



Globalization and NGOs: Transforming Business, Government, and Society

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It is both easy and hard to define something by what it is not. NGOs, by their title, are non-governmental organizations, in other words, all organizations that are not governments. That is the easy definition. The problem is that NGOs, by this definition, include everything but the proverbial kitchen sink, that is, private firms, religious and charitable organizations, universities, advocacy groups, newspapers and other media, and so on. Doh and Teegen's book, *Globalization and NGOs: Transforming Business, Government, and Society*, is designed to reduce this open-endedness by focusing on what NGOs are, rather than what they are not.

The book has three cross-cutting themes: what are NGOs; how and why they differ from governments and firms; and how they operate in the global economy, fit within societies, and influence other organizations. There are 10 chapters in the book, which explore the rise of NGOs and their impacts on governments and firms. Several nice case studies are included (global climate change, World Wildlife Fund, genetically modified organisms, trade policy, and forestry). The Conclusions chapter sums up and provides a research agenda.

Jone Pearce, in her Forward to the book, defines NGOs as 'the name given to those nonprofit associations focused on social change via political influence or to those providing social and humanitarian services in highly politicized cross-national contexts' (p xi). Doh and Teegen, in their Conclusion chapter, define NGOs as 'organizations of individuals and donors committed to the promotion of a particular (set of) issue(s) through advocacy work and/or through operational activities whereby services are delivered' (pp 206–207).

NGOs are seen as one of three key actors in the global economy, together with governments and firms. NGOs not only have their own dyadic relationships with the other two actors but also mediate and moderate the business–government dyad. Doh and Teegen argue that NGOs are agents for change in the global economy. Therefore, scholars and practitioners need to focus more on understanding which NGOs matter, how firms and governments should best engage NGOs, and how NGOs can play a more definitive role on supranational issues that the public and private sectors have failed to address.

For me as a scholar, the most useful parts of the book are the theory building sections. The literature on NGOs, particularly in the environmental area, is huge and daunting. As someone who used to teach International Political Economy, a subject area that explicitly studies the roles played by NGOs in international regimes, the names of Oran Young and Gail Osherenko (environmental NGOs), Marc Lindenberg (development NGOs), Karen Sikkink (social NGOs), and Monty Graham (anti-globalization NGOs) are well known. The term *epistemic community*, for example, refers directly to NGOs as key examples of communities of like-minded scholars who share a similar position on an issue and keep contact with one another despite being in different locations and fields.

Surprisingly, given the outpouring of research on NGOs since the early 1980s, rigorous theory development in this field has been somewhat lacking. Perhaps, this is because much NGO research is either too general (that is, descriptive summaries of NGOs defined by what they are not) or too specific (atheoretical case-study histories of a particular NGO, for example) or NGOs are not the main unit of analysis (MNE-state relations, for example, tends to ignore NGOs).

I contend that the definitive theory-building work on international NGOs (even on domestic NGOs) has still to be written. Doh and Teegen offer tantalizing suggestions for what this theory might look like. First, on 'who and what' NGOs are and do, Doh and Teegen stress advocacy and operational issues, following Parker's chapter in the book. Parker breaks NGOs down into three types: operational, advocacy, and hybrid NGOs. Operational NGOs such as the Red Cross, Parker argues, are similar to MNEs in their decision-making, the tensions they face between standardization and localization, and their legitimacy seeking. Advocacy NGOs, such as the anti-globalization groups that disrupted the 1999 WTO Seattle meetings, are smaller and more issue-focused. Hybrid NGOs (Parker cites Save the Children and CARE) tend to do both. This chapter suggests to me that exploring more deeply the similarities and differences between operational NGOs and MNEs might prove fruitful for theory building.

Second, in conceptualizing NGOs as a third actor in addition to firms and governments, Doh and Teegen argue that NGOs are different from the other two actors, in terms of their goals, issue areas, activities, accountability and legitimacy. Each is explored, but only very briefly. Expanding on the work in this

chapter also looks to be critical for developing a theory of NGOs as compared to businesses (both domestic and MNE) and governments.

Third, the authors point out that differences also exist among NGOs. These are explored in a chapter by Gerald Keim on how institutions affect the birth, growth, and activities of NGOs as organized groups of individuals. A chapter by Doh and Teegen, co-authored with William Newbury conceptualizes NGOs as inter-organizational and intra-organizational cooperative ventures and explores their differences in terms of cooperative goal focus (internal or external) and cooperative connection focus (within or between).

Fourth, Doh and Teegen argue that NGOs can directly affect governments, directly affect firms, indirectly (moderate or mediate) the business-government relationship, and/or act as nodes with a business-government-NGO network. Once we move from the domestic to the international level, NGOs operate at two levels (domestic and international) and can have direct, indirect, and nodal effects on both levels. Conceptualizing these relationships is a bit like moving from a two-dimensional to a multi-dimensional version of the children's game Tic-Tac-Toe!

Lastly, in specifying how NGOs function in society, Doh and Teegen see NGOs as playing three potential roles: stakeholders (legitimate actors in policy decisions), stakegivers (actors that can provide benefits to others), and staketakers (actors that can withhold benefits). Each role is briefly and tantalizingly explored.

I can suggest two theoretical frameworks that potentially need modification to include NGOs. The obsolescing bargain model, for example, is typically viewed as dyadic (the MNE and the nation state). While some work has been done on adding international organizations to the model (Ramamurti, 2001), a triangle of two governments and one MNE (Stopford, 1994) and multiple governments and firms (Eden and Molot, 2002), formally conceptualizing a triad relationship (MNE-state-NGO) has, to my knowledge, not been done. The Keim chapter could point the way here.

Porter's diamond model of competitive advantage focuses on firms and industries, treating government and chance as external forces on the diamond (Porter, 1990). NGOs are excluded from his model except in as much as they indirectly influence demand ('green' tastes) or related and supporting industries (low-pollution technologies). John Dunning has reconceptualized Porter's model

to incorporate multinational enterprises (Dunning, 1993). Someone needs to rethink the diamond of competitive advantage model with NGOs.

More generally, while political scientists tend to focus on states and ignore MNEs and business scholars the exact reverse, international business scholars because we live in a world of incomplete globalization (Ghemawat, 2003) do focus on both actors: MNEs and nation states. However, we suffer from the same myopia as political scientists and business scholars in general: a lack of attention paid to NGOs. Given that the general public sees MNEs as the 'Janus face' of globalization, a better under-

standing of the inter-relationships between MNEs and NGOs is long overdue (Eden and Lenway, 2001). Thus, our IB theories (for example, internalization theory and the OLI paradigm) should be broadened to explicitly include these non-state, non-MNE actors.

In conclusion, Doh and Teegen's book provides welcome attention to the 'third actor' in the global economy, bringing together a diverse mix of scholars and practitioners to analyze the increasing activism and visibility of NGOs. The book should appeal to a broad audience of academics, policy-makers, firms, and, of course, to NGOs themselves.

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