

**ANGLO-CHINESE JUNIOR COLLEGE**  
**JC2 PRELIMINARY EXAMINATION 2009**

**GENERAL PAPER**

**8806/02**

**Paper 2**

**1 hour 30 minutes**

INSERT

**READ THESE INSTRUCTIONS FIRST**

This insert contains the passages for Paper 2.

This document consists of **3** printed pages.

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Anglo-Chinese Junior College  
General Paper Department

**[Turn over]**

**Passage 1:** In this article Paul French writes about **disaster relief**.

- 1 Victims of natural disasters in need of aid are not only vulnerable to the whims of governments, but also to the strategic giving of companies. Increasingly, companies are becoming a major source of charitable donations at times of disaster. As government budgets are stretched, corporate money is assuming a larger importance. But will this mean that countries hit by natural disasters will once again be divided into winners and losers according to the priorities of those companies giving aid? 5
  
- 2 As the pressure increases on firms to improve the returns on all their business activities, charitable donations are no exception. Hence the buzz term “strategic philanthropy” – the integration of charity into overall corporate planning. In terms of ongoing charitable donations, this is nothing new: firms choose and select the causes they ally with. Indeed, charities often have to bid in charity “beauty pageants”. The winners are invariably those offering the best chance of raising the firm’s profile. This might work for long running corporate-charity alliances but when natural disasters strike and a rapid response is required, it looks less useful. When multiple disasters strike simultaneously and resources only stretch so far, “strategic” giving decisions are forced and there are, of necessity, winners and losers. 10
  
- 3 This appears to be the stark situation now in Asia. Three major disasters have to be dealt with: the Burma cyclone, the Sichuan earthquake and the renewed onset of famine and disease in North Korea. At the time of writing the Sichuan quake had left just short of 70,000 dead, and the Burma cyclone close to 80,000, while information on the effects of the growing North Korean famine are unknown thanks to Pyongyang’s paranoia. However, aid agencies report that dozens of children are dying weekly of a new outbreak of a bird-flu-like disease as well as hunger. Corporations have had to make strategic choices about aid and the result is that China has received the lion’s share; Burma distinctly less while North Korea gets little beyond what is provided by the United Nations and China. Sichuan has been a popular cause due to any number of factors, including the fact that large numbers of foreign corporations operate in China. Few do business – either manufacturing or selling – in Burma, and close to zero operate in North Korea. 15  
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- 4 Interestingly, one of the first foreign donors was French retailer Carrefour, until the quake the target of nationalist backlash and boycott in China. Carrefour China was quick to contact the Chinese press to announce just days after the quake that the beleaguered retailer had donated \$430,000 in cash and about half that again in goods to the relief effort. Boycott calls have become more muted. Even if corporations do not wish to link their donations to their business interests, they may find themselves with no choice. Some Chinese netizens targeted multinationals such as Nokia, McDonald’s and KFC in the first week after the quake, branding them “international misers” and calling for boycotts. 30
  
- 5 Ning Xiangdong, a business professor at Beijing’s Tsinghua University, explained the motive of companies for donating given the stiff competition and fear of consumer backlashes in China. He told the press, “Any charity activity will lead to an impact on corporate image among the public.” Few companies have or are worried about their corporate image in Burma or North Korea. It may be a harsh judgement, but China is benefiting from being more of a “market” than Burma or North Korea. China – by far the richest and the best-able to deal with its natural disaster – is winning greater support from corporate donors because of its strategic importance as a major sourcing location and potentially vast sales opportunity for global companies. 35  
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- 6 True, of the three countries, China has clearly been the most open about its troubles both in terms of media access and allowing in international aid. But would it make any difference? The corporate donors have made a strategic decision, which is that China is a strategic market and so gets the money. This indicates that countries off the international radar will receive little or no aid from companies, as there will be minimal pressure from customers to help countries that are often of little business interest. This appears to be the reality of corporate giving in times of natural disaster. If you live in a devastated country that isn’t a strategic market, you might find yourself suffering from “strategic philanthropy”. 45

**Passage 2:** In this article Naomi Klein writes about **the rise of disaster capitalism**.

- 1 Where there is destruction there is reconstruction, a chance to grab hold of “the terrible barrenness” as a UN official recently described the devastation in Aceh, and fill it with the most perfect beautiful plans. “We used to have vulgar colonialism,” says Shalmali Guttal, a Bangalore-based researcher. “Now we have sophisticated colonialism, and they call it ‘reconstruction’.”
  
- 2 It certainly seems that ever-larger portions of the globe are under active reconstruction: being rebuilt by a parallel government made up of a familiar cast of for-profit consulting firms, engineering companies, mega-NGOs, government and UN aid agencies and international financial institutions. And from the people living in these reconstruction sites – Iraq to Aceh, Afghanistan to Haiti – a similar chorus of complaints can be heard. The work is far too slow, if it is happening at all. Foreign consultants live high on cost-plus expense accounts and thousand-dollar-a-day salaries, while locals are shut out of much-needed jobs, training and decision-making. The funds received for the benefit of the victims are directed to the benefit of the privileged few, not to the real victims. Expert “democracy builders” lecture governments on the importance of transparency and “good governance,” yet most contractors and NGOs refuse to open their books to those same governments, let alone give them control over how their aid money is spent.
  
- 3 But if the reconstruction industry is stunningly inept at rebuilding, that may be because rebuilding is not its primary purpose. According to Guttal, “It’s not reconstruction at all – it’s about reshaping everything.” If anything, the stories of corruption and incompetence serve to mask this deeper scandal: the rise of a predatory form of disaster capitalism that uses the desperation and fear created by catastrophe to engage in radical social and economic engineering. And on this front, the reconstruction industry works so quickly and efficiently that the privatisations and land grabs are usually locked in before the local population knows what hit them.
  
- 4 Rapid response to wars and natural disasters has traditionally been the domain of United Nations agencies, which worked with NGOs to provide emergency aid, build temporary housing and the like. But now reconstruction work has been revealed as a tremendously lucrative industry, too important to be left to the do-gooders at the UN. So today it is the World Bank, already devoted to the principle of poverty-alleviation through profit-making, that leads the charge. And there is no doubt that there are profits to be made in the reconstruction business.
  
- 5 But shattered countries are attractive to the World Bank for another reason: they take orders well. After a cataclysmic event, governments will usually do whatever it takes to get aid dollars – even if it means racking up huge debts and agreeing to sweeping policy reforms. And with the local population struggling to find shelter and food, political organising against privatisation can seem like an unimaginable luxury. Even better from the bank’s perspective, many war-ravaged countries are in states of “limited sovereignty”: they are considered too unstable and unskilled to manage the aid money pouring in, so it is often put in a trust fund managed by the World Bank.
  
- 6 The World Bank has been imposing such shock therapy on countries in various states of shock for at least three decades. Now the bank is using the December 26 tsunami to push through its cookie-cutter policies. The most devastated countries have seen almost no debt relief, and most of the World Bank’s emergency aid has come in the form of loans, not grants. Rather than emphasising the need to help the small fishing communities – more than 80 per cent of the wave’s victims – the bank is pushing for expansion of the tourism sector and industrial fish farms.
  
- 7 The US Secretary of State sparked a small controversy by describing the tsunami as “a wonderful opportunity” that “has paid great dividends for us.” Many were horrified at the idea of treating a massive human tragedy as a chance to seek advantage. A group calling itself Thailand Tsunami Survivors and Supporters says that for “businessmen-politicians, the tsunami was the answer to their prayers, since it literally wiped these coastal areas clean of the communities which had previously stood in the way of their plans for resorts, hotels, casinos and shrimp farms. To them, all these coastal areas are now open land!”
  
- 8 Disaster, it seems, is the new *terra nullius*.<sup>1</sup>

<sup>1</sup> *Terra nullius* refers to “land belonging to no one” and which may be acquired through occupation.