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Salience games: Private politics when public attention is limited☆

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ABSTRACT

We develop a theoretical model in which an industry and NGO play *salience games*—they act strategically to influence public attention to social impacts in the sector. Salience stimulates extra donations for the NGO, and thus firms have incentives to hide the damage they do in order to avoid public attention. We show that when public attention is scarce, a greater campaign orientation induces industry to invest in greater obfuscation, starving the NGO of funds. The NGO in turn strategically biases its mission away from campaigns—and in favor of sector-wide versus firm-specific campaigns—but not by as much as a welfare-motivated planner would want. When public attention is avoided by a mixture of substantive and symbolic action, we show that a greater weight on the former induces the NGO to become more campaign-oriented, with social damage lower. Highly competitive industries have greater incentives to commit to substantive actions.

1. Introduction

Firms and industries vary not just in the flow of environmental (or social) damages they produce, but also in the propensity for these negative impacts to catch the public eye (Hoffman and Ocasio, 2001). Polluters have obvious reasons for preferring that their impacts avoid public attention (become "salient").[1] Green activists have other incentives. They recognize that they get more donations when damage is in the public eye—donations that can then be used to deliver a more potent campaign against

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[1] The concept of salience is an important one in a number of fields. In psychology salience refers to any aspect of a stimulus that, for whatever reason, stands out from the rest. In neuroscience, salience is "a state or quality by which something stands out relative to its neighbors" (Wikipedia entry for Salience (neuroscience), accessed December 2016). This notion of *conspicuousness relative to others* will recur in the model here. Salience has been introduced in economics, though applied quite differently, by Chetty et al. (2009). In their model consumers under react to a sales tax that is not factored into the ticket price—they fail to "notice" it.

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the industry and/or to increase spending on other unrelated activities. This makes management of salience a key battleground between polluters and the green NGOs with which they interact, something both sides seek strategically to influence. It is the implications of such “salience games” that we explore.

Our starting point is the recognition that public attention is a scarce resource, and that “[w]henever the amount of information produced exceeds the amount of attention available to consume it, a competition for attention is born” (Thorngate et al., 2011, p. 17). Davenport and Beck (2001, p. 8) assert that managing scarce attention is *the* central task of modern business: “If you want to be successful in the current economy, you’ve got to be good at getting attention.” Or—if you are causing damage, as are the firms in our model—good at *avoiding* attention.

Researchers in several disciplines have sought to understand the process through which particular social issues enter public consciousness. Hilgartner and Bosk (1988) start their classic sociological treatment with the following questions,

> Why does the plight of the indigenous people of South America receive less public attention than the plight of laboratory rats used in scientific research? Why do toxic chemical wastes flowing into landfills receive more public discussion than the dangerous chemicals present in America’s workplaces? The extent of the harm in these cases cannot, in itself, explain these differences, and it is not enough to say that some of these situations become problems because they are more “important”. All of these problems are important—or at least capable of being seen as such. (Hilgartner and Bosk, 1988, p. 54)

They go on to make a compelling case that the focus of community attention at any given time is not exogenously given, but rather endogenous and manipulable.

We develop a model in which public attention is limited and can only attend to a small number of issues at once. Plausibly, we assume that the probability the damage done by a given firm catches the public eye depends on the *quantity* and *visibility* of that damage, both of which the firm can manipulate. But this likelihood is not determined in a vacuum. Rather, the behaviors of one firm vie for attention with the behaviors of others, and with a diverse set of unrelated but attention-worthy topics (e.g., excessive immigration, prison reform, the state of the national finances).

Regardless of how the behavior of a firm comes to public attention, by rendering a particular issue or practice salient it will typically cause attention to fall not just on the particular firm but the industry/practice in general. As a senior Amoco executive quoted in (Hoffman, 2001, p. 189) put it, “[w]e are an oil company, and we have to live with the sins of our brothers. We all get painted with the same brush.”[2]

It is straightforward to think of cases in which the polluting behavior of firms catches the public eye. For example, the headline in *The Daily Mail* newspaper on 15 April 2016 was “China’s Zhongting River Turns Red Due to Illegal Waste,” and tells how the local residents were alerted to the illegal discharge practices of iron processors by the change in color of the river water. Because it is impossible for downstream residents to assess which upstream firms were responsible for the contamination, it is natural that the entire upstream industry became salient after the incident. However, an entire industry can become salient even when an event can be traced back to a specific firm. For example, in 2013 a train hauling oil derailed in the small Quebec town of Lac-Mégantic, causing widespread damage and killing 47. It became the 2013 Canadian Press News Story of the Year. Before the derailing most Canadians were unaware of the fact that crude oil was transported by train, let alone of the detailed issues around wagon design, routing and scheduling practices that subsequently became subjects of popular discussion. As such it was an event that launched public debates about the environmental and safety implications of the continent’s boom in oil-by-rail. “It caused everyone living in a small Canadian city, or town that had freight rumbling through it, to stop and ponder” (*The Toronto Star*, 25 December 2013).[3,4]

There are diverse reasons why an industry might want to avoid public scrutiny over social impacts, and these have been investigated in various strands of literature (e.g., Friedman, 1999; Baron, 2001; Lyon and Maxwell, 2008). Our objective is to better understand the strategic interaction between activists and industries in a setting where we explicitly recognize that public attention is scarce. In our model it is because the vitality of the NGO—supported by the funds that it is able to garner—increases with public awareness of the issue in question, making it a more formidable opponent. In the words of Stroup and Meiners (2000, p. 18): “A crisis captures the public eye. Activist organizations benefit from a crisis … It keeps them

[2] In this spirit there is a well-established theoretical and empirical literature on collective reputation as “the influence of stakeholder activism has made industry-level reputation management more important than ever” (Winn et al., 2008, p. 35).

[3] For modeling purposes we treat the negative externality as a flow—and for that reason use the terms behavior and impact interchangeably—but this last example highlights that single events (such as accidents) can play an important role in attracting “the focus of public attention” (Hoffman and Ocasio, 2001, p. 414). At the cost of complexity, the model we present could be adapted to allow for stochasticity, though the insights would be undisturbed.

[4] While our focus is environmental, the logic could be applied to a wider set of social impacts. A non-environmental example relates to the coming to awareness of unfair labor practices in the tea sector. In a 2014 report by The Guardian newspaper—*Assam’s Modern Slaves: The Real Price of a Cup of Tetleys Tea*—a journalist exposed the very low wages paid to pickers of Tetleys tea (at 94 rupees per day barely half the minimum wage in that jurisdiction). It led to public outrage and spawned articles by Time Magazine, CNN about the sector in general (for example two subsequent BBC reports were entitled *Top Tea Brands Exposed*, and *The Bitter Story Behind the UK’s National Drink* and each listed in their opening paragraph several of the big brands). Indeed, it almost immediately became clear that Tetley was no different from others: “tea pickers’ wages in Assam are set not by any individual company but by an industry-wide wage settlement … [t]herefore, such wages apply equally to all tea plantation companies in Assam, which have been supplying and continue to supply many of the world’s tea brands” (Bouckley, 2014). After concerns about child labor are identified in the supply chain of Ferrero, the account immediately makes clear that the impact is sector-wide; indeed, the article goes on to refer to Hershey, Mars and Nestle by name and to observe that “[c]ocoa is generally produced by farmers living in extreme poverty, and child labor is common on the majority of cocoa farms” (Sequeira, 2016).