

The Geography of Advocacy NGOs Campaigns

Sophie Hatte¹ and Pamina Koenig²

ETSG 2015, Paris

¹University of Lausanne

²University of Rouen & Paris School of Economics

Introduction

- NGOs: among the important actors in international trade/production/political relations
- Number ? 3000 (UN consultative status)
- Behavior relatively unknown
- Different from market-driven and from state

Introduction

Overview of what we do:

- Focus on international advocacy NGOs
- Study their behavior when targeting multinational firms
- Hypotheses on the determinants of the target choice
- Investigate with new database

NGOs in economics 1/2

Theory

- Besley and Ghatak (2005)
- Baron (2001, 2003); Baron and Diermeier (2007)
- Aldashev, Limardi and Verdier (2015)
- Krautheim and Verdier (2014)

NGOs in economics 2/2

Empirics / Input and descriptive

- Werker and Ahmed (2008) *USAID 2006*
- Murdie and Davis (2012a) *networks, YIO*
- Couttenier and Hatte (2015)
- Case studies

Empirics / impact of Output

- Harrison and Scorse (2010) *working conditions*
- Bartley and Child (2011) *168 retail firms*
- Murdie and Davis (2012b) *human rights*

Our contribution

⇒ Study the determinants of NGOs campaigns

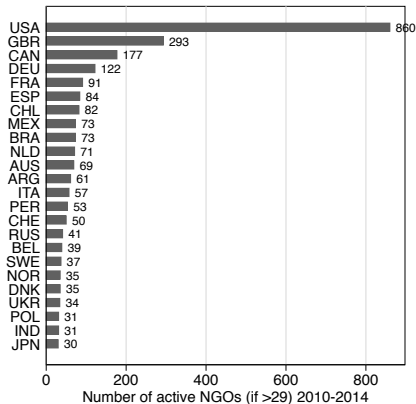
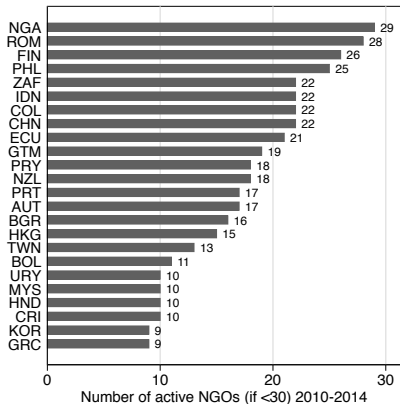
- First use of a **systematic dataset on activists**
- contains NGO-level **campaigns**
- + **target firm**, sector, issue, **countries** involved
- 2010-2014
- 3111 NGOs , 8382 firms
- we use negative campaigns only (80 % of the info)
- aggregated at country level for estimation

Datasets

- Campaigns: **Sigwatch**. Tracking of NGOs' reports
- Country and gravity variables: CEPII
- NGO individual data: country-by-country (*work-in-progress*)
- Firm individual data: ORBIS (*work-in-progress*)

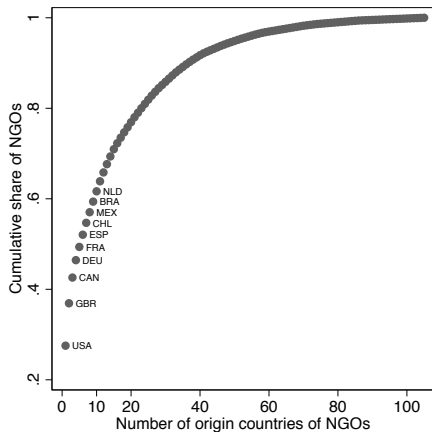
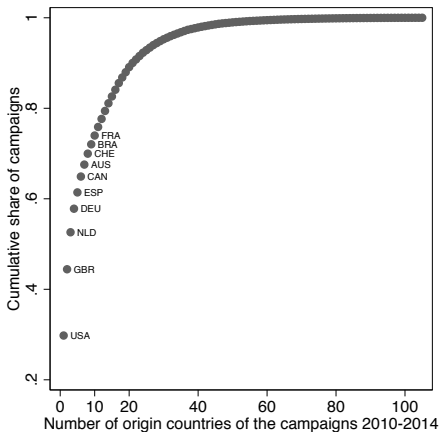
Patterns of NGO campaigns

- Where are NGOs located?



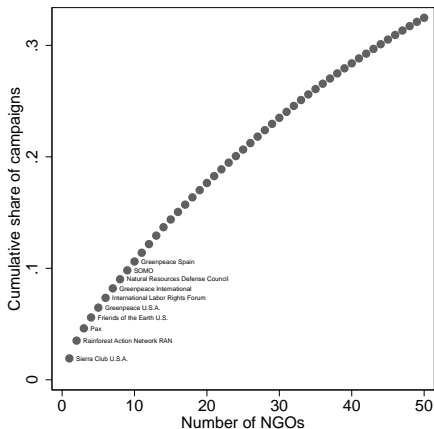
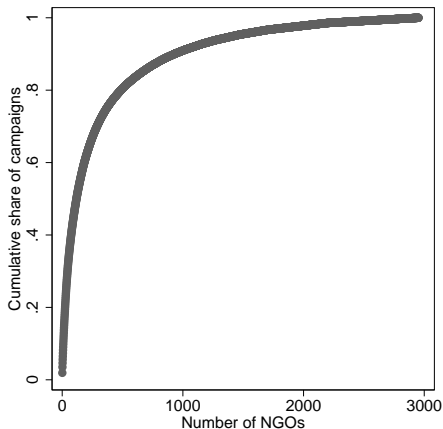
Patterns of NGO campaigns

- Cumulative share of world campaigns and NGOs



Patterns of NGO campaigns

- Cumulative share of campaigns by individual NGOs

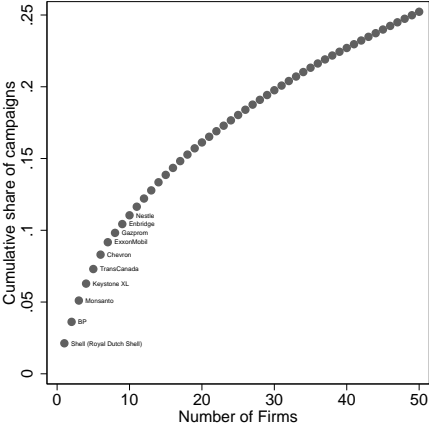
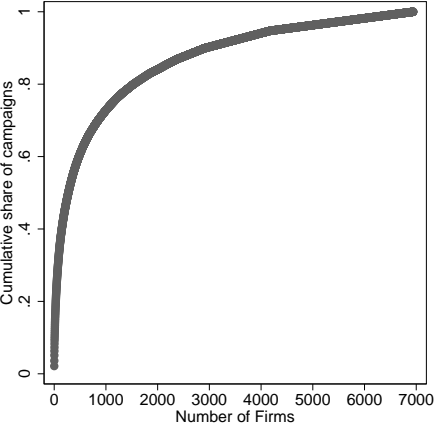


Patterns of NGO campaigns: sectors

Industry (ISIC Rev. 3.1)	(1) # of Firms	(2) # of NGOs	(3) % of Campaigns
Extraction, Manuf. & Distrib of Energy	1357	1004	29.93
Food Products & Beverages	1068	226	11.68
Retail Trade	588	116	6.38
Mining of Metal Ores	543	284	7.18
Finance & Insurance	539	160	10.17
Chemical Products	388	318	8.95
Construction	372	213	3.85
Textile	371	85	4.56
Computer & Related Activities	326	87	4.21
Agriculture	304	124	3.408
Paper Products	194	70	2.07
Aux. Transport - Travel Agencies	141	36	0.97
Air Transport	95	23	0.76
Motor Vehicles	92	22	0.89
Land Transport	92	35	0.88
Recreation, Media, Cultural & Sporting Act.	77	17	0.39
Machinery & Equipment	73	32	1.07
Other Business Act.	72	17	0.46
Fishing & Aquaculture	62	14	0.52
Recycling	54	19	0.24
Water Collection, Purification & Distr.	44	9	0.27
Water Transport	35	8	0.16
Tobacco Products	22	14	0.36
Education	17	6	0.15
Plastic Products	15	14	0.50

Patterns of NGO campaigns

- Cumulative share of campaigns by individual firms



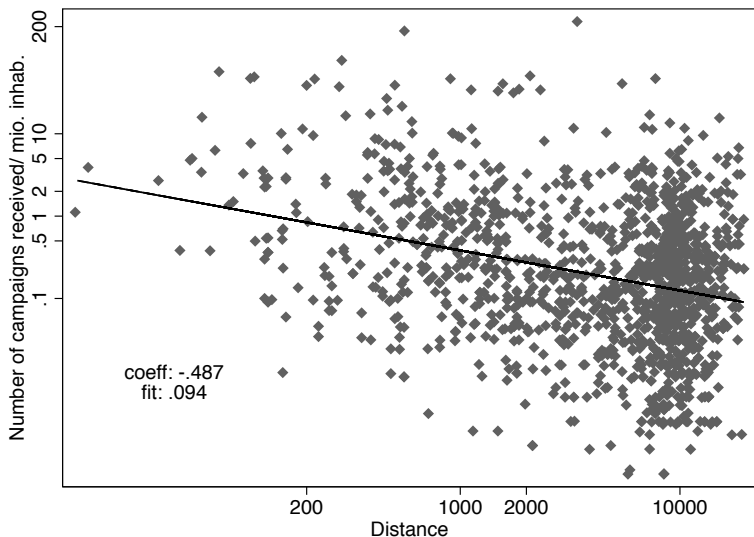
Patterns of NGO campaigns

- Top 10 NGO-firm pairs, by # of campaigns

Firm	NGO	Campaigns (#)
Statoil	Greenpeace Norway	83
Gazprom	Greenpeace Russia	77
Keystone XL	Friends of the Earth U.S.	68
TransCanada	Friends of the Earth U.S.	61
Keystone XL	Natural Resources Defense Council	54
Monsanto	Organic Consumers Association	54
Keystone XL	Sierra Club U.S.A.	54
Walmart	International Labor Rights Forum	51
BP	PLATFORM	46
Bank of America	Rainforest Action Network	45

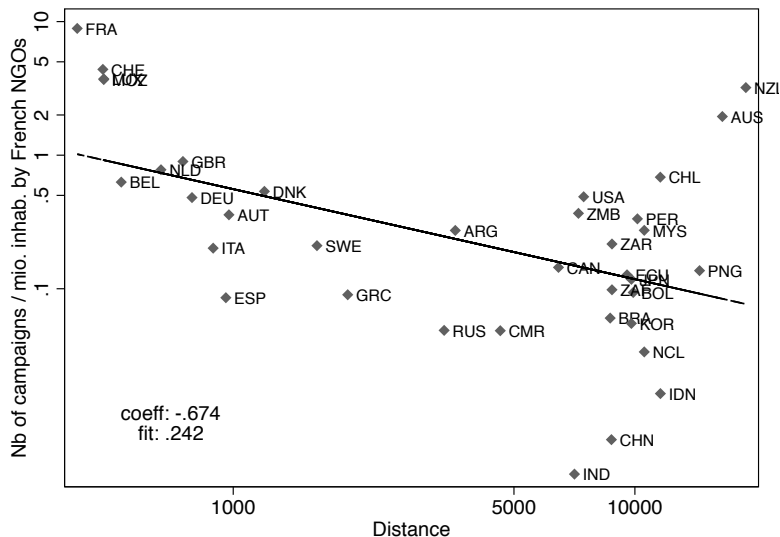
Patterns of NGO campaigns

- Number of campaigns and source-target distance



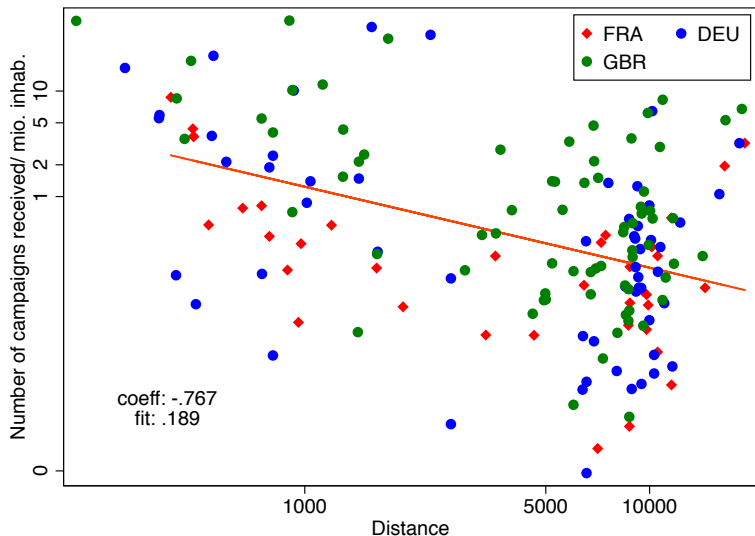
Patterns in NGO campaigns

- Campaigns by French NGOs



Patterns in NGO campaigns

- Campaigns by European NGOs



Getting to the estimable equation 1/3

- We observe campaigns once published on the NGOs' websites
- We thus model the choice of the target firm
- Assumption 1: The NGO pools from set of visible firms
- Assumption 2: All potential targets have acted “unethically”

Getting to the estimable equation 2/3

- Chooser: NGO n based in country i
- Target: firm f headquartered in country j , with activities in country k .

Total utility of NGO from a campaign on f :

$$y_{n(i)f(jk)} = V_{n(i)f(jk)} + e_{n(i)f(jk)} \quad (1)$$

$V_{n(i)f(jk)}$: **observable payoff** of the NGO from revealing the behavior of firm f in country k .

Net success of a campaign = gains - costs

Gains = direct and indirect revenues from the campaign

Getting to the estimable equation 2/3

Assume random component $e_{n(i)f(jk)}$ follows a type-I extreme value.

⇒ Probability that NGO n chooses firm f , headquartered in country j , with unethical activities in country k is the usual logit formula:

$$\mathbb{P}_{n(i)f(jk)} = \frac{\exp(V_{n(i)f(jk)})}{\sum_f \exp(V_{n(i)f(jk)})} \quad (2)$$

Getting to the estimable equation 3/3

Aggregate in i and in jk

$$\text{share}_{if(jk)} = \frac{NC_{if(jk)}}{NC_i} = \mathbb{P}_{if(jk)} = \frac{\exp(V_{if(jk)})}{\Phi_i}.$$

$$\text{share}_{ijk} = \sum_{f(jk)} \text{share}_{if(jk)} = \sum_{f(jk)} \frac{NC_{if(jk)}}{NC_i}.$$

$$\text{share}_{ijk} = \frac{NC_{ijk}}{NC_i} = NF_{jk} \frac{\exp(V_{ijk})}{\Phi_i}.$$

Estimable equation for the country level number of campaigns:

$$\ln(NC_{ijk}) = V_{ijk} + \ln(NC_i/\Phi_i) + \ln NF_{jk} \quad (3)$$

Payoff V_{ijk} contains unilateral and bilateral country variables:

$$V_{ijk} = X_i\delta + X_j\lambda + X_k\theta + X_{ij}\beta + X_{ik}\mu + X_{jk}\gamma \quad (4)$$

- X_i : determinants of number of NGOs standing up for a cause
- X_{ij} : various definitions of proximity: *Home_{ij}*, *Dist_{ij}*, *Colony_{ij}*, *Lang_{ij}*

NGO maximizes the nets gains: bilateral determinants are function of **proximity** between the audience (donors) and the countries (target/action)

Estimation: dyad Source-Target

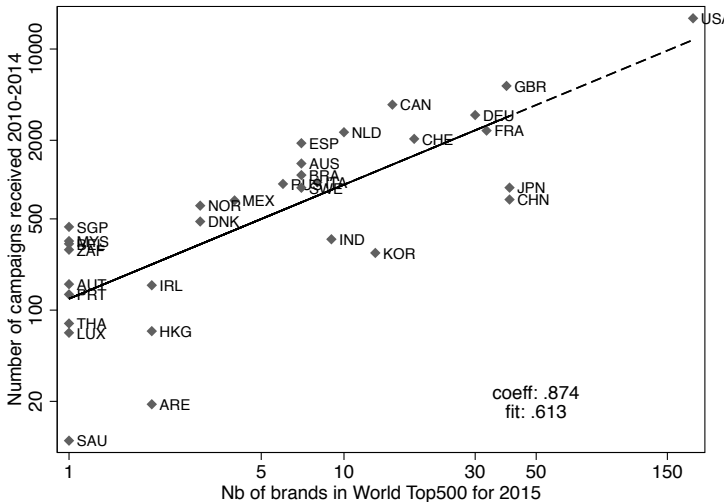
Table: Dyad. With zeroes. Dep: n_{ij}

	(1)	(2)	(3)	(4)	(5)
Population, source country	0.586 ^a (0.069)	0.591 ^a (0.070)	0.581 ^a (0.078)	0.587 ^a (0.071)	
GDP per cap., source country	1.003 ^a (0.071)	1.015 ^a (0.072)	1.091 ^a (0.091)	1.008 ^a (0.073)	
Population, target country	0.713 ^a (0.045)	0.729 ^a (0.048)		0.594 ^a (0.110)	
GDP per cap., target country	1.109 ^a (0.072)	1.174 ^a (0.086)		1.015 ^a (0.134)	
Distance, source-target	-0.270 ^a (0.089)	-0.271 ^a (0.091)	-0.343 ^a (0.102)	-0.284 ^a (0.092)	-0.565 ^a (0.063)
Colonial link, source-target	0.621 ^b (0.266)	0.621 ^b (0.266)	0.638 ^b (0.291)	0.614 ^b (0.265)	0.513 ^a (0.169)
Same language, source-target	1.001 ^a (0.240)	0.968 ^a (0.245)	0.825 ^a (0.255)	0.933 ^a (0.253)	0.532 ^a (0.123)
Home Campaign	2.826 ^a (0.273)	2.767 ^a (0.281)	2.717 ^a (0.360)	2.732 ^a (0.292)	2.030 ^a (0.158)
Nb of brands, target country			0.895 ^a (0.062)	0.165 (0.131)	
Country fixed effects	-	-	-	-	yes
Observations	9867	6897	6976	6897	10662

All specifications estimated with Poisson. ^c 10%, ^b 5%, ^a 1%

Estimation: visibility through brands

Figure: Number of campaigns and number of Top500 brands (when >0)



Estimation: dyad Source-Target

Table: Dyad. With zeroes. With FE. Depvar: n_{ij} or share

	(1)	(2)	(3)	(4)	(5)
	$\ln n_{ij}$	n_{ij}	n_{ij}/n_i	n_{ij}/n_j	$n_{ij}/(n_i \cdot n_j)$
Distance, source-target	-0.324 ^a (0.037)	-0.565 ^a (0.063)	-0.902 ^a (0.067)	-0.847 ^a (0.082)	-1.248 ^a (0.120)
Colonial link, source-target	0.269 ^b (0.127)	0.513 ^a (0.169)	0.682 ^a (0.247)	0.376 (0.246)	0.701 ^b (0.353)
Same language, source-target	0.206 ^b (0.093)	0.532 ^a (0.123)	0.398 ^b (0.184)	0.868 ^a (0.196)	2.337 ^a (0.235)
Home Campaign	2.520 ^a (0.166)	2.030 ^a (0.158)	2.547 ^a (0.198)	3.200 ^a (0.224)	4.561 ^a (0.387)
Observations	1373	10662	10662	10662	10662
Country fixed effects	yes	yes	yes	yes	yes

Estimation: dyad Source-Action

Dep. var	n_{ik}	n_{ik}	n_{ik}
Population, source country	0.496 ^a (0.071)	0.496 ^a (0.071)	
GDP per cap., source country	1.173 ^a (0.104)	1.173 ^a (0.104)	
Population, action country	0.534 ^a (0.045)	0.534 ^a (0.045)	
GDP per cap., action country	0.394 ^a (0.052)	0.394 ^a (0.052)	
Distance, source-action	-0.117 (0.123)	-0.117 (0.123)	-0.672 ^a (0.053)
Colonial link, source-action	0.822 ^a (0.279)	0.822 ^a (0.279)	0.484 ^a (0.140)
Same language, source-action	1.022 ^a (0.247)	1.022 ^a (0.247)	0.715 ^a (0.109)
Home Campaign	4.620 ^a (0.331)	4.620 ^a (0.331)	3.376 ^a (0.131)
Observations	11931	11931	13407
Country fixed effect	-	-	yes

Estimation: triad Source-Target-Action

Dep. Var:	$\ln n_{ijk}$	n_{ijk}	n_{ijk}	n_{ijk}
Population, source country	0.102 ^a	0.254 ^a	0.398 ^a	
GDP per cap., source country	0.227 ^a	0.588 ^a	0.879 ^a	
Population, target country	0.136 ^a	0.324 ^a	0.381 ^a	
GDP per cap., target country	0.205 ^a	0.657 ^a	0.711 ^a	
Nb of brands, target country	0.083 ^a	0.184 ^c	0.171	
Population, action country	0.105 ^a	0.216 ^a	0.299 ^a	
GDP per cap., action country	0.038 ^a	0.142 ^a	0.154 ^a	
Distance, source-target	-0.025 ^c	-0.131 ^b	-0.200 ^a	-0.204 ^a
Colonial link, source-target	0.066	0.096	0.376 ^b	0.035
Same language, source-target	0.077 ^c	0.449 ^a	0.555 ^a	0.462 ^a
Distance, source-action	-0.005	0.157 ^c	-0.072	-0.595 ^a
Colonial link, source-action	0.048	0.101	0.733 ^a	0.438 ^a
Same language, source-action	0.199 ^a	0.306 ^c	0.646 ^a	0.614 ^a
Distance, target-action	-0.063 ^a	-0.014	0.056	-0.326 ^a
Colonial link, target-action	0.073	0.195	0.074	0.419 ^a
Same language, target-action	0.025	0.182	0.241	0.083
Home campaign, source-firm	0.720 ^a	1.229 ^a	1.432 ^a	1.224 ^a
Home campaign, source-action	1.276 ^a	3.149 ^a	4.049 ^a	3.030 ^a
Home action, target-action	0.647 ^a	1.813 ^a	1.967 ^a	1.325 ^a
Country fixed effects	-	-	-	yes
Observations	5357	5357	125692	150252

Estimation: triad Source-Target-Action

Table: Triad. With zeroes.

	$\ln n_{ijk}$	n_{ijk}	n_{ijk}/n_i	n_{ijk}/n_j	$n_{ijk}/(n_i \cdot n_j)$
Distance, source-target	-0.063 ^a	-0.204 ^a	-0.505 ^a	-0.102 ^a	-0.210 ^a
Colonial link, source-target	0.063	0.035	0.294	0.135 ^b	0.227
Same language, source-target	0.031	0.462 ^a	0.285	0.253 ^a	0.280 ^c
Distance, source-action	-0.050 ^a	-0.595 ^a	-0.833 ^a	-0.600 ^a	-0.912 ^a
Colonial link, source-action	0.046	0.438 ^a	0.813 ^a	0.307 ^a	0.336
Same language, source-action	0.139 ^a	0.614 ^a	1.001 ^a	0.391 ^a	1.412 ^a
Distance, target-action	-0.159 ^a	-0.326 ^a	0.041		
Colonial link, target-action	0.161 ^a	0.419 ^a	0.157		
Same language, target-action	-0.034	0.083	-0.042		
Home campaign, source-firm	0.753 ^a	1.224 ^a	1.062 ^a	1.625 ^a	1.788 ^a
Home campaign, source-action	1.290 ^a	3.030 ^a	3.213 ^a	3.157 ^a	3.480 ^a
Home action, target-action	0.518 ^a	1.325 ^a	1.646 ^a		
Country fixed effects	yes	yes	yes	yes	yes
Observations	5875	150252	150252	150252	150252

Estimation: dyad Source-Target: Event Severity

Sample:	all	all	sent. = -1	sent. = -2
Dependent Variable:	n_{ij}	n_{ij}	n_{ij}	n_{ij}
Distance, source-target	-0.565 ^a (0.055)	-0.555 ^a (0.062)	-0.457 ^a (0.061)	-0.629 ^a (0.070)
Colonial link, source-target	0.514 ^a (0.135)	0.621 ^a (0.183)	0.514 ^a (0.147)	0.497 ^a (0.191)
Same language, source-target	0.532 ^a (0.108)	0.526 ^a (0.121)	0.618 ^a (0.124)	0.479 ^a (0.135)
Home Campaign	2.031 ^a (0.144)	2.101 ^a (0.150)	2.186 ^a (0.163)	1.941 ^a (0.169)
Severity	0.458 ^a (0.074)	0.648 (0.510)		
Distance × Severity		-0.016 (0.062)		
Colonial link × Severity		-0.177 (0.256)		
Same language × Severity		0.011 (0.206)		
Home Campaign × Severity		-0.113 (0.186)		
Observations	17658	17658	8434	9224

Conclusion

- Hyp 1: NGO reports on issues that she finds important (benevolent NGO)
- Hyp 2: NGO reports on issues which maximize the audience's attention
- Hyp 3: NGO reports on issues which minimize her cost

⇒ *First evidence tends to not eliminate Hyp 2 or 3.*

Thank you !