

## Squaring the circle

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Everybody has heard of the concept of squaring the circle, unsolved since ancient times, referring to the mathematical challenge of constructing a square with the same area as a given circle with a compass and a ruler. Humanitarian action has its own equivalent – amongst many others: the growing cohabitation of NGOs (non-governmental organizations) with the private sector. Monitoring the debates, conferences and symposiums which have increasingly addressed the issue in recent years, we often come away with conclusions worthy of the Judgement of Solomon: that NGOs and businesses work together, with their different skills, while respecting their differences, driven by the sole interest of suffering populations. In short, this is the new catechism.

To be fair, this comes across as the voice of reason. After all, what harm is there in allowing corporations to move into the sector of humanitarian aid? The arguments of those who see it as a “necessary evil”, and even as part of the tide of history, are not without relevance. They argue that businesses are part of society and that they have a citizen role to play; that they have been sufficiently accused of indifference to social and political issues – in large part by NGOs themselves – for the latter not to reproach them for their interest in these issues now; that they are no more or less legitimate than NGOs with regard to engaging in the public debate and in humanitarian action since, like NGOs, they derive their legitimacy only from themselves; and that finally, they possess skills and means which NGOs ultimately lack. And we could add to this list of “good reasons” by recalling, like François Rubio, that before becoming the inspiration for the International Committee of the Red Cross (ICRC), Henry Dunant was “simply an entrepreneur who [was going to] revolutionise humanity”<sup>1</sup>. This is true. As is the fact that the big British and American charities were often created by philanthropists who made their fortunes in finance or industry.

In the previous issue, we decided in turn to address this debate<sup>2</sup>. We concluded the first instalment of this Focus by taking into account the fact that the “debate has matured, as have its protagonists. Leaving behind naivety and outright refusal, NGOs have embraced the issue wholeheartedly. By better understanding the environment which they were formerly too quick to denigrate, businesses have developed an awareness of the fears expressed by ‘the other side’<sup>3</sup>”. And we planned to examine the role of the State in the second instalment, which is the aim of the current issue.

Some commentators point to the paradox of the State being called upon to resolve adjustment difficulties between NGOs and businesses. Do the former not defend their independence, in the name of their history and their very title, entirely encapsulated in the acronym which refers to them? Do the latter not defend their freedom of enterprise distinct from any State involvement? In fact, the paradox is superficial. By their very creation, in the framework of the 1901 French

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<sup>1</sup> François Rubio, *L'Humanitaire est-il encore vraiment indépendant ?*, Les Éditions de l'Hébe, 2009, p. 22. The argument is incidentally taken up by Jessica Fleurinor and Caroline Putman Cramer in their article “The ICRC and partnerships with the private sector: evolution and ethical considerations”, in the current issue.

<sup>2</sup> *Humanitarian Alternatives*, Focus “NGOs and the private sector: threat or opportunity?”, n°6, November 2017, p. 26-83.

<sup>3</sup> See our Editorial, *ibid.*, p. 5.

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law defining associations, humanitarian NGOs declared their purpose of compensating for State inaction when the latter failed in its duty to provide assistance to populations. The fact that they are often funded by States – and more specifically, receive funds from the community of States in order to fulfil the obligations which the latter had agreed to accomplish as part of their sovereign responsibilities – does not alter their fundamental and structural independence. As for businesses, it should be recalled that the banks that caused the crisis in 2008 were saved only because the States bailed them out. And if they did so, it was not only in order to avoid the collapse of the financial system but also in order to limit the impact of the crisis on the populations who had entrusted their savings to these institutions. In many fields, reference to the supreme authority represented by the State does not amount to surrendering one's independence and freedom, but simply to playing the game of democracy. In this debate on international solidarity, a matter of public interest, we therefore cannot overlook the role of the State which is its guarantor. This is the direction we have taken in this second instalment of our special feature.

How do our contributors resolve this tension between NGOs and businesses, and how do they see the role of the State? In the first article, Jessica Fleurinor and Caroline Putman Cramer reveal the way in which the ICRC manages its partnerships with the private sector, recalling just how historical, not to say consubstantial, these links are, with regard to the origins of this institution. Not only because Henry Dunant was himself a banker, but because his first supporters were wealthy individuals from industry and finance backgrounds. Nevertheless, it was not until the 1990s that the ICRC adopted a “standardised approach to collect funds from private companies”, and not until June 2017 that it adjusted its “guidelines in order to be able to collaborate with private companies”. This did not happen without contradictions or internal debate, especially with regards to the participation of the ICRC's President in the World Economic Forum in Davos, since he has been a member of its Foundation Board since 2014. For the authors, this collaboration with corporations “stems from a strategic choice which can enable the reinforcement of humanitarian action”. In this, the Geneva institution applies the same policy as it set itself regarding its collaboration with “certain States whose backgrounds are far from exemplary in terms of the respect and guarantee of international humanitarian law”.

Drawing on tangible observations from the field, Pierre Boris N'nde invites us to observe the conditions and impacts of a partnership between a business, NGOs, UN agencies and the Cameroonian State. Following the dysfunctions of a technical tool intended to enable a cash transfer programme – and access for refugees to food aid – the anthropologist highlights how this “is detrimental to the security environment, a prime condition for humanitarian action and an essential component of State authority”. By not offering the expected service, the company effectively created a situation of tension which NGOs then had to manage, whilst the Cameroonian State – mobilised on other fronts – swapped its role of referee for one of law enforcement.

In France, as part of the Ministry of Foreign Affairs, the Crisis Centre (CC) is a forum for dialogue and an essential operational platform for NGOs. That is to say that the interview granted us by its director Patrice Paoli, was very significant. Especially given that, related to the subject at hand, the CC signed twelve conventions in 2012 with companies and corporate foundations. This was in addition to five conventions previously signed in August 2014, which states that “in the case of a humanitarian crisis, the businesses in question would put their logistical means at the service of the French State, whilst the latter would open up [its] diplomatic networks in order to facilitate the companies' entry into the market”<sup>4</sup>. In so doing, the CDCS

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<sup>4</sup> See our Editorial, *ibid.*, p. 8.

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reaffirmed its commitment to link companies and their foundations with humanitarian action, without any “doctrine”, as Patrice Paoli specifies: “We are in this approach which consists in providing the means for collective action. We are working together and no one seeks to reap the benefits of any given action”. We can only hope that these partnership conventions contain strong and safeguarded ethical clauses, in the image of those which NGOs struggle, more or less successfully, to integrate into their own contracts with businesses and foundations. What would happen in the event that a partner company was found guilty, in the framework of its “business” affairs, of something which would dangerously assimilate French humanitarian NGOs on the ground to such a partner? Undoubtedly, the question will be developed during the National Humanitarian Conference, which will take place as this issue goes to press.

Joël Le Corre offers us the opportunity to go back over the question of *social impact bonds*, in the context of other dynamics which were touched upon too briefly in Patrice Paoli’s interview. These “social impact contracts” (SIC), which originated in the United Kingdom and consist of “private investors funding social action which the public actor (State, local community, public institution, for example) reimburses *ex post* with a rate of interest<sup>5</sup>”, are now operational in France. It should be noted that these SICs served as a model for *humanitarian impact bonds* (the first having been signed in 2016 between the ICRC and the Belgian government<sup>6</sup>), and that they are a variant of “private-public partnerships”, which had already been qualified in a French Senate background report as “time bombs” for public finances. It is not too much of a leap from this observation to consider that the fireman State is at risk of becoming a pyromaniac, and Joël Le Corre does not hesitate to make this leap by maintaining that: “democratic responsibility and transparency are absent; the State externalises its services and control functions, such as the management and evaluation of public policy, by entrusting them to private actors”.

As neither a judge nor an arbitrator, is the State not becoming more of a “mediator” between the market and NGOs, thereby laying the groundwork for this “objective alliance” between it and the companies which we ourselves have alluded to<sup>7</sup>? In the absence of a “doctrine”, does it not precisely risk giving free rein to the “principle of movement” which, together with “channelled sensitivity”<sup>8</sup>, drives businesses? Should that happen, it is very likely that the squaring of the circle will become a trap which NGOs will not escape from unscathed.

*Translated from the French by Juliet Powys*

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<sup>5</sup> Our definition (from Boris Martin’s *L’Adieu à l’humanitaire? Les ONG au défi de l’offensive néolibérale*, Éditions Charles Léopold Mayer, 2015, now available for download at: [www.eclm.fr/ouvrage-374.html](http://www.eclm.fr/ouvrage-374.html) , p. 84-85), taken up here by Joël Le Corre.

<sup>6</sup> Kingdom of Belgium, “La Croix-Rouge internationale et la Belgique unissent leurs forces pour créer le premier ‘Humanitarian Impact Bond’ au monde”, January 22<sup>nd</sup> 2016, [https://diplomatie.belgium.be/fr/Newsroom/actualites/communiqués\\_de\\_presse/cooperation/2016/01/ni\\_220116\\_humanitari\\_an\\_impact\\_bond](https://diplomatie.belgium.be/fr/Newsroom/actualites/communiqués_de_presse/cooperation/2016/01/ni_220116_humanitari_an_impact_bond)

<sup>7</sup> Boris Martin, *L’Adieu à l’humanitaire ?...*, op. cit.

<sup>8</sup> “Principle of movement” and “channelled sensitivity”, two concepts coined by Olivier Basso (*Politique de la Très Grande Entreprise*, PUF, 2015), which, according to the author, a business specialist, lead very large companies to annex territories foreign to their natural environment, by adapting to external pressures (the requirements of Social Responsibility, for example).