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### Manufacturing Disaster: The Privately-Owned Causes of Katrina's Devastation

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## **Manufacturing Disaster: The Privately-Owned Causes of Katrina's Devastation** Kyle Fields

In August 2005, Hurricane Katrina struck the city of New Orleans, resulting in hundreds of thousands of destroyed homes and over a thousand deaths. While most reporters at the time focused on the natural causes of devastation in New Orleans, scholars have increasingly discovered social and political factors that intensified the harmful consequences of the storm. Not just in New Orleans but throughout the United States, disaster management has been criticized for its use as a tool of capitalism. Disaster capitalism is part of the growing power of neoliberal ideas, which have put vulnerable communities at risk through techniques such as marketing cities and lowering regulations. In this paper, I will argue that while Hurricane Katrina was a meteorological event, the main causes of disaster in New Orleans before and after Katrina were socially based. I focus on the second-order disaster caused by insufficient relief and the rise of disaster capitalism after the storm. Furthermore, I connect disaster capitalism with the more general trend of privatized urban governance. Additionally, I discuss the first-order disaster of Katrina, in which the neglect to prepare the city for the storm or to fix known infrastructure defects resulted in devastation which was otherwise preventable. Within this discussion, I highlight the disproportionate impact of Katrina on poor residents and people of color in New Orleans, as they received the brunt of the damage both during and after the storm.

While disaster capitalism is one product of urban exploitation, the shift to privatized urban governance has demonstrated the widespread exploitation of the vulnerable members of modern urban society. Brenner (2004) examined the recent shift in cities from government to governance, focusing his research on Western Europe. He describes the methods used especially since the 1980s to increase the competitiveness of cities, focusing on strategies that encourage businesses and public-private partnerships instead of prioritizing the needs of the people. Brenner notes that the shift away from Keynesian welfare has created a new sense of responsibility for citizens, forcing them to pay for services the city previously provided. This newfound responsibility leads to splintering urbanism, as services are easily obtained by the rich, but inaccessible to the poor.

Within the realm of urban governance, Klein (2008) examined one specific method used to exploit vulnerable communities, which she calls the "shock doctrine." Instead of mobilizing forces to aid victims of economic, political, military, or natural disaster, private companies that control the city focus on converting distress into profit. Building on Klein's ideas regarding the forces that produce disaster capitalism, Adams (2013) focuses solely on Katrina, noting that negligence by the U.S. Army Corps of Engineers and irresponsible distribution of funds by the Federal Emergency Management Agency (FEMA) prior to the storm vastly increased the potential for damage during Hurricane Katrina and slowed recovery afterwards in poor communities. Thus, Adams highlights the importance of infrastructure in disaster capitalism, as the cross-city connections, and lack thereof, between neighborhoods are reflected in the damage caused during disasters.

While Mosendz (2015) notes that in contrast to Klein and Adam's examples, some charities provided valuable relief following Katrina, she highlights that the right to the city has been denied to many New Orleans citizens through the neoliberal processes Brenner explained. Mosendz moreover demonstrates that the suggested greening of urban space in New Orleans is in reality a tactic of oppression, as the narrative of replacing "abandoned" neighborhoods is in

reality a façade for clearing poor, black neighborhoods. Although green space is generally accepted as solely an improvement, Mosendz encourages critical analysis to avoid permitting environmental racism.

Outside of the case of Hurricane Katrina, Eric Klinenberg provides valuable examples of the dangers caused by urban governance, leading the effort to “denaturalize disasters,” displaying that the effects of natural disasters are exacerbated by human action. In his discussion of the Chicago heat wave (1999), Klinenberg argues that neoliberal policies have increased social distance and government indifference, heightening the danger posed to minorities during natural disasters. The lack of effective government preparation and response that Klinenberg observed in Chicago likewise occurred in New Orleans during Katrina, demonstrating that human action is relevant in analyzing causes of death and destruction during many types of supposedly natural disasters. By combining Brenner’s theory of urban governance and Klein’s shock doctrine, it is clear that Adams’ and Mosendz’s examples regarding Katrina fit within the general effort for denaturalizing disaster spearheaded by Klinenberg.

While the man-made disaster of Katrina is more evident in the response to the storm, profit-based decisions made before the storm put citizens in danger. In reporting on the devastation by Katrina, many reporters failed to highlight that “due to years of prior economic and political neglect many properties and communities in [New Orleans’ poor inner-city wards] were already abandoned and blighted prior to the flooding” (Jonas et al., 2013: 227). Poor residents already experienced a dangerous lack of economic assistance before the storm, thus they did not have enough resources to properly prepare for the storm. Additionally, New Orleans’ system of channels, levees, and canals built to connect water sources prioritized profit over public safety. The Army Corps built the system to expedite the flow of commerce, connecting the Mississippi River, the Gulf of Mexico, and Lake Pontchartrain (Adams, 2013: 22). While these waterways were meant to bring economic success, they drastically increased the potential for environmental disaster. Not only did the canals cause the destruction of the equivalent of a football field of marshland per hour, but the Mississippi River Gulf Outlet (MRGO) destroyed the area’s natural land barrier, creating a funnel for flood water to enter the city (Adams, 2013: 22-24). Poor areas of New Orleans were neglected in favor of increasing commerce, placing the city’s residents in potential harm which they could not feasibly prepare for.

In addition to supporting a water-flow system that increased the potential power of natural disasters, government bodies ignored warnings about the threats to citizens posed by structurally insufficient levees. As early as 1998, local engineers and environmentalists warned the Army Corps that the levees couldn’t withstand more than a Category 2 storm, but the Army Corps neglected to perform any repairs (Adams, 2013: 24). Considering seven years passed between initial warnings about the levees and Hurricane Katrina, the Army Corps had plenty of time to prevent thousands of deaths in the aftermath of Katrina. Instead, the Army Corps, which is closely linked to its private contractors, focused on building oil refineries in the Gulf of Mexico (Adams, 2013: 25). This prioritization showed the power of splintering urbanism in New Orleans, as infrastructure is accessible and profitable to the rich oil tycoons but insufficient for the poor. Thus, when Katrina arrived in New Orleans in 2005 as a Category 3 storm, experts’ predictions came true, leading to the levee failure that caused most of the deaths attributed to Katrina (Mosendz, 2015). Although the city experienced minor flooding during the storm itself, 80 percent of the Greater New Orleans area flooded with over 10 feet of water when the levees broke (Adams, 2013: 24-5). Since the Army Corps prioritized public safety over private profit,

New Orleans was much more damaged by capitalism than by the actual storm. Thus, the city would have been much less devastated if it had had functioning levees during the hurricane.

Privatization and corporate influence affected not only the water systems within the city, but storm preparation, as FEMA funded inefficient private agencies before the storm. In 2004, before Katrina was a threat, the State of Louisiana requested funding from FEMA to develop a hurricane contingency plan, but the agency rejected the request due to President Bush's cuts to "disaster mitigation" (Klein, 2008: 516). Despite the denial of the state's request, FEMA awarded \$500,000 to the private firm Innovative Emergency Management in the same year for the same purpose. When IEM raised the bill for the plan to over a million dollars, FEMA head Michael Brown stated that "money was not available to do the follow-up" (Klein, 2008: 517). By delegating planning to an over-expensive private company, FEMA prevented actual preparation from taking place. Once the storm neared the city in 2005 and the mayor ordered an evacuation, FEMA continued to hinder storm preparation. FEMA had subcontracted evacuation transportation to the military firm Halliburton, thus the agency turned away bus drivers and boat operators offering free assistance. This left more than 50,000 people unable to evacuate (Adams, 2013: 30). The lack of free evacuation services disproportionately affected minorities, as most of those who could not evacuate were African-American. Moreover, economic disparities caused the community to experience further risk, as fewer African-Americans had access to televisions and news sources. Without these resources, they were unable to obtain valuable information about leaving the city (Adams 25-26). By paying private companies to prepare the city, FEMA exemplified Klein's shock doctrine, producing disaster capitalism by profiting while putting thousands of people of color in danger.

After Katrina, citizens continued to fall victim to disaster capitalism because recovery programs were privatized and extremely slow. While the government recruited the National Guard to provide aid, federal and state agencies hired private firms, giving them exclusive rights to recovery efforts. Despite the misconception that most security forces in New Orleans were National Guard members, FEMA hired many private military security firms to restore order, including Blackwater Security, which FEMA paid \$250,000 per day, despite their notoriety for killing innocent citizens during the Iraq War (Adams, 2013: 30-31). Since control was given to private companies, the National Guard had still not inspected most of the homes in the Lower 9th Ward two weeks after the storm (Trouble the Water, 2008). The neglect of the Lower 9th Ward is especially notable due to its majority poor, black population. Furthermore, the state hired major Bush campaign donor Service Corporation International's Kenyon division to retrieve dead bodies, but retrieval was extremely slow and expensive. Kenyon took almost a year to complete retrieval and charged on average \$12,500 per victim. In a clear example of disaster capitalism, emergency workers and volunteer morticians were forbidden from helping retrieve bodies because it "impinged on Kenyon's commercial territory" (Klein, 2008: 520). As the government neglected volunteers and the National Guard in favor of private industries, the dangers of neoliberal urban governance caused damage before and after the storm.

In addition to denying services by emergency workers, public aid was obstructed by private interests using the shock doctrine to shut down Charity Hospital. As a public hospital dedicated to serving all, including the 21 percent of Louisianans without health insurance, Charity Hospital was extremely popular, with 83 percent of residents favoring keeping the hospital open (Mosendz, 2015). Although the hospital had over 2,000 beds and was scrubbed clean by the military following the minimal flooding it received during Katrina, state officials ordered the hospital closed. This was not due to safety concerns, as for months before the storm,

state legislators had discussed knocking down Charity to replace it with a privatized Louisiana State University Medical Center (Mosendz, 2015). With the closing of Charity Hospital, many of the poor and uninsured in New Orleans were left with few health care options after the storm. Corporate indifference within the hospital industry was exemplified by Ochsner Medical Center. Its location in downtown New Orleans placed it at hurricane “ground zero.” Despite the clear need for medical treatment following Katrina, doctors at Ochsner Medical did not even consider hurricane victims in shelters as potential patients. When asked about the damage at Charity Hospital, one staff member remarked, “they’d better reopen it. We can’t treat those people here” (Klein, 2008: 514-5). Charity Hospital had been the only hospital in the area to aid the poor, therefore the state’s refusal to reopen the hospital despite its safety left the city’s poor residents without reliable medical facilities, revealing the dangers of urban neoliberalism.

While short-term recovery programs and policies forcibly damaged New Orleans’ poor residents, the most lasting negative effect on the city has been the government-created housing programs that disadvantaged who were already vulnerable. One of the most unjust recovery programs was the Road Home payback program, created by Louisiana Governor Kathleen Blanco. The program was marketed as a comprehensive payout format, as it covered the difference between the insurance payout that residents received and the pre-storm value of the home. This meant that homes in lower-income neighborhoods received less money than equally damaged homes in affluent areas (Mosendz, 2015). White New Orleanians generally came from wealthier areas, meaning that they got higher payouts than black residents, solely due to the added value given based on the placement of their homes. Additionally, management of Road Home was contracted to ICF International for \$900 million, but only 177 out of nearly 99,000 applications for reimbursement were granted by January 2007 (Mosendz, 2015). One of the rationales Road Home used to deny assistance was its statement that “bond-for-deed” ownership was not verifiable, even when former owners testified to their legitimacy. These ownership agreements were common in homes that were denied conventional mortgages (Adams, 2013: 3), which meant that the poorest members of the community were the least likely to receive aid. Corporations furthermore influenced politicians, as Richard Baker, the Republican Congressman representing New Orleans, repeated suggestions by lobbyists to use Katrina as an opportunity to replace destroyed public housing with condos (Klein, 2008: 4). Because public policies and politicians have created systems that provide limited benefits and favor the rich, recovery programs are not truly helping those who need them most.

Another government program that failed the people of New Orleans was the National Flood Insurance Program. While the NFIP was created by Congress in 1968 to protect Americans from the devastating financial effects of floods, the government artificially reduced the size of flood zones covered through the program, since most people did not want to pay for flood insurance unless they believed they were in direct danger (US Congress, 2006). Thus, many people in generally poor low-lying areas were not required to have flood insurance, although they lived in flood-prone areas. Nearly half of Katrina victims did not have flood insurance, precipitating a financial catastrophe for residents, as without flood insurance most residents only received insurance payouts for damage directly attributed to the storm. These payouts were limited to roof damage and interior damage caused by roof collapse (Adams, 2013: 60). Moreover, the NFIP was not correctly financed for a disaster to the extent of Katrina, as it had artificially low premiums to encourage participation. Premiums for \$250,000 in coverage ranged from only \$300 to \$400 a year, thus the extreme number of claims among those who were insured bankrupted the NFIP (US Congress, 2006). Therefore, the NFIP caused widespread harm

by failing to adequately warn homeowners of their true flood risk and failing to provide insured homeowners the protection for which they paid.

Moreover, disaster capitalism harmed residents through recovery programs, private groups, and government officials who failed to consult with residents before imposing their own plans for recovery. During his initial visits to New Orleans after Katrina, Bush was criticized for not meeting with poor and black communities (Fletcher, 2005). By not meeting with the most vulnerable communities, Bush exacerbated the lack of community participation in making the most valuable solutions for recovery. City governments likewise ignored the perspective of disadvantaged communities, as the city's Bring New Orleans Back Commission, appointed by Mayor Nagin, suggested switching "abandoned" areas like the Lower 9th Ward to green spaces, but did not suggest converting more affluent areas like the Garden District. In reality, the areas suggested for conversion were not abandoned, but were mostly black neighborhoods (Mosendz, 2015). By suggesting converting these areas without checking if people were still there or asking their opinion on the policy, the commission followed the same pattern Klein discovered regarding public housing, using the disaster as a pretense for ridding the city of poor minorities.

While education is less directly linked to disaster recovery, disaster capitalists used the destruction caused by Katrina to privatize the education industry of New Orleans. Although the city had 123 public schools before Katrina, in 2006 only four remained, the rest replaced by 24 new charter schools, in addition to the seven that already existed. Furthermore, the city fired all 4,700 members of the teachers' union, most of whom were not rehired by charter schools. The few teachers who were rehired received reduced salaries (Klein, 2008: 6). Since charter schools are privately run but publicly funded, they exemplify Brenner's concept of urban governance, as the state is no longer responsible for production of services. Although many capitalists hailed this shift for providing more possible profits, many African-Americans in the city see charter schools as a reversal of the standard of equal education achieved in the Civil Rights Movement, as citizens are now forced to pay for access to education (Klein, 2008: 5-6). While a voucher system is in place to reduce costs for families, it does not erase the fact that New Orleans' children no longer have access to free education which had previously been recognized as a right for them.

Overall, urban governance and disaster capitalism devastated the city of New Orleans, especially the black community. The official death toll for the storm is 1,464 people, but Adams estimates that it is likely much higher. The most common cause of death was drowning, at 40 percent, and nearly half of all drowning victims were elderly people in black neighborhoods (Adams, 2013: 25-6). The demographics and high numbers of deaths parallel the effects of Chicago's heat wave in 1995, in which 521 Chicagoans died due to insufficient access to privatized air conditioning. In this disaster, African-Americans died at a much higher rate (Klinenberg, 1999: 254-5). This pattern demonstrates that Klinenberg's concept of denaturalizing disaster is applicable to many other disasters, as private interests create a second-order disaster for the urban poor. Furthermore, the city population has shifted due to deaths during Katrina and the lack of housing assistance, as African-Americans decreased from 66.7 percent of the city population in 2000 to 59.1 percent in 2013 (Mosendz, 2015). Former Congressional Representative Barney Frank portrayed the lack of housing assistance as ethnic cleansing, as black Americans were the community most in need of it (Mosendz, 2015). City leaders did not provide sufficient support to black communities before or after the storm forcing African-Americans to leave New Orleans, thus benefiting the white businessmen in charge of the city.

Although disasters cannot be blamed on social forces alone, urban governance and disaster capitalism intensified Katrina's damage to New Orleans, in particular, minorities and impoverished populations. Private companies have gained control over public services and political agendas, therefore the communities that live in the worst conditions before storms likewise experience the worst effects after storms. The city of New Orleans failed to mobilize efficient preparation forces, recovery resources, and unbiased housing assistance, forcing the poor black community to experience the same effects as minority groups throughout the world: devastation and exploitation, regarded by urban theorists as disaster capitalism. As cities prepare for the increased risks of natural disaster in modern society, officials must ensure the protection of the people and their interests, or residents will continue to experience the same racialized devastation as the victims of Hurricane Katrina. As business interests have harmed most people in disasters, cities should consider implementing protective policies, such as forbidding for-profit companies from involvement in disaster relief and ensuring public access to decision making, to promote effective solutions that serve the needs of the people. Such policies would help prevent splintering urbanism and would dramatically reduce the potential for disaster capitalism.

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