatically ensures social investment in developing countries, 'the notion of investment that aims to achieve social objectives in addition to just making money'.^{xxiv} If FDI does in fact achieve economic development where new jobs are created, one can ultimately declare the fulfilment of social investment. In short, companies such as Firestone do not need to put extra effort into ameliorating the economic situation of developing countries, or socially investing, they are only required to adhere to labour standards set forth by the international community. Nevertheless, when those are considered guidelines or merely evaded, the adverse effects of these exploitative companies are far greater than those which would have resulted from a lack of FDI.

Another salient point which Mr. Maresca brought to our attention is the international community's inability to achieve the Millennium Development Goals, MDG's, without a change in the approaches applied towards reaching systematic solutions. One of goals cited by him was cutting world poverty in half by the year 2015. How can one reduce that which one uses as the factor of manipulation? The key to Firestone's continued successful production of tyres are the workers' fear of losing their jobs due to the prevalent poverty in their nation. According to Firestone, workers are paid on average \$3.19 per day, which is above the \$1 norm for Liberian workers elsewhere.^{xxv} Nevertheless, workers do not benefit from the entirety for their wages, as some of it is deduced as funds for a mandatory workers union – believed to be lobbying for the company. Moreover, if workers are unable to complete their allotted amount of work, their salary is significantly reduced, forcing them to employ family members without pay.^{xxvi} If this is how the business sector proposes to contribute towards the achievement of the MDG's, then it is time to rethink the ethical standards upon which the private sector bases its humanitarian involvement.

Incentives for businesses to invest in developing countries seemed to be Mr. Maresca's primary concern, completely overlooking the fact that incentives are plentiful in nations where work is scarce and populations illiterate. On the contrary, what are needed are boundaries. Where are the labour laws and human right conventions and why aren't they being applied in developing countries? The sole evident incentive at this point is the lack of application of these laws in nations which are identified by a term which no longer induces the need to take positive action, but the need to maximize profits, 'developing'. Incentives such as facilitating the paper work required for investors, receiving commercial loans or finding equity are all realistic approaches that must be adopted in order to involve the private sector; however the key is to not underestimate the power which is automatically granted to the investor through these incentives.^{xxvii} Developing nations such as Liberia require strategic and systematic involvement from the international community, if that is achieved through incentives given to investors, the private sector has succeeded in proving the salience of their role in the humanitarian global community. Nevertheless, if these incentives are used as an invalid justification for the abuse and exploitation of Liberian workers, then the private sector should consider conceding its role to governments, humanitarian and non-governmental organizations.

V. Conclusion

The potential role of the private sector is one which, if applied correctly, could have a staggeringly positive impact on the development of war torn nations; nevertheless, through the misconduct of multinational corporations such as Firestone, developing nations will be pushed towards economic regression. It is easy to take advantage of countries where political instability is habitual and populations are in constant state of impoverishment; however, it is hypocritical to refer to it as 'humanitarian action', when the sole purpose is maximization of profits. If the private sector wants to contribute towards meeting today's humanitarian challenges, it has to earn that privilege; otherwise, it should seek other methods of increasing profits which do not include the manipulation and exploitation of those who cannot even secure shelter and food. The inhumanity behind this action is representative of the weakening state of global unity and deliberate inclination towards ensuring prosperity for the private sector at the expense of the continued devastation of developing nations. Mr. Maresca diligently highlights the fact that 'the world's humanitarian challenges are growing, while the resources available for dealing with them are actually declining by as much as 12% per year in real terms'.^{xxviii} The

international community should not give the private sector the opportunity to amplify an already large loss through its inherent belief that the term 'developing' grants them automatic permission to capitalize the limited human and natural resources that developing nations possess. Firestone, as an exploitative multinational corporation, has risked the credibility of the private sector, shrewdly increasing the complexity of the humanitarian situation in Liberia. The real question left to ask is whether or not the private sector will ever realize that profits are not just monetary in form, but also occur in a thriving global economy, free of humanitarian calamities.

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ⁱ <http://www.ilo.org/public/english/bureau/inf/pr/2004/54.htm>

ⁱⁱ <http://www.globalsecurity.org/military/world/war/liberia-1989.htm>

ⁱⁱⁱ *ibid.*

^{iv} *ibid.*

^v *ibid.*

^{vi} <http://www.globalsecurity.org/military/world/war/liberia-1997.htm>

^{vii} http://www.bridgestoneamericas.com/about/index_history.asp?id=bfhistory

^{viii} *ibid.*

^{ix} <http://www.globalsecurity.org/military/world/liberia/harbel.htm>

^x California . United States District Court. Class Action Complaint Against Bridgestone Firestone for Injunctive Relief and Damages. Nov 17 2005 <<http://www.laborrights.org/>> Pg.2

^{xi} http://www.laborrights.org/press/Firestone/liberia_reuters_120805.htm

^{xii} <http://www.corpwatch.org/article.php?id=12860>

^{xiii} *ibid.*

^{xiv} *ibid.*

^{xv} http://www.laborrights.org/press/Firestone/liberia_reuters_120805.htm

^{xvi} California . United States District Court. Class Action Complaint Against Bridgestone Firestone for Injunctive Relief and Damages. Nov 17 2005 <<http://www.laborrights.org/>> Pg. 3

^{xvii} <http://www.corpwatch.org/article.php?id=12860>

^{xviii} <http://www.motherjones.com/news/outfront/2001/05/firestone.html>

^{xix} http://www.laborrights.org/press/Firestone/liberia_reuters_120805.htm

^{xx} *ibid.*

^{xxi} *ibid.*

^{xxii} Maresca, John . "Humanitarian Action: The Role of Governments, International and Non-Governmental Organizations". Webster University, Geneva. March 2 2006 .

^{xxiii} *ibid.*

^{xxiv} *ibid.*

^{xxv} California . United States District Court. Class Action Complaint Against Bridgestone Firestone for Injunctive Relief and Damages. Nov 17 2005 <<http://www.laborrights.org/>> Pg. 22

^{xxvi} *ibid.* Pg. 40

^{xxvii} Maresca, John . "Humanitarian Action: The Role of Governments, International and Non-Governmental Organizations". Webster University, Geneva. March 2 2006 .

^{xxviii} Maresca, John . "Humanitarian Action: The Role of Governments, International and Non-Governmental Organizations". Webster University, Geneva. March 2 2006 .