Newell writes about the increase in NGOs’ efforts to work directly with (cooperative strategies) or against (confrontational strategies) MNCs. This increase is in response to the pressures of globalization and reflects a weak state role in regulating MNCs. Cooperative strategies include eco-consumerism, project collaboration that reduces the environmental impact of a particular product or package, environmental codes of conduct, and private certification schemes—also known as “stewardship regimes.” Confrontational strategies include boycotts, public relation “wars”, monitoring organizations, and shareholder activism. He notes that the shifting roles of NGOs and businesses create an opportunity for these sorts of global citizen action, rather than the lobbying-based strategies that have previously been used. In discussing the possibilities and limitations of citizen action, the author notes the challenge of “scaling up” these efforts beyond campaigns that are ad hoc, limited in geographic scope, and focused on a particular corporation. At what point did these strategies emerge and were they never used in the domestic context against/with firms? Did I miss the clarification of why these are “citizen driven” and not just new forms of NGO strategies? Finally, are there sectors or points in the supply chain at which certain strategies are more appropriate than others? Later readings begin to address this issue in greater depth.

Rondinelli and London discuss cross-sector collaborations between NGOs and corporations, categorizing them by the intensity of the relationship. Through a study of 50 multinational corporations, they identified three different levels of collaboration: “arm’s length relationships”, “interactive collaborations”, and “intensive alliances.” Arm’s length relationships are the most common, generally consisting of voluntary employee participation in NGO activities and corporate donations to NGOs. Interactive collaborations range from certification schemes to stewardship councils to sale of green products, to protection of biodiversity, animals, or plants in specific areas. Intensive collaborations—such as waste reduction, product redesign, life cycle analyses, packaging and materials substitution—are the most rare, due to the hurdles of trust, fear, different organizational objectives and managerial structures that must be overcome. The authors describe strategic questions that firms can use determine if more intensive relationships are appropriate, focused on the particular needs of firms as business entities. These needs include: a focus on specific collaborative projects that are feasible in a set timeframe, to create strategic alliances, to develop mutually-acceptable procedures, and to define clearly measurable solutions. The authors main focus seems to be on the issue of trust and the need for alliances to be strategic and not just generalized partnerships without clear goals.

Sasser et al’s piece investigates the effect of NGOs’ exertion of direct pressure through negative campaigns on corporations, using the example of environmental certification in the forest products sector. Their surprising finding was that these confrontational tactics did not necessarily lead to corporations joining the NGO-sponsored private authority regimes (FSC certification schemes). In fact, it led to something of a backlash, with industry creating its own certification scheme (SFI) and firms that were pressured joined that instead. In terms of environmental outcomes, though, the results seem to be similar or at least trending in a positive direction. If environmental outcomes are similar, then do we really consider this a failed
strategy? What lessons can be learned for the future? My only other questions to this paper was that the number of firms examined seemed small in order to draw the conclusions that they drew, I wonder how generalizable this is to other sectors. What exactly do they mean by the “process tracing approach” and how credible a methodology is it?

Sasser’s piece is similar in substantive focus to the previous article, but I found the details here more useful. It describes how structure of the industry, degree of shared reputation across the industry, and level of threat to reputation affect the firm response to direct targeting. He also theorizes a “new boomerang effect” in which NGOs put pressure on retailers and consumers which in turn exert pressure further up the supply chain (as in the example of Home Depot and certification of timber products.)