

Do country images affect private development finance? Explaining differences between Tanzania & the Central African Republic

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Abstract

Recent research has mapped the uneven coverage of international development NGOs in Africa, but failed to explain the drivers of this inequality. This paper shows that management literature can provide novel insight into this area and applies the concept of country images to the Central African Republic (CAR) and Tanzania. Contrasting an innovative survey of international NGOs with the results of field-level surveys, we demonstrate that the country image of the CAR is disproportionately negative and that this prevents NGOs from becoming involved in the country. We illustrate how such a negative country image is created, and which forces ensure that it persists. International NGO personnel are shown to have no emotional attachment to the CAR, which leads to a downward bias in their perceptions. These negative perceptions play an important role in their decision on involvement. This negative country image also serves a purpose, justifying continued non-involvement. This continued non-involvement hampers the chances of emotional rapprochement, reinforcing this negative country image still further. The findings indicate that the unequal distribution of NGO aid is likely to persist, unless remedies explicitly address the challenges posed by distorted country images.

Keywords: aid allocation, NGO, country image, aid geography, Tanzania, Central African Republic

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Introduction

Activities of international NGOs are unequally distributed and there are strong patterns of concentration in the provision of international NGO aid. Countries such as Zambia, East-Timor, Zimbabwe and Nicaragua receive over 20 times more NGO aid per capita than countries such as Congo-Brazzaville, Yemen, Côte d'Ivoire, Pakistan and Nigeria (Koch 2007). Only four international organizations are active in our first case study of the Central African Republic (CAR), which stands in sharp contrast to our second case study, Tanzania, where some 37 international NGOs are active (of our sample of 61). Tanzania received about 70 million euro in 2005 in development aid from international NGOs in 2005, whilst this was approximately 1 million euro in the same year for the CAR (35 eurocents per capita in CAR, against, 2.1 euro per capita in Tanzania). The CAR finds itself in the same league as, for instance, Côte d'Ivoire and Yemen, in which eight and six of the large international NGOs are active, respectively. Tanzania is neither an isolated case; in other countries, even more organizations were active, such as Guatemala, Cambodia, Ethiopia, the Philippines and Mozambique. Therefore, one can speak of 'donor darlings' and 'donor orphans', even when one considers international NGOs, of which it is generally assumed that recipient needs form the basis of their allocation criteria. The aim of this paper is to provide a contribution to explaining why such clear inequalities exist in the distribution of NGO aid.

The CAR is an example of a 'donor orphan', and this is all the more striking when one considers the high levels of poverty: over 70% of the population live below the poverty line of one dollar a day and, in 2006, the CAR ranked 172nd out of 177 countries on the Human Development Index (HDI). More alarming still is the fall in social indicators during the last ten years. Life expectancy has fallen dramatically from 49 years in 1988 to 42.7 in 2003 (UNDP 2006b), and the situation in the education and health-care sector is bleak. The CAR looks far from likely to reach the Millennium Development Goals (World Bank 2007). For Tanzania, meanwhile, the figures tell a different story: the HDI rose from 0.45 in 1985 to 0.52 in 2005. Tanzania is now 159th on the list.

Traditional theories on the location decisions of non-profit organizations often include the needs of the population as a decisive criterion for geographic choices (Nancy and Yontcheva 2006). This approach is clearly not consistent with the experience of the CAR. Since only five countries, according to the HDI, are poorer than the CAR, one would expect the CAR to be one of the 'donor darlings' or a development hotspot. The opposite is true, though. So what could explain this striking absence of international NGOs in the CAR? Koch and Ruben (2008) provide various geographical economical arguments and argue that the country choices of NGOs display clear self-reinforcing patterns. Other research has also shown that the country choices of NGOs often resemble the country choices of their back-donors (Nunnenkamp 2008). This article recognizes the validity of these arguments in explaining some degree of concentration among international NGOs. For instance, bilateral donors, too, have shunned the CAR, while both NGOs and bilateral donors are heavily engaged in Tanzania. The primary focus of this article, however, is another potential factor in clustering in- and exclusion of certain countries from the aid system: country image.

When personnel from international development NGOs recorded their associations with the CAR, these included reactions such as 'hell hole', or 'isn't that the country with that cannibal as their emperor?' or simply question marks. It was for this reason that we chose to focus on the importance of country image. We suggest that, above and beyond the fact that international NGOs duplicate the country preferences of their back-donors, they also are influenced by a self-reinforcing process of concentration caused by a (potentially incorrect) negative country image, which holds these organizations back from involvement in the CAR.

The structure of this paper is as follows. First, 'country image' will be defined, drawing on insights from the international business, marketing and consumer behaviour literature, and applying them to the non-profit sector. The methodology section indicates that three steps will be taken to analyse whether country images mattered for geographic decision making. The subsequent results section shows outcomes of those three steps. Firstly, a comparison is made between the perceptions of cognitive elements of the country images by outsiders and by insiders. Outsiders are personnel of international NGOs that are engaged in making geographic decisions, but whose NGOs are not active in the countries. Insiders are personnel from international NGOs that are active in the country, as well as local organizations, independent local experts and international organizations active in those countries. Secondly, an analysis is made of which arguments of the international NGO representatives played a role in decisions regarding (non-)involvement in the two countries. In the third step, an analysis is made of how the country image is constructed. Thus, this research

tests whether the country images of the two countries are correct and whether they influence the decision pattern of international NGOs. These stages will make it possible to answer the question whether it is the CAR's - potentially excessive - negative image which holds international NGOs back from becoming involved in the country, and whether the reverse is happening in Tanzania.

Constructing 'country images' - an overview of literature

Much of the research carried out in the fields of international business, marketing and consumer behaviour has focused on the 'country of origin' effect or the product-country image. Armington (1969) was one of the first to recognize that consumers may distinguish between apparently identical products by their country of origin. The country of origin is the country of manufacture or production: where an article or product comes from (Peng and Zou 2007). Two decades ago, Tan and Farley (1987) called the country of origin or the country-image effect the 'most researched' issue in international buyer behavior analysis (Peterson and Jolibert 1995). A more recently developed database uncovers over 750 major publications written on the subject over approximately the last 40 years (Papadopoulos and Heslop 2002).

Although some aspects of the country of origin effect still need to be researched more thoroughly, such as changes due to recent globalization (Baughn and Yaprak 1993; Zhang 1997), there is a consensus that consumers' product evaluations and purchase intentions are influenced by their country-image stereotypes (Al-Sulaiti and Baker 1998; Papadopoulos and Heslop 2002). This is not restricted to the consumption of goods; services, such as tourism and foreign direct investments have also been shown to be affected. Paswan *et al.* (2002) investigated the exchange of higher education services and indicated that loyalty towards the country of origin is stronger than loyalty towards the service provider. As Kotler and Gertner (2002) conclude: [countries] 'compete in the market for tourists, factories, businesses and talented people'. This aims to show that this also holds for aid from international NGOs. Papadopoulos and Heslop (2002) argue that the idea that countries act like brands is common among marketers, politicians and economists.

Country images are the sum of beliefs and impressions people hold about those countries. Images represent a simplification of a large number of connotations and data associated with a place. Most country images are, in fact, stereotypes - simplifications of reality that are not necessarily accurate. They may be dated, based on exceptions rather than on patterns, on impressions rather than on facts, but they are nonetheless pervasive (Kotler and Gertner 2002). In this research country images are viewed as a halo-construct (Han and Terpstra 1988). A halo-construct is a mental tool that allows people to make inferences about product quality by means of simplified assumptions, in this case a country image. The effects of this halo are likely to be larger when there is less objective information present (Laroche, Papadopoulos *et al.* 2005).

Such country images can be persistent and difficult to change (Kotler and Gertner 2002). Country images can on occasion shift quickly because of intervening events, as research on the (positive) effects of the Olympic Games on the image of South Korea (Jaffe and Nebenzahl 1993) and (negative) effects of the Tiananmen Square Protests on China (Brunner, Flaschner *et al.* 1993) has shown. However, without these exceptional events, country images are resistant to change; they may shift over time, but very slowly (Papadopoulos and Heslop 2002). Bhinda *et al.* show how stubborn images on Africa have reduced private capital inflows into the continent, and how these negative images can lead to a vicious circle (Bhinda, Leape *et al.* 1999). This is because people are sloppy cognitive processors. They resist changing or adjusting their cognitive structures or prior knowledge. Their perception of what they see is adjusted in a way that it is in line with what they already 'know'. They may fill in information that is not presented or distort reality to fit their mental representations. People are also more likely to pay attention to information that confirms their expectations. They disregard information that challenges their knowledge structures in a process known as confirmation bias. They avoid the effort necessary to reconstruct their cognitions, unless misrepresentations have a cost for them or they find utility in the revision of their schemas' (Kotler and Gertner 2002). Chisik (2002) writes about country-of-origin reputations as self-fulfilling reputations that influence the pattern of international trade. Bourdieu and Eagleton (1992) would equate certain strongly downbeat country images as *doxas*: fundamental, untaught beliefs accepted as self-evident universal truths which inform an agent's actions and thoughts. *Doxas* tend to favor current social arrangements, thus privileging the dominant and taking their position of dominance as beyond question and universally favorable.

As mentioned above, the country of origin effect is not only applicable to consumer goods, but also to services and attracting foreign direct investments. It is not only consumers that are

affected, but also multinational enterprises when they are involved in decision processes about where and how to invest, for example (Chisik 2002). Verlegh and Steenkamp (1999) conclude that, although industrial buyers are generally held to be more 'rational' and better informed than the average consumer, the country of origin effect on purchase decisions for industrial and consumer goods appears comparable in magnitude. This research is interested in the question of whether the same applies to decisions on the part of international NGOs and their personnel.

Laroche *et al.* (2005) suggest a three-dimensional construct for analyzing perceptions of countries of origin, comprising: (1) a cognitive component which includes consumers' beliefs about the country's industrial development and technological advancement; (2) an affective component that describes consumers' affective response to the country's people and institutions based on past experiences; and (3) a 'conative' component, consisting of consumers' desired level of future interaction with the sourcing country. This research uses this distinction between cognitive and emotional (affective and conative) components.

In a rational decision process involving country allocations on the part of international development NGOs, one would expect cognitive elements to predominate. Cognitive elements include issues like local NGO legislation, security situation, levels of corruption, the absence of other NGOs and local absorption capacity. NGOs are assumed to be professional organizations that work in an efficient and effective way to alleviate poverty. Affective elements (e.g. does the decision maker happen to know people from the country concerned?) or conative elements (e.g. does the decision maker enjoy making field visits to the country concerned?) are assumed to take a backseat to cognitive elements when deciding about which countries to intervene in. In the methodological section, the steps that have been taken to assess whether this assumption is borne out in reality will be explained.

The objective of this literature review has been to demonstrate that 'country image' is a highly researched subject, though not within the field of third sector research. This research applies conceptualizations of 'country image' and their underlying theories, which were primarily designed for the for-profit sector, to the non-profit sector.

Approach

The main aim is to determine whether country images contribute to the unequal distribution of NGO aid, and secondly, if this is the case, how these distorted country images emerge. This paper compares the Central African Republic with Tanzania. As a starting point, it is important to note that similarities and differences between the two countries. Tanzania disposed over more of an enabling environment for NGOs. There were more international donors present and there were higher levels of urbanization. In addition, there are other factors that make the NGO climate in Tanzania more attractive: there was slightly less corruption (Transparency International 2008) and people were better educated as higher literacy rates indicate. Furthermore, the infrastructure conditions were much better in Tanzania, with three times as much internet and mobile phone connections per capita (United Nations Development Programme, 2006) and the percentage of paved roads was six times as high (World Bank, 2006). The aim of this paper is thus not to determine whether NGOs have different country image of Tanzania as opposed to the CAR. The aim of this paper is to determine whether country images matter to decision makers, if country images of outsiders, who make decisions regarding involvement in those countries corresponds to those who have a more insider's perspective and how country images are constructed and maintained.

The main data source is a Q-questionnaire of international NGOs based in OECD countries on their involvement in those two countries. Such a methodology provides insight into the perceptions of respondents through relative visual ranking. It is an excellent method of extracting subjective opinions, and therefore well suited for country-image research. Additional data sources were a survey among local organizations and experts in the Central African Republic.

The sample of international NGOs for the questionnaire was based on extensive web-based research. The same selection criteria were used as in chapter 2 of this research. In total 100 international NGOs were asked to participate, with an average annual turnover of 93 million Euros. The response rate was 43 percent. There is no reason to believe that any sample selection bias occurred.

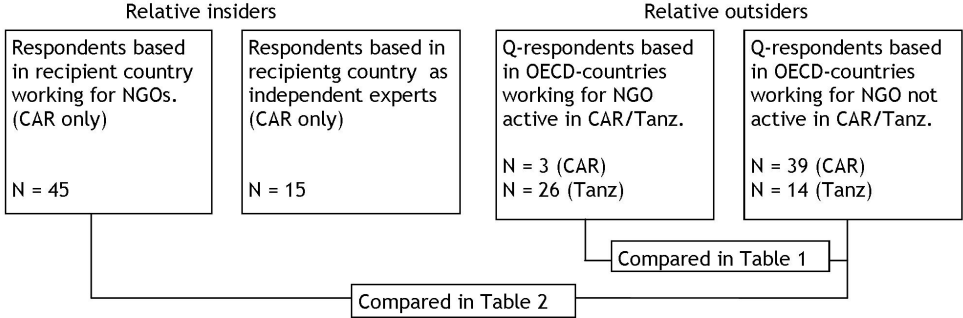
To arrive at the research aim of this paper, three logical steps are taken. The first step is to measure differences in perception between insiders and outsiders when it comes to the cognitive

elements of the ‘country images’ of the two countries. The second step was to gauge whether the outsiders’ views played a role in the NGOs’ geographic decisions. The last step focused on how the country image is constructed.

Step one - Differences between insiders and outsiders regarding cognitive aspects of country images

Figure 1 shows that in this section two methods are employed to determine whether the cognitive element of the country image as perceived by outsiders corresponds to view of the insiders.

Figure 1 Overview of respondents



Firstly, the sample of OECD-based respondents within international NGOs is split into those whose organisations were active and those whose were not active in the respective countries. A hundred policy advisors from major international NGOs were invited to assess the cognitive aspects of the two countries images in the so-called Q-questionnaire by scoring various aspects related to the ‘investment’ climate for international NGOs (response rate 42%). These aspects included such issues as the security situation, the capacity of the local organization, local fundraising possibilities, NGO legislation, corruption situation, stability situation and enabling environment for NGOs.¹ The representatives of these NGOs responsible for and involved in country allocation decision making were contacted, such as managers of the Africa unit, heads of strategy units or general managers. Splitting the sample into organizations that were and were not active in and the Tanzania and the Central African Republic enabled a verification of whether there was a *difference in differences* (cf. Abadie 2005). Table 1 will present the results.

Secondly, the views of the respondents based in the recipient country working for NGOs are compared to the Q-respondents based in OECD-countries working for NGOs not active in the country. This was only done in the CAR since there was no difference of opinion between the two categories of international NGOs regarding Tanzania. Also the number of international NGOs active in the CAR was relatively low, making it impossible to draw statistically sound conclusions if drawing exclusively on those international NGOs. The low number of respondents from international NGOs active in the CAR was inevitable because of the limited NGO presence in the CAR. An extra field-level check in CAR was therefore deemed necessary to test the robustness of the results. Forty-five organizations in the CAR were asked to rate the local NGO situation.² A marginal sample selection bias was possible since both the number of organizations on the lists from more remote districts as well as their response rate might be lower. However, extensive field research outside the capital took place in the CAR.³ These scores were validated by checking them with independent experts, who were not dependent on funds from abroad and might therefore provide less socially desirable answers. These experts included representatives from locally represented donor agencies, consultants that had carried out research into the local NGO sector and civil servants at the Ministry of Planning (the ministry responsible for NGOs). These results were further validated by discussing them during focus group discussions with all respondents.⁴ In sum, Table 2 compares the views of the outsiders (Q-respondents based in OECD-countries working for NGOs not active in the relevant recipient country) with insiders (respondents based in the recipient country working for NGOs).

Step two - Do cognitive aspects of country images affect country choice?

In this step, insight is provided in how international NGOs make geographic choices. Attention is paid on whether they use formal or informal processes, and who actually influences the decision making process. To assess whether country images have influenced actual funding decisions, this research uses the Q-methodology. In line with the Q-methodology, a Q-questionnaire was developed for this research. Respondents could list various elements that were assumed to be relevant for

their involvement or non-involvement in the two countries. The same respondents who participated in 'step 1' were invited to rank which arguments played a role in decisions on their (non-)involvement in the two countries. Respondents were given the choice between 12 pre-fabricated arguments⁵, but if they had the feeling that the cards available did not include all the relevant arguments, they could also fill in additional cards themselves and include these in the rankings. To ascertain that their arguments and views actually mattered when NGOs decided on countries of intervention, step two commences with a description of the role of NGO staff and management in making those decisions and how they went about making those choices.

Step three - How are country images constructed?

The third step was to determine which factors contribute to the divergence of view between the insiders and outsiders when it comes to the Central African Republic, on the one hand, and the corresponding cognitive aspects of the country image of Tanzania on the other. The inclusion of questions in the Q-questionnaire relating to, for instance, the respondents' desire to visit the country and whether the respondent knew people from the country, makes it possible to determine whether emotional components overshadow the cognitive elements of an image. In this step, the links between the divergent views regarding the cognitive aspects of the country image of the CAR and the 'affective' and 'conative' elements of it become apparent.

Results

Step 1: A negative image of the CAR

Table 1 demonstrates that there was not a significant difference regarding Tanzania between the OECD-based respondent of NGOs that were and that were not active there. Both types of organizations had a similar perception of Tanzania; the difference did not exceed 0.3 (on a five point Likert scale) for any of the indicators. With respect to the CAR, on the other hand, there were substantial differences between the ratings of those that were and were not active in the country. Organizations active in the CAR were significantly less pessimistic than those who were not active there on all but two items. Those that were not active in the CAR were more negative with respect to the items of corruption, local organizational capacity, NGO legislation and the enabling environment for NGOs. The only element on which respondents active in the CAR were more negative (not significant), was 'the possibilities for local fundraising'. It seems that this exception confirms the rule that outsiders to the CAR are less enthusiastic about it than the insiders. This is in stark contrast to the findings regarding Tanzania, where the perceptions were comparable among both those who were involved and those who were not.

Table 1: Differences in differences for cognitive elements of country images: CAR vs Tanzania

(1 = very positive, 5 = very negative)	CAR (N=43)					Tanzania (N=43)				
	Outsiders		Insiders		Signifi- cance	Outsiders		Insiders		Signifi- cance
	N	Mean	N	Mean		N	Mean	N	Mean	
NGO legislation	9	3,56	3	2,50	0,036	8	2,25	23	2,22	0,908
Corruption situation	14	4,29	3	3,33	0,052	9	3,33	22	3,18	0,658
Stability situation	15	4,00	3	2,00	0,021	9	2,22	24	1,96	0,362
Enabling environment for NGOs	13	3,69	3	2,67	0,045	10	2,1	25	1,92	0,357
Security situation	20	3,85	3	3,67	0,747	10	1,80	25	1,56	0,247
Local organization capacity	18	4,00	3	3,00	0,058	10	2,30	25	2,12	0,548
Local fundraising possibilities	14	3,79	3	4,67	0,127	8	2,88	22	2,82	0,883

Source: Koch, own data.

Table 1 needs to be interpreted with caution due to the low number of international NGOs that were able to respond with respect to the CAR. Nevertheless, the table yields some interesting insights into how the two countries were perceived. To address this shortcoming, additional data was gathered for the CAR, which are reported below. The most important check involved juxtaposing the perception of the representatives of international NGOs to the experiences of the representatives of CAR-based NGOs themselves.

Table 2: Contrasting the cognitive element of the CAR country image between outsiders and insiders

	N	CAR-based NGO representatives	N	International NGO representatives	Significance
Corruption situation	44	2,91	14	4,29	0,000***
NGO legislation	44	2,05	9	3,56	0,000***
Security situation	44	3,39	20	3,86	0,234
Enabling environment for NGOs	44	2,05	13	3,69	0,000***

Note: *** means significant at the 1% level.

Source: Koch, own data.

Confirming the findings of Table 1, Table 2 shows that international NGO representatives that were not based in the CAR were more negative about the situation than CAR-based organizations. The CAR-based organizations were either national or international in scope, but all locally active. The differences were remarkable. Whereas organizations involved in the CAR were actually mildly positive about the corruption situation (<3), thus indicating that it did not affect the NGO sector in the CAR negatively, this was not the case for the outsiders, who rated the corruption situation very negatively (>4). With respect to the local NGO situation, the CAR-based NGOs were clearly positive, but the international NGO representatives were rather negative. The same was true with respect to the ratings on the general enabling environment for NGOs; whereas the CAR-based organizations were of the opinion there was such an environment, their Northern colleagues took the contrary opinion. CAR-based organizations were also more positive about the security situation, even though the difference was not statistically significant. CAR-based organizations claimed that there were indeed two insecure provinces, whereas the rest of the country was relatively safe. Outsiders did not appear to view these regional nuances, and tended to brand the entire country as unsafe.

To ensure the validity of these results, various checks were carried out. A first bias may have occurred due to a different conceptualization of the definitions by the OECD-based and CAR-based respondents. There is a danger that local NGOs have a different definition of what constitutes 'corruption' to that of international NGOs. To verify this, the term 'corruption' was discussed at length during the focus group discussions with CAR-based NGOs, and it became clear that participants had used the same concept as their Northern counterparts when considering this item.⁶ The focus group discussions revealed that they did not deny the existence of corruption in the CAR, but that there were efficient ways to circumvent it. The same procedure was followed with other key definitions in the research.

A second potential bias among the CAR-based respondents concerned the interest they may have had in promoting a positive image of the CAR, as they were dependent on external funds. Therefore, an extra validity check is made to determine whether CAR-based NGOs had a positive bias. Independent CAR-based experts on the situation regarding NGOs in the CAR, such as representatives from international organizations and external consultants, were also asked to shed light on the items rated above.⁷ Their responses provided an interesting way to triangulate the results. The independent experts were more positive about the local situation than the OECD-based NGOs, but less positive than CAR-based NGOs (Koolwijk and Koch 2007).⁸ In sum, compared to the opinions of both the CAR-based organizations and the CAR-based experts (the insiders), the OECD-based NGOs (the outsiders) had a more negative view of the CAR. The OECD-based organizations that were not active in the CAR, which are outsiders *optima forma*, had the most negative view.

Step 2: The importance of country images

After establishing that the cognitive aspects of the country image as perceived by outsiders (who make decisions regarding involvement there) was more negative than the views of insiders, and maybe disproportionately so with respect to the CAR, step two of the research considers the question of whether this actually matters. This section uses of the traditional Q-questionnaire, in which respondents express which arguments were of importance to them when deciding on their involvement in the two countries by visually ranking cards with the arguments printed on them. The results for Tanzania are not reported here because no difference between the insiders' and the outsiders' perception of the cognitive aspects of the country image was encountered (see Table 1). It is therefore of lesser relevance to analyze whether elements relating to the country image of Tanzania were of importance.⁹ Before turning to the results of the Q-questionnaire, it is necessary

to describe the extent to which, if at all, the views and arguments of the respondents mattered in the country decisions of their NGOs.

The country allocation processes of these NGOs are quite distinct, yet all organizations indicated that managers of the organizations played a role in making the country decisions. However, the relative weight of the managers in influencing geographic choices differed between organizations. For instance, since the American government earmarks their funding for certain countries, managers of American organizations have less influence. By contrast, the Dutch and German government give a block grant to the most important organizations, which increases the influence of their managers. The interviews showed that the allocation process of the NGOs can be divided into two stages: a selection process of countries, followed by the actual allocation decision.

40 % Of those interviewed stated that their organization had a formalized country selection process, meaning that the organization makes an official decision regarding the countries where it is active. It was only considered a formal selection system if the selection process was a regular event, in which objective indicators were employed. Most of the organizations with a formal selection procedure undergo a country-selection exercise every 3-4 years when the NGO submits a major grant proposal to the back donor. Typically, the highest administrative level of the NGO is involved in the decision-making process. Many organizations start the process by selecting some relevant international poverty indicators, such as the human development index for general organizations, or child welfare indicators for agencies focussed on children. During the practical implication of these selection processes, NGOs discovered that a rigid adherence to these indicators would lead to drastic changes in the choice of countries. Often, in addition to poverty indicators, other criteria are consequently included, such as whether the NGO was already present in a country and how successful its programmes have been. The remaining 60% of the NGOs does not have such a formalised selection system.

Also, 40% of the interviewees (not necessarily the same as above) stated that their organizations had a formalized country allocation process (the level stage). Asked why these organizations did not have a formal system, they responded that they were not in a position to make these choices. They depended financially on back donors who made those decisions for them. Some other organizations claimed to have an informal system. In organizations with an allocation system, it was obvious that employees at lower administrative levels were responsible for actual country allocations. If the agency had regional desks, as most do, various regional departments were allotted predetermined shares of the total budget, which they distributed among the countries on that particular organization's 'list'. The specific share of the budget is often based on the region's previous level of funding. The other 60% of the NGOs does not have a formal allocation system.

This indicates that 60% of the organizations did not have a formalized country selection system and 60% did not have a formalized country allocation mechanism. These 60% did not make use of objective indicators, which related to for instance governance levels and infrastructure conditions. Consequently, in those 60%, staff had quite some discretion in making geographic choices and it can be assumed that they relied on subjective information, such as country images, to make them. Hence, the arguments and views of the respondents mattered for the geographic decisions of NGOs. Table 3 shows exactly which arguments they used when deciding on interventions in the Central African Republic.

Table 3: Arguments of International NGOs for (non-)involvement in the CAR

Considerations used by international NGOs when deciding on involvement in the CAR	N = 30	Source: Koch, own data.
	N	
Local corruption	53%	Table 3 lists some of the considerations of managers of international NGOs
Security situation	50%	
Local organizational capacity	57%	
Enabling environment for NGOs	50%	

when determining their involvement in the CAR. Table 3 shows the elements on which the perceptions of the outsiders did not square with the views of the insiders played a prominent role in decisions regarding involvement in the CAR. Outsiders rated these elements, such as perceived levels of corruption and the security situation, much more negative than the insiders.

Koch and Loman (Koch and Loman 2008) describe at length the geographic choice pattern of Oxfam Novib, the largest Dutch NGO. This was an interesting case, since Oxfam Novib succeeded in reducing the importance of subjective and emotional elements in country selection processes. They

show how Oxfam Novib introduced a transparent and formalized selection system for its ‘core countries’. This means that all desk officers are obliged to rate all developing countries according to various objective indicators that relate to the opportunities for Oxfam Novib to become effectively involved in them and the presence of other actors. This increases the objective information available to decision makers, thereby reducing the scope for stereotyping. Consequently, Oxfam Novib came to realize that in some countries, too many other NGOs were already active, and in some countries too few were active. As a consequence, they initiated identification missions to two countries where relatively few organizations were active, Niger and Nigeria, and found that there was ample room for more effective involvement. They subsequently selected these two countries as ‘core’ countries. The rationalization process, which included a formalized rating and allocation system, thus led to audacious country choices, which would not have been made if Oxfam Novib had continued to rely on their traditional methods of making geographic choices, in which personal and emotional considerations were key determinants.

The following section will deal with how negative country images might come about, but before turning to that section an analysis of the quantitative aspects of the questionnaire of international NGOs can provide more insight in how the respondents feel about the two countries of this research. The country images of the Central African were clearly negative, as a qualitative analysis of the open ended questions shows. When asked what their first impression was when hearing the word ‘Tanzania’ respondents often noted down positive connotations, such as ‘Beautiful country, lovely people, and calm without political tensions’ (Q-questionnaire 30) and ‘beaches and wildlife’ (Q-questionnaire 34). When the same question was asked about the Central African Republic, respondents were much more negative and noted down statements such as ‘ Conflict-torn country, very poor and not very much hope...’ (Q-questionnaire 1) and ‘Dark - the Emperor’ (Q-questionnaire 17). These answers to the open ended questions suggests that the outsiders, the decision makers with respect to involvement in either of the two countries, had a negative connotation when thinking about the CAR.

In sum, taking into consideration the informal nature of the majority of the country selection and allocation processes of international NGOs, as well as the importance of considerations on which the views of decision makers did not correspond to those in the field, indicate that the negative image of the CAR appears to act as a brake on the involvement of international NGOs there.

Step 3: the construction and reconstruction of country images

Having asserted the relevance of images in the allocation decisions of international NGOs, step three explores the origins of distorted cognitive aspects of country images. The theoretical framework provides some points of departure, notably that the cognitive part of a country image can be influenced, and even overshadowed, by other parts of the county image, such as the ‘conative’ and ‘affective’ components, especially when little objective information is available. The second relevant point highlighted in the theoretical section is that country images are often rigid and only change when there is an obvious need to do so.

To test whether the ‘affective’ component, sentiments based on personal experiences, and the ‘conative’ component, elements based on desired future interaction, have influenced the perceptions of international NGOs, this research contrasts the case of the CAR with Tanzania. This chapter has shown that the cognitive elements of Tanzania’s country image are similar to both insiders and outsiders, which is not the case for the CAR. The CAR and Tanzania provide therefore interesting comparison material. Consequently, if it is found that the affective and conative elements of the country image of the CAR are rated lower than those elements for Tanzania, this may suggest that those components might also have contributed to the distortion of perceptions of the CAR.

The CAR falls outside of the network of international NGOs. Staff of international NGOs had hardly ever been in the CAR, nor did they know people from there. Furthermore, they heard only occasionally from and about the CAR. Table 4 displays the findings on this low score on the ‘affective’ component of the country image of the CAR, and adds findings with respect to the ‘conative element’ of the country image.

Table 4: Affective and conative aspect of country image of the CAR

	CAR		Tanzania		Significance
	N	% positive response	N	% positive response	
Affective component					
Have you ever been (not in present capacity)?	40	3%	38	67%	0.000***
Do you know somebody from ?	40	16%	39	88%	0.000***
Do you hear at least regularly something about ...?	34	31%	36	68%	0,001***
Conative component					
Would you like to visit ?	38	56%	37	92%	0,002***
Would you like your organization to be more active ?	39	29%	38	44%	0,196

Note: *** means significant at the 1% level.

Source: Koch, own data.

Table 4 shows that there are also marked differences with respect to the conative component of the country image. NGO staff would rather visit Tanzania than the CAR. Reading these comments, it might not come as a surprise that more of the NGO staff wants their organizations to start/expand activities in Tanzania as compared to the Central African Republic. Consequently, the disconnect between the insiders' and the outsiders' perspective on the cognitive elements of the country image of the CAR might be due to a lack of emotional attachment towards it. This is in line with the theory on the strength of the halo-effect, as proposed by Laroche (2005). He argues that the less objective information that people possess and the more they identify positively or negatively with a country, the more their cognitive assessment will be blurred. In the case of the CAR this appears to have contributed to a downward bias in the rating of the cognitive aspects of the country image of the CAR. The saying 'unknown makes unloved' appears to be rather adequate to describe the situation in which the CAR finds itself.

The theoretical framework suggests that the negative public image of the CAR will persist, since people's 'mental shortcuts' are hard to break. Country images only change when there is an actual need to do so. The respondents' answers demonstrate this: when asked what their first association with the CAR was, 21% spontaneously mentioned Bokassa, the former president of the country who crowned himself emperor. This is remarkable since Bokassa was deposed over three decades ago and suggests that indeed, as there is no need to alter the country image, an image will remain strong and may even reinforce itself. Actually, a negative country image could even be useful as it could serve as a justification for continued non-involvement. NGO staff could use their negative ratings of the CAR to explain away the cognitive dissonance that emerges when asked to explain why their organization is not active in this poverty-stricken country.¹⁰

The reverse has happened in countries with a strong country image and concomitantly large aid revenues. There are significant signs that donors maintain excessively positive country images for their 'donor darlings' (Ayittey 2002). Whether this is just a portrayed image or whether organizations and aid agencies truly believe in it is debateable, but the effects remain the same: certain countries retain the status of donor darling, even though the conditions that lured donors into that country have long since subsided. A poignant example was Uganda, which was at one point engaged in an illegal war outside its own territory and whose president was becoming increasingly autocratic. Still, the country remained one of the largest recipients of foreign aid and was constantly cited as a success story (The Economist 1999).¹¹ In sum, there are forces which maintain country images, whether these images are positive or negative. This corresponds to what Bourdieu's terms a *doxa*, which stipulates that people internalize certain stereotypes which enable them to make sense of the world around them, and that these stereotypes often tend to reinforce the existing status quo.¹²

Discussion

This paper has shown that without major modifications the country brand literature can be transposed from the for-profit to the non-profit literature. The construction of country images as perceived by consumers and firms, also appear insightful to explain the perception within NGOs. The remainder of this discussion focuses on the limits of the country image approach.

What is the scope of the findings? Undoubtedly, other factors than a lack of emotional connection contribute to an inaccurate negative country image of the CAR, such as its very low level of economic development. Schooler (1971) shows that consumers in developed countries rate the quality of a product lower when they know that a certain product comes from a developing country.

Subsequent research confirms that the poorer a country, the worse its products are rated, even when the products are of similar quality (Han and Terpstra 1988; Barnabas and Elimimian 1999; Peng and Zou 2007). Staff in international NGOs could reason along similar lines, namely that since the country is so desperately poor, the opportunities for effective intervention by international NGOs (in terms of local partners for instance) must be low. Yet these other factors complement rather than contradict the evidence presented here on the importance of the lack of emotional affiliation towards the CAR.

Emotional affiliation is often more pronounced with countries that share certain key characteristics, dubbed 'ethnocentric bias' in marketing terms: consumers tend to have a relative preference for products from their own and similar countries (Nagashima 1970). This appears to be just as true for international NGOs, as a certain ethnocentrism can be found for instance in the type of organizations that are viewed positively. Organizations in Muslim and Hindu countries, for instance, are much less likely to be financed by Christian organizations, as Koch et al (2008) demonstrated.

What is the relationship between these findings and the fact that there are real differences in the enabling environment for international NGOs in the two countries? This paper suggests that in addition to those real and existing differences, there is an additional factor that leads to exclusion, namely the image of a country. Both the country image and these differences are self-reinforcing (Koch and Ruben, 2008) and thus lead to the conclusion that the geographic choices of NGOs tend to lead to divergence rather than convergence. Therefore, inaccurate country images are only one of the factors that lead to more inequality of private aid flows. It is complicated, or even impossible, to make any substantiated claims on the relative importance of the various driving forces of concentration; the ultimate consequences are clear, however: a skewed pattern of private development finance, resulting in the neglect of certain countries.

How general are the findings of this research? The findings suggest that the CAR may well be a victim of harmful stereotyping. Other countries, such as Guinea, Yemen and Côte d'Ivoire, are largely by-passed by international NGOs as well. It would go beyond the scope of this paper to provide a thorough analysis on this; yet tentative hypothesising is always possible. Do these countries suffer from the same problem? Other constraints play a role as well, such as a lack of interest from official aid agencies and the fact that they are non-Anglophone states (Koch, Dreher et al. 2008). Nevertheless, there are indications to assume that these countries might have a similar country-image problem. These countries appear also rather isolated, which reduces objective information available to decision makers in international NGOs (Observatoires des Médias 2008). Furthermore, they are predominantly Muslim, which reduces emotional affiliation towards them. This lack of emotional affiliation, coupled with few sources of objective information, could prove to be a fertile ground for differential perceptions between insiders and outsiders.¹³

This paper has shown that the concept of country image provides an interesting additional angle to explain the unequal choice pattern of international development NGOs. The importance of this approach comes to the fore when contemplating potential policy implications. If one were to focus exclusively on the role of geographic economics, for example, policy recommendations would focus on issues such as providing incentives for NGOs to locate in more isolated areas. The concept of country images highlights the role played by subjective and emotional elements in decision-making processes, and consequently policy recommendations based on this approach ought to take this into consideration.

Conclusion

Many agree with the statement that a strong country image can influence how consumers perceive the quality of the products they buy. Fewer would think that commercial entrepreneurs are guided by these simplified constructs in the same way, even though there is now ample evidence that this does occur. Even fewer would think that non-profit professionals would make allocation decisions based on stereotypical images of certain countries. This research shows that this may well be happening in the international NGO sector.

This paper found that relevant decision makers in international development NGOs have a pessimistic country image of the CAR, and maybe disproportionately so: (1) international NGOs that are not active in the CAR rate the enabling environment for NGOs in that country more negative than those that are; (2) NGOs that are based in the CAR rate the enabling environment for NGOs in

that country more positive than NGOs that are not based in there. Conversely, these differences did not exist for Tanzania. This paper has attempted to show that the informal and unsystematic way in which most international NGOs make their geographic decisions provide a fertile ground for these stereotypes to surface and have an impact on country choices of NGOs.

This paper also sought to show how these negative country image of the CAR were constructed and reconstructed over time. It was found that personnel from international NGOs have less contact with the CAR, know fewer people from there, and are less anxious to go there. This suggests that a lack of emotional attachment to and information about a country can contribute to a difference of perception between insiders and outsiders. In addition, also another rationale was discovered for the negative image of the CAR. A negative country image of the CAR could justify continued non-involvement of international NGOs. Finally, this paper illustrated that negative country images and low levels of involvement mutually reinforce each other. Low levels of emotional connectedness reinforce negative country images. These perceptions prevent organizations from becoming operational in these countries, and this, in turn, hampers an emotional rapprochement between Northern NGO personnel and the country. This feeds into future allocation decisions, perpetuating the marginalization of these countries. This finding corresponds to the outcome of other research on this topic that also ascertained circular causation with respect to the country choices of NGOs. Taken together, these findings yields a rather bleak picture for the future distribution of NGO aid, namely that current inequity is likely to persist.

The policy relevance of this paper is that it shows that simply creating an enabling environment for NGOs will not be enough to attract more international NGOs. These agencies were shown to mostly make geographic choices on the basis of stereotypes and personal preferences and not on more objective indicators. Therefore it is important for NGO-umbrella organisations and governments in recipient countries, which would like to entice more involvement of international NGOs, to also market the opportunities for them in their country

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¹ These elements were selected on the basis of twenty in-depth interviews with managers of NGOs in the United States, Norway and Germany which revealed that these elements were relevant to geographic choices.

² The criteria for interviewing the CAR-based organizations were that the NGOs: (1) were independent from the government and non-profit organizations; (2) were foreign funded (3) were involved in development projects in the country and (4) had an office in the country. The organizations could be local, national or international in scope. Forty-five organizations matched those criteria, all of which were interviewed

³ A provisional report with results of the survey was discussed in reporting events with the organisations in the CAR. Generally, organizations showed that they recognized the findings (Koolwijk and Koch, 2007; Laan, 2007a). The turnout at those reporting events was 77%.

⁴ This paper does not assume that the insiders are automatically right about the country image, and the outsiders are automatically wrong. Insiders might not have adequate comparison material as they are less aware of the situation in other countries, they also might have an interest in portraying a positive image. A difference of view between insiders and outsiders reveals that the public image of a country is not shared by those who work on a daily basis in or with that country.

⁵ These arguments were: preference of general public; overhead concerns and spending pressure; local corruption; needs population; preference of donors; local climate for NGO operations; potential for results; local security situation; capacity local partners; (no) informal network; possibilities for local funding; general image of country.

⁶ During the focus group discussion it was asked whether giving money to a public official at a road block could be labelled as corruption. All participants agreed that this should be seen as such. While there was no discussion on whether this constituted corruption, there was discussion whether this behavior was acceptable ('these men also need to feed their families and have not received wages in years').

⁷ Experts were representative of among others the European Union, UNDP, UNFPA, World Bank and Ministry of Economics, Planning and International cooperation.

⁸ For instance, they are not as negative with respect to corruption as the International NGOs, but they recognize that importing goods often poses a problem for CAR-based NGOs. With respect to NGO legislation, they recognize that the law in itself is appropriate, but that implementation is lacking. With respect to the security situation, they are closer to the opinion of the CAR-based organizations than to those based in the OECD. With respect to the enabling environment they were somewhere between the OECD-based and the CAR-based organisations. They highlighted the constraints that resulted from the meagre human resource base more than the CAR-based organizations did.

⁹ Roughly the same elements were considered relevant for decisions on involvement in Tanzania, such as levels of needs in a country and the possibility of achieving results.

¹⁰ Cognitive dissonance is the mental process in which attitudes are adjusted to ensure that they are in line with behaviour. This process is most likely to occur when behaviour cannot be adjusted. The driving factor of this mental process is to ensure that inconsistency between practice and beliefs is reduced Gleitman, H. (1995). Psychology - fourth edition. New York & London, Norton & Company.

¹¹ The Economist claimed that Uganda had the international donors 'to ransom', since international donor had spent so much in Uganda (55% of the GNI of the country) and could not disinvest, for this would indicate that their aid had been ineffective. This resembles a lock-in effect.

¹² Albeit slowly, country images can change. The international standing of Tanzania was in 2008 notably more elevated than two decades ago. In 2008 it received the largest Millennium Challenge Account Compact from the US government to date and was selected by the Chinese government as the sole African country in which the Olympic flag was being toured around.

¹³ There is no reason to assume that only NGOs are affected by these negative country images, official aid agencies could be equally affected.