

The Power-Relations of Danida Business Partnerships in Nepal

A study in governmentality, identities and practices

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Abstract

Danish development policy is increasingly orienting towards the private sector and development through economic growth. Development programs are heavily influenced by a neo-liberal discourse, and they alter power-relations, identities and practices where they intervene in local contexts. The purpose of this thesis is to denaturalize the taken-for-granted truth established in the development discourse, and to make the embedded power-relations of certain types of development programs visible. The theory of governmentality is applied to investigate how the small-scale private sector development program Danida Business Partnership is rendered powerful and governable. Furthermore, I explore how the program, through its central components of CSR and partnerships, constitutes and shapes local identities and practices of companies in Nepal. In order to catch these different aspects of the relations between truth, power, and the subject, I have performed a discourse analysis on qualitative data in the form of government documents and a range of interviews and observations, which were gathered in Kathmandu, Nepal. The analysis outlines the political rationality and technologies of government of the DBP program, and it demonstrates how the discourse constitutes a space where only those companies, who understand and identify with its neo-liberal rationality, are allowed to maneuver.

Key words: Danida Business Partnerships, development, CSR, Governmentality, Friction

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1 Introduction

In May 2014, the Danish Minister for Trade and Development Cooperation presented the Danish government's new strategy for export promotion and economic diplomacy: "More trade. New jobs." In addition, an extensive reform of the Danish Foreign Service, which entailed a targeted focus on growth markets and developing countries came into force on the 1st of August 2014. The strategy allocates an additional 155 million Danish kroner to export promotion and economic diplomacy efforts in 2015. When he launched the strategy, the Minister said:

"We address local development challenges while giving Danish companies a stronger foothold by utilizing synergies between development and trade. (...) Developing countries increasingly seek technology, knowledge, trade and investment as the way out of poverty to create more sustainable and lasting growth." (Mogens Jensen, May 15th 2014)¹

As the strategies for development turn increasingly towards export and trade policies and vice versa, the neo-liberal affiliations of the discourse grows stronger. The scrutiny of existing conceptualizations and practices in government initiatives for private sector interventions in developing countries becomes increasingly relevant. What happens when western discourses of development and economic growth claim universalism, and is transferred to far away developing countries? What are the implications for the local business environment in terms of new power structures? The small-scale private sector development program in Danida's (the Danish Development Cooperation) repertoire called Danida Business Partnerships (DBP) may provide some indicators.

DBP facilitates and supports the establishment of long-term and mutually committing partnerships between Danish companies and companies in developing countries, with the objectives to create jobs, strengthen competitiveness, and promote Corporate Social Responsibility (CSR) in developing countries.² The program hence contains some of core elements of the overall measures of the strategy "More trade. New jobs." In this thesis, I focus on the DBP program in Nepal. My main area of interest is how new power relations are constituted through development practices and how they affect their subjects. Inspired by Foucault's theory of governmentality, which provides a critical perspective on power relations, I ask the research questions:

¹ <http://um.dk/en/news/newsdisplaypage/?newsID=408A5583-6CAA-45FC-A210-93E386BD1472>

² <http://um.dk/en/danida-en/activities/business/partnerships/>

How is the development discourse constituted as authoritative, powerful and governable in the DBP program?

How does the focus on CSR and partnerships affect the identities and practices of the local partners in Danida's DBP program in Nepal?

A governmentality analysis investigates the rationalities and technologies by which government enact and justify specific forms of governing in a process where new spaces and subjects of government are negotiated and transformed. The aim of the thesis is to destabilize the taken for granted truths of the neo-liberal discourse of Danish development and aid policy. As the neo-liberal discourse has gained ground in advanced liberal democracies in the West, the case of Nepal provides a space where this rationality is not (yet) embedded in the populations' mind. The encounters between a neo-liberal development discourse and the business environment in Nepal offers an interesting insight to both subjectification and resistance to the power relations embedded in neo-liberalism. This thesis will analyse the way CSR and partnership affect and constructs mindsets and views, how they direct and organize activities and the scope of action.

I begin this thesis with an overview on previous research on the DBP program (formerly known as the B2B or Business-to-Business program) and on public policies on CSR. I then turn to a description of the theoretical perspective and core concepts of governmentality, the governmentality of neo-liberalism, and an introduction to the notion of friction. In section 4, I discuss my methodological considerations, and in section 5, I present my research design and operationalization, and I discuss the aim and limitations of the thesis. I then proceed with a description of my methods and data. Here, I discuss discourse analysis and the problem of doing interviews for discourse analysis, and I give a brief account of my observations and their implication for my study. In the analysis, I begin by mapping the development discourse, which is crystallized in the DBP program. I show how the development discourse draws on certain neo-liberal elements and how it constitutes a space for government intervention. In the second part of the analysis, I turn to the formation of identities of the Nepalese businesses, and how DBP affects their way of doing things. I demonstrate how they relate to other actors in the discursive field, and to the concepts of CSR and partnerships. Finally, I conclude with a brief summary of my findings and their implications in a broader perspective.

2 Literature review

To begin with, I will briefly review what limited material that has been written on the B2B program in academia. However, the main focus of this thesis is the power relations of public policies, in particular the power relations of private sector development programs focusing on partnerships and CSR. In this literature review, I will therefore mainly focus on articles that have dealt with questions of public policies on CSR from a political science perspective.

2.1 Prior literature on the Danida Business Partnership program

The study on B2B “*Business-to-Business: an investigation of Danida’s B2B program in Africa*”³, applies a critical realist perspective, with the aim of assessing the effects of the program in terms of poverty alleviation. Thus, the program is assessed according to its own goals and criteria. The study concludes that the B2B-program is not sufficiently fighting poverty and that Danida should make clearer demands on the supported businesses (Daugaard, Grønkjær, and Møller, 2009). The study “*Strengthening of the cooperation in international business partnerships supported by Danida*”⁴, assesses the possibility for strengthening business partnerships in the B2B program. The assessment is based on an actor-network analysis, and concludes that the motives of the businesses to engage in business partnerships ought to be harmonized to a larger extend in order to strengthen the cooperation towards common goals (Skamris, 2012). Finally, John Kuada and Olav Jull Sørensen discuss the mechanisms regarding the facilitation of interfirm collaboration in Ghana. They assess the effectiveness of Danida in facilitating and nurturing collaboration between companies in industrialized and developing countries. Kuada and Sørensen highlight the challenges that facilitative institutions may face in the process initiating and nurturing collaboration between firms located in different cultures. Difficulties are often more prominent when the partners’ objectives are divergent and their operational backgrounds differ from each other. They conclude that “Facilitative institutions must, therefore, design creative governance mechanisms that minimise the uncertainties that partners may experience.” (Kuada and Sørensen, 2005, p. 488).

³ Translated from Danish by the author. “Business-to-Business – En undersøgelse af Danidas B2B program I Afrika”

⁴ Translated from Danish by the author: ”Styrkelse af samarbejdet i Danida støttet internationale erhvervspartnerkaber”

This brief summary of former research on the Danida Business Partnership program, including the B2B program, shows that the academic literature on the subject has focused mainly on the potential for improvement. All three studies aim at identifying the shortcomings of the program in order to give recommendation on how Danida should conduct poverty alleviation through business partnerships in the future. Though Kuada and Sørensen do address the underlying rationale of the policy instruments and the modalities for forging linkages between firms, they do not ask the question of how this creates and forms power relations. The discussion of the rationale of the policy instruments is explained from three theoretical perspectives: From a transactions- and costs perspective, from a resource-based view, and from a value-chain perspective (Kuada and Sørensen, 2005, p. 476). Hence, they do not move to level of the rationality of the policy itself. It is exactly the critical scrutiny of this rationality, the governable space it creates, and the power-relations within it, that this study aim to contribute.

2.2 Prior literature on CSR as public policy

The literature on CSR is vast and spreads across a range of disciplines. Organizational studies have explored CSR from both a macro-institutional perspective, and from a management perspective, i.e. how CSR is developed, articulated and practiced in internal organizational dynamics (Costas & Kärreman, 2013, p. 395). From a sociological perspective, the concept of ‘responsibilization’ has been invoked to account for the role of CSR in the relationship between business and morality (Shamir, 2008, p. 1). Researchers in political science have recently begun to explore areas of public policies on CSR, and the relationship between government and business created by these policies (Vallentin, 2013). Steurer thus provides a characterization of public policies on CSR throughout Europe and a typology of policy instruments within CSR policies. Furthermore, Vallentin explores what he calls the “Danish model for CSR” from a governmentality perspective. Both authors aim to bring the issue of CSR closer to political science. Below I will give a brief summary of each article and discuss their contribution in bringing the government-business relationship and its inherent power issues into focus.

Steurer explores how European governments try to shape and promote CSR and what significance CSR policies have for business-government relations (Steurer, 2010, p. 52). He identifies five reasons for governments to engage in CSR. First, CSR may help to meet policy objectives by requiring business to play a leading part in achieving these objectives. Second, CSR has a soft-law character and hence entails low political costs in terms of resistance. Third, the voluntary character of CSR enables governments to take an active role in defining the concept and promoting the respective practices positively. Fourth, CSR policies coincides with a more general shift in public governance from hierarchical regulation to modes of co- and self-regulations characterized by networks and partnerships. Finally, CSR actively reshapes the roles of and relationships among businesses, governments,

and civil society, and governments have an interest in defining these new roles and relationships rather than passively being an object of change (Steurer, 2010, pp. 50).

Steurer introduces a typology, which comprises different fields of actions in which governments implement their policies through different policy instruments (Steurer, 2010, p. 57). One is the partnering instrument that build on a rationale of co-regulatory networking. This is the main tool for development in the DBP program. CSR activities have developed into co-regulatory arrangements where businesses, civil society organizations and governments assess and apply their powers in ways which are simultaneously collaborative and confrontational. Societal co-regulations transforms a separated relationship between the hierarchical regulatory state and the private sector towards more networked, enabling, relational, and embedded forms of steering (Steurer, 2010, p 66).

Steurer emphasizes the lack of attention paid to the power issues that are inherent to the governance of business-government relations (Steurer, 2010, pp. 67). He also points out that his own study does not address these issues. Furthermore, Steurer argues that CSR may have started out as a neoliberal concept that facilitated the downscaling of government regulations. But the political underpinnings of CSR are more complex, because CSR is a politically contested concept that can assume many meanings (Steurer, 2010, pp. 66). This may be a valid argument considering that public CSR policies are most popular among Scandinavian welfare states rather than neo-liberally oriented governments. However, as I will return to in the theory and analysis below, the public policies on CSR and the development strategies of Danida have strong neoliberal affiliations. When seen in the light of a foucauldian interpretation, neoliberalism indeed does not suggest a downscaling of the state but rather a dispersion of power relations.

Several critical studies have been conducted on the concept of CSR as mentioned above. However, limited attention has been paid to the critical scrutinizing of public policies on CSR. Steen Vallentin offers the most comprehensible critical analysis of public CSR policy. He identifies three distinct regimes of practice within the Danish government policy and how CSR is subjected to different modes of rationalization and action (Vallentin, 2013). The focus of Vallentin's research are "the conflict and tensions within and between institutionalized structures" and "the blind spots that constitute different regimes of truths" (Vallentin, 2013). He analyses the rationalities of public CSR policies, and how they relate to programmatic and technical developments. Vallentin identifies three distinct truth regimes within Danish public policies: the Inclusiveness Regime, the Competitiveness Regime, and the Accountability Regime (Vallentin, 2013).

The *Inclusiveness Regime* appeared in the early to mid-1990's when corporate social responsibility became a public policy issue in Denmark. It was basically an extension of active labor market policy with the aim to contribute to an integrative welfare state and fight social exclusion. It constituted an active role for government while placing business in a more reactive place. *The Competitiveness Regime* emerged around 2002 on the initiative of the Danish Commerce and Companies Agency (DCCA), who took up CSR as a policy objective. Here, CSR is regarded as a means to attain economic growth and competitiveness, and the policy

rationalization of CSR is one of economics. CSR is defined in terms of business opportunities and value surplus. Thus the Competitiveness Regime offers a positive discourse compared to the negative discourse of social problems and government deficits entailed in the Inclusiveness Regime (Vallentin, 2013). Finally, the *Accountability Regime* is partly a continuation of the emphasis on business-driven CSR and partly it represents a turn toward concerns related to accountability, human rights and climate change, which seem to counter act the idea of CSR as a way of creating economic value for businesses. Its discourse is directly coupling to a global development discourse and emphasizes that all players in society should demonstrate social responsibility through dialogue, collaboration and partnerships. It takes a more critical stand toward business than the Competitiveness Regime in that it pays more attention to procedural techniques of corporate accountability and transparency. Vallentin argues that the Accountability Regime has been evolving since 2012 with the Danish Government's action plan Responsible Growth, and that it is yet too early to conclude whether the trend of a new discursive formation will develop into an institutionalized and embedded regime (Vallentin, 2013).

The development of these three regimes is not to be regarded as one regime replacing the other. Rather, "it is a dispersion of power within the system of government that allows for the continued prioritization and channeling of funds into activities guided by different rationalities and involving different sets of societal actors/stakeholders" (Vallentin, 2013). As will be apparent from the analysis later, the DBP program draws on elements from the last two regimes. Vallentin argues that though the three regimes are not exactly in conflict with each other, there is a lack of communication and dialogue between them. This has led to exacerbation of conceptual confusion in public policies on CSR and a lack of mutual recognition and potential for mutual supportiveness between the regimes. He proposes "more open-minded and collaborative approaches to CSR within and among the regimes, accompanied by a higher level of self-reflection" (Vallentin, 2013).

Vallentin points to the contribution of governmentality studies in the task to denaturalize the taken for granted truths of embedded truth regimes. He offers a useful classification of the discursive developments in public CSR policies in Denmark. But the analysis is to a large extent limited to the level of rationalities, and hence focus almost exclusively on the role of government. The question of power and the relationship between power and the formation of the subject is not addressed. How do businesses respond to these policies and how do they perceive themselves and their role in society if and when engaging in government facilitated CSR? To answer these questions, case studies like the one presented in this thesis are necessary. In the following section I will outline the central element of Foucault's analytical framework for investigating the relationship between truth, power and the subject.

3 Theoretical approach

In this section I will outline the theoretical concepts entailed by a governmentality perspective. First, I will touch upon the Foucauldian notion of regimes of truth and apparatus (dispositif) of knowledge-power, which establish the overall framework and aim for the analysis of governmentality. Second, I will outline the governmentality perspective, and how governmentalities are constituted and practiced through political rationalities and technologies of government. In the third section the governmentality of neo-liberalism which permeates the modern welfare state is scrutinized. By understanding the fundamental rationality of neo-liberalism and its effect on government, power-relations, and the formation of the subject, new light can be shed on development programs like DBP. Encounters that happen in the development program between a public and a corporate rationality, and between a Danish and a Nepalese business culture are points of interaction where subject positions are negotiated. In order to be attentive to the messiness and complexity that empirical investigations of practices and identities often reveal, I will apply the notion of friction. Friction makes the dimension of power in governmentality tangible, because it grasps the moments and processes in which the subject positions are negotiated and the governmental programming is translated into real practices.

3.1 Truth regimes and the apparatus of knowledge-power

The truth regime is a moment marked by a particular discourse and a set of practices. The discourse both constitutes the intelligible connection that binds practices and hence makes them possible and legislates on these practices in terms of true and false and hence makes them thinkable (Foucault, 2008, p. 18). Thus, a truth regime is intrinsically connected with practices. The production of truth establish, justify and provide reason for a set of practices. To Foucault, the “problem is to see how men govern (themselves and others) by the production of truth” (Foucault, 1991, p. 79).

The power-knowledge apparatus establishes the link between truth, power and knowledge. The truth regime constitutes certain forms of legitimate knowledge about the world. The apparatus is the strategies between power relationships, which support different types of knowledge, and are supported by these types of knowledge (Caborn, 2007, p. 119). Central to the analysis of the dispositive is the idea of power as producing a domain of relations in which actions on others’ actions are made practically and ethically possible (Foucault, 2008, p. 186; Gordon, 1991,

p. 5). Power can only be acted upon individuals who are free to act otherwise, and hence presupposes individuals' capacity as agents (Gordon, 1991, p. 5). The notion of productive power furthermore entails that subjectivities are effects of power rather than the originators or holders of power (Kalm, 2008, p. 89).

The aim is to show how the apparatus of power-knowledge is given its solidity and flexibility through different strategies, which establish the possible connections between unrelated terms in a field of heterogeneity. These strategies "are mutually opposed, composed and superposed so as to produce permanent and solid effects which can perfectly well be understood in terms of their rationality, even though they don't conform to the initial programming" (Foucault, 1991, p. 80). The rationality of the strategies and the programming or technique to which they do or do not conform are components of the apparatus of power-knowledge characteristic to modern Western societies termed 'governmentality'.

3.2 Governmentality

"What I have proposed to call governmentality, that is to say, the way in which one conducts the conduct of men, is no more than a proposed analytical grid for these relations of power" (Foucault, 2008, p. 186). From this citation, we get the fundamental foucauldian understanding of government as "the conduct of conducts of men", i.e. how individuals' or populations' actions are to be acted upon. Furthermore, government is about the disposing of things in the right manner in order to lead to an end, which is convenient for each of the things that are to be governed. Government thus becomes a question of tactics and strategies to be employed such as to reach certain ends (Foucault, 1991, p. 95). Government is the point of interaction between techniques of domination and techniques of the self. The points of interaction is instances where technologies of power of individuals over other individuals is made possible through the processes by which the individual acts upon himself, and where these processes are integrated into structures of power (Gordon, 1991, p. 20). What makes the conduct of conducts *governmental* is the way in which aims to manage or regulate the conduct of individuals are being linked with different procedures and apparatuses, the way governing is made practical. Governmentality is the concern of the ruler with how to ensure the wellbeing of a population, as well as the formation of divisions between appropriate areas of intervention by different types of authority (Rose, 1996, pp. 41). According to Foucault we live in the era of 'governmentality', where the style of governing is concerned with the regulation of all aspects of public life and individual conduct (Foucault, 1991, p. 103, Wagenaar, 2011, p. 125).

The concept of governmentality has been examined through two different lines of inquiry: on the one hand the inquiry of political rationality and on the other hand the investigation of a variety of technologies of government. Political rationalities are part of a broader discourse characterized by a shared vocabulary, the existence of generally accepted facts, and agreement on central problems to be solved. The

rationality of government subscribes to a certain truth regime. It makes possible, i.e. thinkable and practicable, some form of activity both to the practitioner and to the people upon whom it is being practiced (Kalm, 2008, pp. 87). Political rationality is the *practice and knowledge* whereby the discursive field, in which exercising power is “rational”, is created and maintained. It is a way of thinking about the nature of the practice of government: who can govern, what governing is, and what or who is to be governed. Political rationalities actively marks out in systems of governmental practices (Kalm, 2008, p. 87). According to Rose, political rationalities have a moral form, an epistemological character, and they deploy a certain style of reasoning. First, they have a moral form, in that they are concerned with the appropriate duties of authority (if, when and how to intervene) and the distribution of tasks between different types of authorities. Authorities should be understood in the widest sense possible, since government is exercised in all fields of public as well as private life (Kalm, 2008, p. 67). Second, the epistemological character lies in the conceptualization of the objects and subjects to be governed. Finally, they constitute areas of intervention through a certain style of reasoning (Rose, 1996, p. 42).

While the political rationality is concerned with how government is being thought or conceptualized, governmental technologies characterize the practical side of government (Kalm, 2008, p. 87). Technologies of government are a complex assemblage of strategies, techniques and procedures, which provide the regulation of decisions and actions of individuals, groups or organizations in relation to authoritative criteria (Rose, 1996, p. 42). Technology is thus an aspect of government that conveys the relations between techniques of conduct and the concerns of government, or how government is acted into being. While the political rationality prescribe certain actions in explicit programmes, it also arises out of governmental technology: “it’s the generalization and interconnection of different techniques themselves designed in response to localized requirements” (Foucault, 1991, p. 80). Foucault notes, that the analysis of governmentality is not a question of showing the difference between “the purity of the ideal and the disorderly impurity of the real”, but how different strategies continually constitutes and alters the apparatus (Foucault, 1991, p. 80).

Governmentality is an analytical grid of power relations. It provides the analytical tools of political rationality and technologies of government, which enables one to uncover and destabilize taken for granted truths. The aim is thus emancipatory: by denaturalizing the fixedness and inevitability of the present, one allows “a space for the work of freedom” (Barry, Osborne, & Rose, 1996, p. 5). Foucault applied this analytical perspective most famously on the different forms of liberalism which emerged during the nineteenth and twentieth century in the Western world, where the governmentality of neo-liberalism forms the most recent development and most pervading power structures. As the neo-liberal agenda is spreading throughout society the classic distinction between the public and the private sphere is blurred, and the power relations are becoming more diffused and difficult to identify, albeit not less intense or coercive. Development programs throughout the world have been heavily influenced by the neo-liberal governmentality promoted by, among other institutions, the World Bank and the

International Monetary Fund. As I will show later, this is also the case with the Danish private sector development program. For now, I will outline the main characteristics of a neo-liberal governmentality identified by Foucault in his lectures on the birth of biopolitics.

3.3 Neo-liberalism

Neo-liberalism to some extent represent a paradoxical view on government: while claiming to be a critique of political government, it presupposes that the real is programmable by authorities (Rose, 1996, p. 53). It does not abandon the will to govern; on the contrary, it seeks to govern almost all aspects of the social. The aim for neo-liberalism is to establish a general art of government by reference to the formal principles of a market economy, the problem being “how the overall exercise of political power can be modeled on the principles of a market economy” (Foucault, 2008, p. 131).

The reasoning behind this aim is to be found in the economic theory proposed by neo-liberalism. It stands out from the classical liberal coupling of the market economy and the principle of laissez-faire policies, where an invisible hand directs the competition of the free market to the benefit of society as a whole. Neo-liberalism presents an economic theory in which pure competition of the free market is not a natural given, but a structure with formal properties that assures the economic regulation of society through the price mechanism. Competition is an essence because it has its own internal logic and its own structure. It is only if this logic is respected by creating the optimal conditions for it to function, that its beneficial effects will be produced (Foucault, 2008, p. 120). Consequently, the aim for liberal policy is to create the concrete space in which the formal structure of competition can function – contrary to laissez-faire, government should pursue an active, vigilant and interventionist role. The problem is not whether government should or should not govern certain areas of society, but *how* it should govern them (Foucault, 2008, pp. 131). Hence, this reformulation of economic theory has vast implication on what is perceived as governable and how it is rendered governable.

The neo-liberal rationality has a range of implications for good governmental action. I will briefly describe three implications for governmental actions: organizing actions, social policy, and decentralization. Organizing actions have the function of intervening on the conditions of the market on a more fundamental and structural level, i.e. on the conditions of existence of the market or the “framework” of the market. The good intervention acts on elements which are not directly economic, but which can be modified so that the market economy can come into play. Such elements are for example the population, technology, training and education, the legal system, the climate, etc. (Foucault, 2008, pp. 141).

The example of social policy is interesting because it leads us to the neo-liberal emphasis on economic growth. In the neo-liberal regime, it is purely the task for society to make sure that every individual has sufficient means to insure him or herself against risks. The only answer to this problem is economic growth.

“Economic growth and only economic growth should enable all individuals to achieve a level of income that will allow them the individual insurance, access to private property, and individual and familial capitalization with which to absorb risks” (Foucault, 2008, p. 144).

Rose argues that advanced liberal government of contemporary welfare states seeks to “govern at a distance”, i.e. it applies techniques of government that establish a distance between decisions made by formal political institutions and other social actors. The modes of rule have a “formal” character and power is given to calculative regimes of accounting and financial management. Regulatory powers are transferred from “above”, where planning and compulsion are the techniques, to “below”, where regulation is based on the choice of the consumer. Thus, decisions and responsibilities are relocated to the rational and autonomous actor (Rose, 1996, pp. 53). The mechanisms of competition are given the space to operate by decentralizing regulatory mechanisms. A key mechanism for responding to the plurality of expertise, which emerges from this diffusion of authority and responsibility, is audit. Audit makes risks and failures manageable through new power relations between political centers of decision and “non-political” procedures, devices and apparatuses, which are entrusted with the responsibility of creating a desired outcome. The entities (individuals, public institutions, organizations or firms) of audit must be made “auditable” (Rose 1996, p. 55).

The organizing actions, in particular modifications in terms of new technology and training, and the decentralization and de-layering of decision-making together with the increased stress on audit, can be summed up in the notion of New Public Management (NPM). NPM implies a conviction in the superiority of the market and the attempt to introduce markets and private sector management into the public sector (Pierson, 2006, pp. 180).

The objective of these measures is a general regulation of society by the market through interventions on society that will allow the mechanisms of competition to regulate every moment and every point in society. (Foucault, 2008, p. 148). In this economic and social regime of neo-liberalism, the subject is the homo oeconomicus as an entrepreneur (Foucault, 2008, p. 226). The economic subject is the enterprise, which is constituted by a way of behaving in the economic field through competition in terms of plans and projects with objectives and tactics (Foucault, 2008, p. 173, 202). Subjects are endowed with responsibility, autonomy and choice, and they are acted upon through shaping and utilizing their freedom (Rose, 1996, p. 54). Networks and flows of accountability and responsibility have been altered and established, and the measures are claimed to operate according to an apolitical agenda. While actors are given autonomy and responsibility for their actions, their conduct is governed through contracts, targets, indicators, performance measures, monitoring, and evaluation. The rearrangement of political power blurs the traditional distinction between state and market (Rose, 1996, p. 57).

The DBP program embodies all these elements of the neo-liberal discourse and rationality. As I will show in the analysis, the emphasis on growth, new technological solutions, transfer of know-how (i.e. training), dissemination of responsibility and audit measures, is strong in the development discourse and in DBP. The subjects which DBP acts upon, i.e. the Nepalese and Danish companies,

are already enterprises acting in an economic field. However, Nepal is not an advanced liberal democracy, and the context is very different. The Nepalese business environment is intertwined in a political context characterized by high levels of corruption, the lack of a constitution and transparent legal system, and a recent civil war. The economy is highly dependent on foreign aid, and the number of NGOs and development projects in the country is dizzying (Shakya, 2009, p. 118). What happens when a neo-liberal rationality is introduced to Nepalese businesses? How do they respond? Do they oppose it, accept it, incorporate it or ignore it? The notion of friction helps to capture these dimensions of encounters, where the formation of identities and practices happen, and where the governmentality shapes subjects and is reshaped by subjects.

3.4 Friction

The concept of friction and frictional encounters provides a way of capturing interaction between actors, ideas and practices. It enables a conceptualization of the dimension of governmentality, in which subject positions are negotiated and practices shaped. It has been applied in ethnographic studies of global interconnections and it was introduced to stress vertical and asymmetrical relations between the global and the local (Tsing, 2005, p. 5; Björkdahl and Höglund, 2013, p. 290). The regime of truth, or what Tsing refers to as “universals”, imply knowledge that moves across localities and cultures, with the mission to form channels of circulation for this knowledge. Knowledge formed by particular experiences seeps into these channels of universality and widens them. Universalism is implicated in both the discourse of the dominating and the dominated. The resistance of the powerless extends the forms of power they resist. Friction recognizes this dual character of universals: on the one hand friction allows universals to spread as frameworks for the practice of power, while on the other hand it hinders universals in being everywhere the same when it engages in the world (Tsing, 2005, pp. 7). By using friction as an analytical tool, the analysis meets Foucault’s aspirations to show how different strategies, which might be mutually opposed and uncompliant to the initial programming, perfectly well can be understood in terms of their rationality.

Björkdahl and Höglund use friction to analyze the assumptions embedded in global-local encounters. Friction can capture power and resistance in social interaction. It can be used to “examine the processes whereby frictional interaction between the global actors, discourses and practices and the local counterparts (...) produce new realities comprising global and local elements” (Björkdahl and Höglund, 2013, p. 292). Drawing on Clausewitz, they describe friction as “what emerges between what was thought/planned and the realities on the ground” (Björkdahl and Höglund, 2013, p. 292). It holds the advantage of being able to bring forth the potential of both empowerment and disempowerment in conflictual encounters by capturing empowered and disempowered local agency (Björkdahl and Höglund, 2013, p. 294).

Frictional encounters are uneven, unexpected, and uncertain processes, with no predetermined outcome, where the global and local meet to negotiate and mediate difference and affinity. They emphasize the messiness of the dynamics, agencies and structures of these processes, and the tendency of frictional encounters to change the facts on the ground. The moderation of frictional encounters can be carried out by “translators”, who are familiar with both the global and the local discourse, and who may ease the process. They translate in a space of unequal power and function as negotiators of a middle space between power and potentiality (Björkdahl and Höglund, 2013, p. 295).

3.5 Summary

In this section, I have outlined the theoretical platform for my research. I have discussed the notions of truth regimes and apparatus of knowledge-power, and the analytical grid of the governmentality perspective. The review of Foucault’s analysis of contemporary neo-liberal governmentality in Western welfare states and the attention given to frictional encounters will facilitate the analysis of interactions between agents, discourses and practices in the Danida Business Partnership program. The choice of theory influences the methodology, research design and choice of methods for the study. In the following section I will therefore outline the fundamental methodological concerns attached to the governmentality perspective.

4 Methodological considerations

In order to conduct a research design attentive to the challenges of governmentality research and to account for the methods I have chosen to investigate the research questions, some methodological considerations will be outlined here. The question of methodology is one that continues to preoccupy researchers of governmentality and Foucauldian discourse analysis (Diaz-Bone et. al., 2008, p. 8). Governmentality research has suffered from a methodological deficit in terms of a lack of reflection on how the epistemic perspective of governmentality research influence the range of possible and meaningful empirical observations and interpretations (Marttila, 2013, p. 2). Furthermore, post-Foucauldian governmentality research has been criticized for disregarding the empirical reality and of being too “discursive”, hence posing a problem for researchers who are interested in the lived experience of subjection and the effects of power at the micro-level (McKee, 2009, pp. 475). While Marttila suggests a “reflexive methodology” in order to join the theoretical, methodological and empirical levels of analysis, McKee discusses the prospects of a “realist governmentality” for transcending the limits of “discursive governmentality” at the same time as retaining its fundamental analytical insights. In this section I discuss the implications of the challenges and ways forward suggested by Marttila and McKee respectively for this study.

Marttila argues that the the governmentality perspective offers an *a priori* available epistemological model, because it subscribes to a certain phenomenal structure of government. Thus, notions of “government”, “subjectivity”, and “technology” refer to phenomenal dimensions, which define the beingness of the world available to the researcher. Marttila argues that an implication of the phenomenal structure of government is that governmentality research can be related to “second-order observation”, in which social reality is observed in accordance with the possibilities facilitated by the *a priori* established epistemic horizon (Marttila, 2013, p. 15). Though governmentality studies entail an explication of “discursive” as well as “non-discursive” practices of social interventions generated by a body of knowledge, the epistemological priority is ascribed to the discursive dimension of government, because the non-discursive interventions are only possible within a particular discursive field.

In order to make the discursive limits of the governmentality perspective which directs the empirical observations of the researcher explicit, one should adopt a reflexive methodology. Reflexive methodology suggests that scientific investigations always originates from “more or less conscious and reflected ideas about the constitution of the world and the features of the observed objects” (Marttila, 2013, p. 17). Hence, the empirical material will always reflect an epistemological selectivity. The reflexive methodology presents a range of demands to governmentality research. First, it must be recognized that the objects

of analysis cannot be encountered in an immediate manner, and that uncontrolled interpretations must be avoided through an “epistemological break”. Second, the way in which the epistemological possibilities are used to generate meaningful interpretations of reality must also be known. These two steps can be attained through a holistic use of theoretical and epistemological models, which assumes that empirical research always is “informed and motivated by antecedent (theoretical) ideas about the being and characteristics of the analyzed empirical phenomena” (Marttila, 2013, p. 18). The holistic use of theory enables the researcher to resist unreflected and unconscious power of ideologies, while the holistic use of epistemological models enables the recipients to retrace empirical interpretations to the epistemological possibilities suggested by the governmentality perspective.

While Marttila attempts to bridge the gap between theory and methodology, McKee seeks to meet the challenge of transcending the limits of traditional discursive governmentality by defining a “realist governmentality”. She emphasizes that a realist governmentality approach, which combines the discursive analysis of governmentalities with “localized empirical accounts of practices of actual governing practices, that seek to regulate the conduct of specifically targeted populations” (McKee, 2009, p. 18), provides a useful way forward for empirical and theoretically informed research. By suggesting an analysis of the interplay between governmental rationalities and governing practices, realist governmentality brings into focus the inevitable gap between what is aimed for and what is accomplished and how governmental programmes operates. Furthermore, in accordance with the notion of friction described above, it emphasizes “strategies from below” and the potential empowerment of a subject who is capable of reflection, accommodation, adaptation, contestation or resistance towards top-down endeavors to govern them. Hence, the experiences and perspectives of the targeted population of social interventions are brought into play.

The two methodological approaches suggested above complement each other. While reflexive methodology provides the possibility to take critical stance towards one’s own theoretical and epistemological outset, it does not give any guidance on how to approach discrepancies between governmental rationalities and actual practices and formations of subjects, and the potentially productive and powerful effects of such discrepancies. Reflexive methodology is still “too discursive” so to speak. By supplementing it with the notion of realist governmentality, I attempt to be more sensitive to the agency of social actors and “avoid the pitfall of assuming that governmental ambitions are always successful in realizing their desired outcome” (McKee, 2009, p. 23). A realist governmentality approach opens up for the possibility of using mixed methods and thus broadens the scope of the traditional discursive analysis of governmentality studies so that the “messy actualities of the empirical world” is given appropriate attention. Drawing on the methodological considerations presented by Marttila and McKee, the following section will focus on the implications of a reflexive methodology and a realist governmentality approach for the research design.

5 Research design: operationalization, aim and limitations

As stated in the introduction, this study focuses on a specific and small-scale private sector development program in Danida. Thus, the initial operational decision of narrowing down social context of the study has already been made. Notwithstanding the limitations that this narrow scope entails in terms of providing the full picture of discursive powers at work, I believe that the narrow focus can give us valuable in-depth insights to the micro-powers involved in certain kinds of development programs. As Foucault points out, the application of the governmentality perspective should be considered a method of decipherment, which is not confined to a predetermined domain of a certain scale. “The analysis of micro-powers is not a question of scale, and it is not a question of a sector, it is a question of a point of view” (Foucault, 2008, p 186). Furthermore, the scope will be limited to a focus on the discourse and practice of CSR and private sector partnerships, which are central concepts in the Danida Business Partnership program.

The study will take the form of a case study. The case limits the scope of the research to the Danida Business Partnership (DBP) program in Nepal. DBP was the new name for Danida’s private sector development program after the merging of the old Business-to-Business (B2B) program and Innovative Business Partnerships (IBP) in spring 2013. The DBP program is explicated in a range of governmental documents produced by the Danish Government and Danida, while data on the actual practices and formations of subjects must be found “on location” in Nepal. I have chosen to focus on the existing B2B projects in Nepal, because they could provide insight on the development practices “in action”. However, due to the limited number of actual operating partnerships and to the interesting process of the launching of DBP taking place in Kathmandu while I was conducting my fieldwork in Nepal, I chose to include the events and actors participating in this process in my study. Hence, in terms of the scope of my research it includes one operating project, i.e. a partnership that still receives funding from Danida and that is still “in the program”, and two business partnerships, which exists but are not in the program anymore. Furthermore, it includes the Matchmaking Event 2014, which was organized by the Danish Embassy in Nepal in collaboration with the Nepali consultancy agency Biruwa Ventures and the Danish Federation of Small and Medium Sized Enterprises (DFSME) and took place in the beginning of March. This was a one-week long event designed to match Danish and Nepali enterprises for partnerships under the DBP program, and it consisted of one day of introductory activities and four-five days of business meetings where the Danish enterprises visited Nepali enterprises. I have chosen to take into account some of the

experiences and perspectives of the Nepali enterprises that participated in this process. Even though they are not formally in the DBP program and part of a partnership project, I believe that these enterprises already make important decisions and negotiations in terms of their subject position and identity in relation to development goals and rationalities in this initial process.

5.1 Operationalizing research question 1

The second operational task is to make the research questions tangible, by explicating how they will be investigated. The choice of Foucault's governmentality perspective implies questions as to how new spaces of government are created, and how subjects of government are constructed and negotiated. These questions refer to the producing and disciplinary effects of power. A transparent operationalization of the research question will contribute to the validity of the research, and ensures that there is a logical link between empirical data and theory. The first research question is:

How is the discourse of development constituted as authoritative, powerful and governable in the DBP program?

The question refers to the political rationality of DBP. The political rationality forms the apparatus of knowledge-power, and it makes reality amenable to political programming. A program of intervention is situated within the apparatus of knowledge-power, and it is often made up from an existing catalogue, drawing on habit, and borrowing elements and concepts from a range of discourses. A key practice by which the political rationality is translated into explicit programs is "problematization", i.e. the practice of identifying inadequacies in society, which need correction (Murray, 2007, p. 7). The problematization entails an articulation of objects of knowledge, their nature of being and the ethical objectives of government, and is thus linked to the notions of authority and power. Following this interpretation of governmental rationality, my first working question my first working question is:

- What are the problems that the B2B and DBP program set out to solve?

The dimension of governability alludes to strategies and means and technologies of self and other. Murray argues that specific interventions require calculations in order to define the right manner of government, prioritize the finalities, and plan the strategies for optimal results. The calculations call for a technical characterization of the processes to be governed. Thus, a second key practice is what she calls 'rendering technical' (Murray, 2007, pp. 6). When analyzing the technical practices of government, one engage in the investigation of "... the ways of coding and defining or delimiting the possible scope of action and components of an apparatus of rule, the strategies and limits proper for rulers, and

the relations between political rule and that exercised by other authorities” (Barry, Osborne and Rose, 1996, p. 13). To investigate how the program is rendered governable I have the working questions:

- How is CSR and private sector partnerships characterized/justified as solutions?
- How are different agents gathered and given specific powers?

5.2 Operationalizing research question 2

While the first research question is concerned with the political rationality of the DBP program and the accompanying technologies, the second part of the research question focus on what happens in the encounter between this governmental rationality and the subjects it seeks to govern. As Murray points out, there is an inevitable gap between what is attempted and what is accomplished in improvement schemes (Murray, 2007, p. 1). It is this discrepancy, which I seek to draw attention to by applying the concept of frictional encounters to the analysis of the B2B and DBP program. The second research question is:

How does the focus on CSR and partnerships affect the identities and practices of the local partners in Danida’s DBP program in Nepal?

Following the first research question, the effects of Danida’s B2B and DBP program will mainly be explored through the concepts of CSR and partnerships. By using the word ‘affect’, I do not mean to establish a causal relationship between the program design and the project results. Rather, I wish to explorer the space that is created for government intervention in terms of how new subject positions emerge and are negotiated. In foucauldian terms it is a question about how subjects conduct themselves. First, I will explore conceptions about identity. As Marttila argues: “Available conceptions of the self capacitate and rationalize particular kinds of governmental practices while, at the same time, they assign individuals certain roles and plights towards social institutions...” (Marttila, 2013, p. 13). By applying a realist governmentality approach and gather localized empirical accounts of practices, I investigate how the program is perceived among Nepalese businesses. This includes how they define themselves and their role in society in relation to the program, and how they conduct themselves. Foucault points out that conduct is both an act of directing others and a way of behaving in a field of possibilities. Hence, my working-questions are:

- How do the Nepalese businesses involved in the DBP program perceive the program and their role in the program?
- How do the concepts of CSR and partnerships structure the field of action in the DBP program?

5.3 Aim and limitations

The aim of this study is not to explain or predict a certain outcome, nor to be able to generalize the findings to a broader context, but rather to critically scrutinize embedded power-relations and practices pertaining to a social or political phenomenon. Consequently, this study is not concerned with causal relationships but with the heterogeneity of the discourse of these private sector development schemes. Heterogeneity is not a principle of exclusion; it does not prevent coexistence, conjunction or connections. Foucault thus proposes a non-dialectic logic, or what he calls a strategic logic. “The function of strategic logic is to establish the possible connections between disparate terms which remain disparate” (Foucault, 2008, p. 42). The study aims to investigate the extend to which CSR and private sector partnerships are capable of establishing new governable spaces and identities, and what effect this has on the subjects of the development projects in question. Furthermore, this study can contribute to the conceptualization and problematizing of a social and political phenomenon on a more general level.

6 Methods and data

The research questions and working questions will be subjected to discourse analysis. First, two brief notes on discourse analysis: on the ontological level it is anti-essentialist, and on the epistemological level it is constructionist. This implies that the discourse analyst denies that there is an external reality, which is accessible to the researcher, and that reality is actively produced through language by members of social settings (Bryman, 2006, p. 370). This of course have certain implications for the methods, and it is particularly challenging for answering the second research question, because the researcher becomes part of the production of reality through the research. In this section, I will discuss my choice of methods and data for each research question in turn.

6.1 Research question 1: discourse analysis of texts

The method for investigating the first research question is a more or less straight forward discourse analysis guided by the working questions. The object of analysis are texts in government documents, and guidelines and templates for the DBP program on Danida's homepage and the homepage of the Danish Embassy in Nepal. Other texts will be included to the extent that they support and establish central linkages between disparate elements of the discourse. Some central texts have been self-evident objects of analysis, while others have been identified through references in other documents. I have thus included the following texts in the analysis:

- “Responsible Growth” the Action Plan for Corporate Social Responsibility 2012-2015, published in March 2012 by the Danish Government
- “The Right to a Better Life” the strategy for Denmark’s development cooperation Danida
- “Guidelines and Conditions for Support – Danida Business Partnerships” published by Danida
- “Business Opportunity Profile – Nepal” published by the Danish embassy in Nepal
- Supplementing information on www.csrgov.dk, www.biruwa.net, and www.dfsme.dk.

Performing a discourse analysis means to analyze the discourse itself, not any underlying intentions or social reality behind the discourse. It entails the analysis of how the discourse constitutes the social reality and how discursive practices “act”

to produce new spaces of governmental intervention. The first part of the analysis draws on the central elements of the neoliberal discourse identified by Foucault, which is outlined in the theory section. These elements should not be perceived as theoretical tools, but as helpful illustrations that highlight the neoliberal currents in the development discourse.

First, the texts have been read through for initial coding, in order to identify the objectives, problems and solutions suggested in the program. These elements are, for the most part explicitly spelled out in governmental programs. Second, the texts have been read in more detail in order to identify the rationalizations behind the objectives, problems and solutions. I have thus looked for the basic assumptions of the texts, i.e. the ontological assumptions about the nature of society that makes certain objectives amenable to governmental intervention. Third, I have identified the different actors involved in the program and their assigned roles and tasks. I have sought out the reasons for this delegation, i.e. how the translation of the program intervention constitutes authorities. Hence, this coding follows the first three working question.

One shortcoming of written texts is that they offer little or no information about the process of what happens when governmental programs are constituted and contested in “real” practices. What was the motivation for the businesses to engage in the DBP program? How do the local Nepalese partners perceive their role in the projects and in the program? For answering questions about identity and practices, I have assessed that interviews and observations are the best methods available. I will now turn to a discussion about these methods in relation to discourse analysis, their advantages and limitations.

6.2 Research question 2: Interviews and unstructured participant observations

In order to investigate the practices and identities of the businesses involved in the DBP program, it was necessary to perform interviews and do observations, because no empirical material was available, where businesses have articulated their experiences and thoughts on the program. The use of these methods, which are usually not prioritized by discourse analysts, deserves a little more attention before I move on to describing them in more detail.

Discourse theory has been criticized for treating all empirical evidence as text, and hence miss insights on intentions, feelings, purposes, interpretations of selves and the phenomenon under study by the interviewee (Cruickshank, 2012, p. 42). When it is only the transcript of the interview which is under study, and not the interaction between interviewer and interviewee in terms of who said what, in response to what and how something was said, the study miss or dismisses the agency of the interviewee. This is because the post-structuralist conceptualization of the human subject is anti-essentialist, i.e. the subject does not have an essence but is constituted as a subject position through language. Jørn Cruickshank puts it

thus: “The subject is something basically social and decentered, i.e. its position does not spring from itself but is rather ascribed from the symbolic and intersubjective reality” (Cruikshank, 2012, p. 46). According to Cruikshank, this leads to empirical interview data that are not able to capture the independent effect of the subject on and its potential resistance against the constitution of a particular phenomenon. Furthermore, the field of tension between the symbolic and non-symbolic aspects of humans and society risks being omitted from the analysis (Cruikshank, 2012, p. 47). The critique of a post-structural denial of agency is common and it is in accordance with the general critique of governmentality perspective on power, which portrays a mode of power so deeply embedded that one cannot step outside it (McKee, 2009, p. 15).

However, Foucault himself emphasizes the importance of the non-discursive as well as the discursive, and the notion of resistance or “counter-conduct”, i.e. agency (Davidson, 2009, p. iixx). As McKee argues in her advocacy of a realist governmentality: “Within governmentality a key role for political contestation, an analysis of the effects of particular governmental ambitions, and the developments of a critical stance are all quite feasible without undermining its positive attributes” (McKee, 2009, p. 16). One cannot expect to “read off” the consequences of a governmental program from its ambitions, since it cannot be assumed that the reproduction of the subject automatically happens and that power always realizes its effects. Hence, it is not enough to read government documents and policies if one wants to understand their effects on the governed subject, even if the subject is the product of a discursive formation. Similarly, Murray argues that notwithstanding a clear distinction between the study of the rationale of government and ethnographic studies, bringing the two kinds of study into dialogue offers insights into how programs of government are constituted and contested (Murray, 2007, p. 27).

In this study, I will make use of the semi-structured interview in combination with unstructured participant observations. While the main object of analysis will be the interviews, some data from observations are helpful for illustrating the context in which the program interventions are carried out. I will now describe the data collection process and discuss the methods of the semi-structured interview and unstructured participant observations, which I used for collecting the data.

6.2.1 Sampling and data collection

Most of the interviewees were located through snowball sampling. Interviews with the owners and project manager of the B2B projects functioned as gatekeepers in the sampling process.

First, I wanted to conduct three interviews in Denmark with the respectable owners or project managers of the Danish businesses that were already engaged in business partnerships in Nepal under the B2B program. The aim was to get an impression of the projects beyond what I could read from their webpages on the internet and to establish an initial contact with the projects. While the Danish businesses as such were not the focus of my attention, the businesses who had

already invested time and money in business relations in Nepal either in the form of a joint venture or with a Nepalese distributor could provide valuable information, especially on the motivations and the challenges they had faced in the partnership process. I ended up doing interviews with the owners of two Danish companies, which I had found via Danida's webpage, while the third company I contacted had ended their project in Nepal and no longer had any employees working on the project. These interviews also enabled the contact to the Nepalese partner businesses.

Second, when in Nepal, I participated in the DBP Matchmaking Event 2014. Initially, I chose the event as a sight for observation, where I could gain a deeper understanding of DBP "in action" so to speak. It quickly turned out to be an excellent way of establishing the first contact with both Nepalese consultants and business owners who were interested in the program, and especially the Nepalese business-card culture was helpful. I got invited by two Danish businesses, whom I met during the introduction day, to observe different business meetings the following two days. Finally, I observed the debriefing of the event among the Danish businesses and the Danish embassy.

As I was trying to keep an open mind in terms of where I would gain interesting insights to the business environment in Kathmandu, I let more or less random circumstances guide me as well. Hence, I went to observe a few more events, which were not initially a part of my research plan. I went to see the Nepal International Trade Fair 2014 where DBP was represented by one of the established partnerships who were selling their products there. Furthermore, I participated in an informal get-together with an advertising agency, where several leading business people in Nepal attended to hear motivational speeches and to mingle. These events did add to my understanding and knowledge on the general business environment in Nepal.

Finally, I conducted eight interviews in Nepal. I interviewed two consultants from Biruwa Ventures, a program officer for DBP from the Danish embassy, two Nepalese business partners in the B2B program and three Nepalese businesses who had participated in the DBP Matchmaking Event 2014. While most of the initial contact was established at the Matchmaking Event, I subsequently contacted them formally through e-mails. I also contacted several businesses, which I had not had any contact with. It turns out to be an advantage to either have met the business owners before or to have established the contact with reference from the business partner or the consultants from Biruwa. Attempts to contact other businesses were unsuccessful, since the e-mail address did not work or they simply did not answer.

6.2.2 Semi-structured interviews

The semi-structured interview provide a method by which the researcher follows a research guide, but where the interviewee to a great extend has the freedom to form their reply. The interviewer has the flexibility to divert from the questions, should interesting topics worth following appear during the interview, while the specific topics in the interview guide are still covered (Bryman, 2006, p. 321). When interviewing the Nepalese partners, consultants or government officials, I found the

semi-structured interview advantageous, because it provides some guidance in the form of concrete questions, which may remedy potential language challenges. A further advantage of the semi-structured interview is that the interviewer can seek clarification and elaboration during the interview in order to gain deeper understanding of certain topics.

Before each interview I prepared an interview guide⁵, tailored to each interviewee, in order to be sensitive to the specific role that person has in the DBP program. The interview guides were, to the extent possible, informed by my previous knowledge about the program, industry or specific business found via the internet or during my observations. The interview guides all included an introduction to my research focus and the questions were kept in an everyday language, open-ended and as short as possible.

During the interviews, I tried to be attentive to Kvale's criteria of an interviewer, i.e. being knowledgeable, structuring, clear, gentle, sensitive, open, steering, critical, remembering, and interpreting (Bryman, 2006, p. 325). The first three were supported by previous reading and the interview guide, while the rest was up to my personal skills as an interviewer. Thus, I tried to balance the interview by letting them talk as much as possible, giving them breaks to think, and keeping the conversation going when needed by asking additional questions. I also paid attention to my written and spoken language in the initial contact phase, i.e. e-mails and phone calls, as well as my body language during the interviews. In particular, I paid attention to the effect of me being a white person and female could have on the interviewees, who were all but one male.

While all interviewees were clearly part of an upper middle class in Kathmandu of which several had taken their degrees in the United States or Europe, and thus were very Western oriented, I also knew Nepal to be a patriarchal society, where women do not traditionally have an equal role in society with men. However, I did not experience any condescending attitudes towards my person or my research. What took me by surprise during a few interviews was that the interviewee saw me as a representative from Danida, even after I had emphasized that my research was independent of any government or development institution. This may have caused a certain bias in terms of social desirability, i.e. they would present a more positive view or version of the program or project in question, in order to attain an advantageous position with Danida. This of course poses a limitation to my research. However, most of the interviewees were very reflecting and critical, and the bias of social desirability I see as a minor problem.

All interviews were recorded with the consent of the interviewee, and all interviews were subsequently transcribed. Because of the bad quality of the first recordings and sometimes to a heavy Nepalese accent which made some sentences inaudible to me, I had a professional Nepalese transcriber help me with parts of the transcriptions. Though this prevented me from getting as deep into the material as I would have desired, it was necessary for my understanding of what was being said in the first place, and it heightened the quality of the transcriptions, which became more accurate and correct. When analyzing the transcripts I again applied a

⁵ For examples of my interview guides, see appendix 1.

discourse theoretical approach, i.e. I did not try to interpret the intentions behind the statements or the situation of the interview, but merely treated the statements as equal to other statements in an overall analysis of ways of articulating a subject position and its relations to DBP.

6.2.3 Unstructured participant observations

Bryman describes the participant observation as qualitative research “which entails the relatively prolonged immersion of the observer in a social setting in which he or she seeks to observe the behavior of members of that setting...” (Bryman, 2006, p. 167). Unstructured observations are observations without the use of observation schedules with the aim “to record in as much detail as possible the behavior of participants with the aim of developing a narrative account of that behavior (Bryman, 2006, p. 167).

The observations for this study were done over a rather short period of five days. Gaining access to the settings of the Matchmaking Event was unproblematic. I wrote an e-mail to the chief consultant from DFSME, where I briefly described my topic and asked if I could participate in the event. I was open about my role intentions during the week and presented my research topic and reasons for participating to the participants. This seemed to be both an enabling and restricting factor. While the Danish businesses in particular seemed to appreciate it, by asking further questions about it and inviting me to join their business meetings, I also experienced indirectly being denied⁶ access to a meeting between Danida’s consultant and an established partnership where there were obvious tensions.

During the week of the Matchmaking Event 2014, I took notes from presentations, business meetings and conversations. The transportation between different business offices and factories as well as lunch breaks provided for more informal conversations with business owners and representatives. Though these conversations could entail the risk of influencing what was said and done later, they did not seem to affect the behavior of any of the participants. At the get-together, I filmed two motivational speeches, which gave me a narrative account of the Nepalese business environment.

The conversations and observations were mainly used to inform and form the interview guides that I later developed. Furthermore, the observations gave me insights on the governmental practices of the DBP program, as they allowed me to see how the event was organized, how people communicated with each other, and where friction occurred. My notes, which were written by hand, were subsequently sorted and written in a word-document to make the notes more clear and manageable.

⁶ I was initially invited to the meeting, but on the day of the meeting I got a call from the consultant excusing that they did not have room for me in car. This may have been a valid excuse, however I was not encouraged to arrange for transportation myself, and the message came with a very short notice. I was told about the tensions by the Danish business partner.

7 Analysis

The analysis is divided into two parts. Each part will end with a summary. The first part of the analysis aims to answer the first research question by mapping the governmentality of DBP. By investigating how the discourse draws on elements from a certain assemblage of knowledge and practice, I will illustrate the discursive construction of a space where DBP is perceived as authoritative and powerful. Furthermore, I will scrutinize how this space is translated into specific technical practices and it assigns roles of expertise. The second part of the analysis focus on research question 2. I here analyze how the identities and practices of the Nepalese companies are formed by DBP and its core concepts: CSR and partnerships.

7.1 The governmentality of the DBP program

In this section, I investigate the problems addressed by DBP, why they are considered problems, and the solutions offered in the program. The section maps the governmental rationality of DBP, i.e. the chain of reasoning by which inter-firm collaboration and certain governmental procedures became linked to certain problems. The discursive framing of the DBP program is particularly clear in the Action Plan and the Strategy, and it draws on central neo-liberal ideas outlined in section 3.3.

7.1.1 The problem of scarce resources and poverty

The Danish development discourse circles around two interrelated problems: scarce resources and poverty. The problem of scarce resources is created by economic and population growth which put pressure on the world's resources (Danida, 2011, p. 6). This problem provides a starting point for the naturalization of the market. It is the basic assumption for economic analyses, where the market constitutes a site of veridiction, according to which governmental practice can be verified or falsified (Foucault, 2008, p. 32). The Action Plan it describes how government must ensure the right framework conditions for keeping Danish companies frontrunners in the field of CSR and hence secure their competitiveness (The Danish Government, 2012, p. 1). Responsible management of scarce resources is encouraged through governmental programs like DBP, which strengthens the competitiveness of companies. This problematization establish a link between responsibility and competitiveness. In terms of the truth regimes identified by Vallentin, it draws on both the competitiveness and accountability regime. According to neo-liberal logic,

government intervention should create a space in which competitive mechanisms are given the best conditions. The link between CSR and competitiveness shows how such a space is established. It is the task of government to create a space, which simultaneously makes the enterprises act responsibly in their management of scarce resources and improves their competitiveness. CSR constitutes a domain where all these elements come together and it is therefore the moral obligation of government to promote CSR.

In the Guidelines for Danida Business Partnerships, the overall objectives of the program are “to fight poverty, facilitate green growth and promote better working and living conditions in developing countries”. The immediate objectives are “to create jobs, increase competitiveness and promote CSR for the benefit of employees, their families, the local community and society at large” (Danida, 2013, pp. 3). The objectives are formulated mainly in terms of solutions, while the problem can be boiled down to ‘poverty’. The definition of poverty proposed in the Strategy is a multifaceted. Poverty is expressed in terms of lack of basic necessities, such as food and shelter, over insecurity, oppression and vulnerability towards disasters, to the lack of ability of people to claim their rights and to have influence in their own lives (Danida, 2011, pp. 2).

Why is poverty a problem? Because it hinders the individual from realizing his or her full potential. “Realizing one’s full potential” is emphasized in the Strategy, where the assessment of Danida’s partners depend on their ability to bring about a progress in the rights and equal opportunities of women and children to realize their full potential (Danida, 2011, p. 10). Poverty and the ability to realize one’s full potential, is in the development discourse intimately related to the classic liberal idea of human rights. To fight for human rights means to fight the causes of poverty, they are “two sides of the same coin” (Danida, 2011, p. 2). Human rights form the core values and are the drivers of change in Danida’s approach to development (Danida, 2011, p. 9). While emphasizing the role of civil society for the realization of human rights, Danida also points to the connection to private sector actors. Thus, people are helped to realize their economic and social rights by private enterprises’ and investors’ contribution to economic development, employment and investments. Danida refers to UN’s Guiding Principles on Business and Human Rights, which aim at promoting respect for human rights by business enterprises and creating recommendations on responsible corporate conduct (Danida, 2011, p. 11). Here, human rights are linked with the notion of responsibility. In order to be responsible, companies must incorporate a certain kind of conduct. Furthermore, human rights are linked to responsibility in the sense that they come with the responsibility of the individual to realize his or her full potential and to practice their ability to contribute to society (Danida, 2011, p. 2, pp. 10).

The linking of poverty and human rights with the notion of responsibility is part of the composition of a governable space. It enables the process of ‘responsibilization’ whereby private enterprises are called upon to act according to certain moral standards. Responsibilization is “an interpellation which constructs and assumes a moral agency and certain dispositions to social action that necessarily follow” (Shamir, 2008, p. 4). The emphasis on responsibility, the voluntary character of the program, and the focus on CSR, are all elements of a

responsibilization of the field of intervention, where companies are expected and assumed to have a reflexive moral capacity. Responsibility implies the care for one's duties and motivating one's actions by applying certain values. In the neo-liberal sense of responsibilization, moral agency is aligned with the notion of economic-rational actors, i.e. autonomous, self-determined and self-sustaining subjects. Their moral value lies in the rational cost-benefit analysis of their actions. Since the choice of action is an expression of free will, the consequences and responsibility of an action fall on the subject alone (Shamir, 2008, pp. 7). The conduct of private enterprises is made governable through the facilitating and experimenting practices assumed by government in the process of responsibilization.

The key point of intervention of the program are the Danish and the Nepalese companies. They are required to have the necessary skills, human and financial resources to undertake and lead a partnership, and experience and competences relevant to the core business field of the partnership (Danida, 2013, p. 10). An essential part of the program is that it is based on voluntary participation of the companies. Danida has a facilitating rather than regulating role. It is thus stressed that the program supports commercial ideas and projects originating from Nepalese and Danish companies⁷, an idea that supports the dissemination of decision-making. By prescribing the task of government to be 'enabling' and 'facilitating' and stressing the voluntary aspect of the program, the field of intervention is constituted as a space where enterprises are free to form their own conduct within a strategic grid characterized by autonomization and responsibilization. The companies are not forced into these partnerships, but they are encouraged to engage in them and thereby improve their conduct in terms of competitiveness and social responsibility.

With the formulation of the problems that need to be addressed, a space for government is created. The problems require government to work on the 'framework conditions', in order for the competitiveness of the market to function so that poverty can be alleviated. Through the linkage of poverty, human rights, responsibility, and the market, a certain truth is established. The problems are verified by the truth of the market in a neo-liberal truth regime. The neo-liberal governmental rationality implies that certain strategies and solutions be applied to the identified problems. The notion of 'green growth' has been promoted as the main policy by Danida.

7.1.2 Green growth: CSR and private sector partnerships as solutions

The DBP program addresses these problems through the establishment of partnerships between private enterprises and through the concept of CSR. Both partnerships and CSR are justified with reference to the neo-liberal mantra of economic growth.

⁷ <http://nepal.um.dk/en/danida-en/programmes/business-2-business-and-ipd/>

In their strategy, the Danida states that “Economic growth is necessary for poverty eradication” (Danida, 2011, p. 17). Growth is linked with a range of adverbs: sustainable, green, responsible, and inclusive. ‘Sustainable’ alludes to an idea of balanced economic, social, and environmental development. Sustainable growth implies a sustainable and effective use of resources, and it positively affects stability and people’s living conditions (Danida, 2011, p. 2). ‘Green growth’ is “an integral part of sustainable growth which promotes general economic growth and development in a manner that enables the environment today and in future to deliver the resources and environmental services on which our welfare depends” (Danida, 2011, p. 17). ‘Green’ and ‘sustainable’ are interrelated notions connecting the environment and the future. ‘Responsible growth’ emphasizes the responsibility of the private sector and hence the importance of CSR (The Danish Government, 2012, p. 3). Finally, ‘inclusive growth’ “is people-centered, creates equal access to resources and promotes employment”. (The Danish Government, 2012, p. 2). The stress on economic growth exposes the neo-liberal affinities of the development policies and programs in Denmark – as Foucault points out, in a neo-liberal regime “... there is only one true and fundamental social policy: economic growth.” (Foucault, 2008, p. 144). It is the only way for government to improve people’s lives, because other measures such as redistribution of wealth or taxation would cause a distortion of the competitive mechanism of the market.

Economic growth constitutes the discursive frame in which CSR and private sector partnership are justified as solutions to the problems of poverty and scarce resources. How is the link between these concepts, and growth established? How does CSR and partnerships bring about the economic growth that will eradicate poverty?

The Action Plan for CSR “aims at contributing to growth and responsibility going hand in hand and thereby creating value for both business and society.”⁸. Hence, there must be an area of shared value where growth and responsibility meet. It is this area, which constitutes the possibility for solutions and governmental intervention. The Danish Government states that “we need to increase our focus on developing new business models that aim to create shared value and responsible growth” (The Danish Government, 2012, p. 3). ‘Shared value’ is visualized as the overlapping area between business value creation and social and environmental value creation. The idea of shared value is also prevalent in Danida’s promotion of “strategic CSR”, which was presented as the main focus of the DBP program at the Matchmaking Event 2014. Strategic CSR is, as opposed to traditional charitable activities, focused in a manner to suit the businesses’ other activities, challenges and market relations.⁹ The shared value can be realized when all actors in society take on their responsibility and use dialogue to manage social, environmental and ethical challenges. CSR is perceived as an investment in Danish companies’ long-term competitiveness, while it is seen as particularly important in developing countries, where the violation of human rights is most common (The Danish Government, 2012, pp. 3).

⁸ http://csrgov.dk/danish_action_plan_2012

⁹ http://csrgov.dk/strategic_csr

The DBP program is one of the initiatives for responsible growth in developing countries in the Action Plan. Partnerships between Danish business and business in developing countries contribute to economic growth in Denmark by giving Danish companies access to business opportunities in new growth markets. In the developing country, growth is created through the transfer of knowhow and technology from the Danish partner (The Danish Government, 2012, p. 6). In the DBP program the partnership concept has been broadened to include other actors such as civil society organizations, research institutions or public institutions. The training activities and technology improvements which will bring about economic growth, are elements of the NPM thinking entailed by the neo-liberal discourse.

This responsabilization and autonomization of enterprises, organizations, communities, and professionals, blurs the traditional dichotomy between the public and the private sector. The underlying assumption of the DBP program is that all agents in the social dimension must recognize their responsibilities and common interests. Danida's role is to facilitate this process of recognition of responsibilities and common interests and realization of shared value. Then different agents will form partnerships in order to realize these interests. The facilitation is managed through a range of devices and techniques, which constitute the practice that give effect to the governmental rationality. I will now turn to the analysis of how the DBP program translate the discursive terrain outlined above into practices.

7.1.3 Technical practices

In line with the neo-liberal rationality, the mode of rule of DBP has a certain technical or "formal" character. In advanced liberal strategies of government, power is transferred to the calculative regimes of accounting, financial management and audit (Rose, 1996, p. 54). Hence, the governing of the "problem-space" outlined above requires that it be interpreted and depicted in technical terms. This is achieved through various procedures, devices and techniques.

DBP utilizes several devices for the preparation and implementation of the partnership projects. One is the 'Business Opportunity Profile', which provides an analysis of a countries economy and business climate, an overview of Danida's priority sectors and an introduction to investment in the country. The Business Opportunity Profile for Nepal describes the business environment in terms of enabling factors and challenges for business in Nepal, it gives a sector brief and describes the opportunities in each priority sector, and a step-by-step manual on how to invest in Nepal (Danish embassy Nepal, 2013). According to Danida "The profiles serve as guides to the sectors and business areas with large potential both in terms of business opportunities and development impact."¹⁰. The profile thus translates the notion of 'shared value' in terms of business opportunities and development impact, and define and identify the sectors for potential intervention.

¹⁰ <http://um.dk/en/danida-en/activities/business/partnerships/>

‘Guidelines and Conditions for Support – Danida Business Partnerships’ spells out the NPM paradigm. It describes the procedures of screening, accounting and auditing, and provides information on how to report on “key performance indicators”, “activities and milestones”, and “baseline”. It gives detailed descriptions of each phase of the program (the partner identification phase, the preparation phase, and the implementation phase) (Danida Business Partnerships, 2013). For each phase Danida provides templates for applications, budgets and reports, all gathered in the “DBP Toolbox”¹¹. These techniques and procedures are necessary for the accountability of the program as a consequence of the decentralized activities and self-regulation of partnerships.

These instruments delineate reality by delimiting and defining the area and character of intervention. By marking out specified aims, how they should be achieved, what kind of enterprises and activities that are deserving of support, and how they should be controlled, they form a framework for the practices of government. At the same time, the formal and technical articulation of the program renders it apolitical, the solutions are not up for discussion. This is part of the constitution of DBP as authoritative. Its technical character demands expertise and knowhow and therefore also experts and professionals to realize them.

In the DBP program for Nepal, Danida hired the Danish Federation of Small and Medium Sized Enterprises (DFSME) to carry out the identification of Danish enterprises suitable for the program. DFSME staff work as consultancies for companies, public and private organizations, politicians and the media.¹² Their task was to identify potential Danish partners for DBP and assist with counselling for the Danish enterprises on the conditions for support and demands of a partnership. For the auditing of established DBP projects, Danida commissioned the Danish Auditor BDO Copenhagen. BDO assists with the screening process, auditing and accounting. Furthermore, independent consultants from a consortium of Nordic Consulting Group and DevFin Advisers conducted the evaluation of the B2B program.

The use of professionals and experts at every phase of the DBP program shows how a discursively constituted space justifies and gives power to the existence and actions of certain agents. The experts in these companies, at the embassies, and at Danida, translate the political programs into ways of exercising authority over enterprises and their activities.

7.1.4 Summary

This section investigated the governmentality of the DBP program. First, I discussed the problems of scarce resources and poverty addressed by DBP. The discourse builds on neo-liberal assumptions about society as organized around the principles of the market. It draws on liberal notions of human rights and responsibilities, and constitutes a “problem space” in which responsabilization of

¹¹ <http://um.dk/en/danida-en/activities/business/partnerships/toolbox2/>

¹² <http://dfsme.dk/about-dfsme.aspx>

private enterprises is made possible. The second part focused on the solution of “green growth”. “Green” and “growth” meets in a space of shared value, where partnerships and CSR are articulated as the best means to realize green growth. Finally, the discursive construction of problems and solutions translates into a range of technical practices, by which DBP is rendered powerful and experts are given authority.

7.2 Forming identities and practices

In the second part of the analysis, I explore how the Nepalese businesses relates to DBP and how it affects their identities and practices. I begin by investigating how the Nepalese consultancy bureau operationalizes the program. The analysis draws on the concept of ‘translation’ described in the theory section. Second, I analyze how the businesses negotiate their subject positions when they get involved with the DBP program through relating to other actors. The third part scrutinizes how businesses perceive CSR and how it affects their practices. Finally, I examine how partnerships form a specific field of action characterized by a range of frictional encounters.

7.2.1 Translating DBP in a Nepalese context

The DBP program is prepared and implemented by the Danish Embassy in collaboration with Danish and Nepalese consultancy bureaus. In this section, the role of young consultants as ‘translators’ of a Western development and business discourse will be scrutinized. The use of experts is decisive for DBP in Nepal. Danida has hired the consultancy bureau Biruwa Ventures to assist with the partner identification phase.

Biruwa Ventures was commissioned to carry out the partner identification phase in Nepal and to organize the Matchmaking Event 2014 in collaboration with the Danish Embassy. The team of consultants in Biruwa Ventures consists of about 20 young professionals of which many have taken their degrees in economics, business management, law, computer engineering, or mathematics, in the United States of America or in Europe.¹³ Being familiar with the Western business and development discourse as well as with local Nepalese discourse and practices, they possess the ability to navigate and translate in a space of unequal power, where a myriad of development agencies, government agencies, as well as thousands of NGO’s are trying to manage development.

One consultant described the process from signing the contract with the Danish Embassy in August 2013 to executing the Matchmaking Event in the beginning of March 2014. It was a process characterized by communication challenges and

¹³ <http://www.biruwa.net/about-biruwa/our-team/> (26.05.14)

multiple attempts to fit abstract concepts in the DBP program to a Nepalese context. In accordance with the neo-liberal stress on competition, DBP and Biruwa put an ad in two Nepalese newspapers; the Kathmandu Post and the Annapurna post both English dailies, with a call for applications from Nepalese companies. The application process revealed an initial challenge, which the consultant referred to as a ‘lack of professionalism’. She explained how they were contacted by many dubious companies:

“... there were so many companies that called us, and some of them didn’t even know... (they would say ed.) like: ”Oh, we do some trading, can we participate?” or “We do bla bla bla”, so we had to filter through all that.” (Interviewee 1).

The idea of professionalism hence alluded to the ability of companies to present themselves in a serious manner, but it also came up as a notion related to delivering on time, good quality products, “thinking like a business”, and clear and honest communication.

The identification process turned out to be messy and full of communication challenges. Biruwa was commissioned to identify companies in six different sectors. However, they did not get the specifics on what kinds of businesses Danida was looking for. For the agriculture sector they tried to do research on agriculture in Denmark in order to see what kinds of enterprises they might be able to partner up with in Nepal. Months after submitting the report on potential Nepalese partners, Biruwa was coupled with DFSME:

“... then we realized that the process wasn’t quite what it was supposed to be. We were doing it slightly different to how it was supposed to be done because we had not talked to the Danish consultant there, we didn’t really know what kind of companies we could get. So we were just doing our work here in our own way, so there was a bit... because of that communication... so because we didn’t have the Danish consultancy, for a short period of time we just didn’t know what we were doing.” (Interviewee 1)

In addition to the criteria of professionalism, Biruwa worked with two other criteria in the partner identification process, which were requirements from Danida and the Danish embassy: the Nepalese businesses had to be innovative and they had to have a social impact. Both criteria proved challenging to meet for Nepalese companies. The consultant gave the following statement:

“The innovation criteria was interesting. (...) I think that fell out at some point. Because we weren’t getting – like, we did that with IT definitely, the companies we found there were innovative and things like that. But with other sectors it was... I can only say that (X) is the only innovative company in the handicraft sector, everyone else is just like “oh, the buyers want this, so we’ll just produce this for the buyers”. So it was a bit hard for the handicraft companies.” (Interviewee 1)

A similar situation occurred with the social impact criteria. The consultant thought it was a good criteria but it also implied challenges, because the applicants often had difficulties understanding how they should demonstrate the social impact, and that it had to be something additional to their core activity. Some companies would mention so many social projects they were running, so it was difficult to understand how they were making money.

After meeting with the Danish consultant, the list of 60 Nepalese companies was shortened to 10-15. Furthermore, they realized that other criteria were more important than ‘innovation’ and ‘social impact’. Rather, experience with exporting and working with foreign companies were the important factors for the Danish enterprises. Finally, because most of the Danish companies who had shown an interest in the program were in the handicraft sector, with only one company in the IT sector and one in the agricultural sector, the number of business sectors was down to half. Hence, the main focus areas ‘social impact’ and ‘innovation’, had to be modified or even abandoned in order to find enough companies who would fulfill more basic requirements.

The consultancy bureau was navigating in a complex field of interests between Nepalese companies, Danish companies, and the development agency. Biruwa was trying to locate and negotiate a space where all interests would come together, a space of shared value. The strategy for identifying the Nepalese companies changed continuously throughout the process, and eventually the criteria fitted a few well-established Nepali companies, who were already oriented towards an international market and had a social profile. Being exposed to the DBP program, whether in an established partnership or as a participant in the partner identification phase, the businesses find themselves in a new field of possible actions, where new relations and subject positions must be negotiated. In the next section, I scrutinize how the businesses identify themselves in this field.

7.2.2 Business identities

The main way for the businesses to position themselves was by referring to other agents in the same field. The businesses articulated their identity by relating to ‘other businesses’ and to Danida and the DBP program. Most of the Nepalese businesses placed themselves in a category of “new” businesses, contrasting themselves from traditional Nepalese businesses and aid dependent development projects. They were also aware of their role in a political landscape dominated by foreign aid agencies.

The consultant put the businesses into two categories: the “old school businesses” and the “new people”. “Old school” referred to businesses, who would fall into a habit of dependent relationships. Either they would rely on monetary aid or they would simply function as a supplier for foreign businesses in a relationship limited to the exchange of goods and money. These businesses were generally perceived negatively:

“If you say ‘Danida’ people just think money. So, it was a reaction – and some of the companies that came to visit us just because the ad said ‘Danida

Business Partnership' was unbelievable. (...) Like, people are just seeing dollar signs. This isn't a good company!" (Interviewee 1)

This experience with 'greedy businesses', who were not actually interested in making a proper business, was shared by some of the business partners. One of the Danish business partners described his experience with the B2B program and the Nepalese business thus:

"(...) you could buy machines for up to 200.000 DKK with a 90% reimbursement, so of course you did that. The 200.000 DKK – if the project stopped after two years, the machines would be the property of the Nepalese company. Which meant that after two years no one had the incentive to continue. The Nepalese had gotten a trip to Denmark. The Danes had gotten a trip to Nepal and they had even been paid to go. And the Nepalese company had stainless steel worth of 200.000 DKK, it was a great deal. Why the hell continue? So you didn't." (Interviewee 2, translated from Danish)

The interviewee sees the exploitation of the program as a rational behavior of both the Danish and the Nepalese businesses. After the pilot phase the Nepalese business partner would have his pension secured in stainless steel worth millions of rupees¹⁴, while both the Nepalese and the Danes had enjoyed a trip abroad, and no one would have an incentive to go further with the partnership. According to the interviewee, this behavior of exploiting aid programs is a conscious strategy:

"Our partner was a solid and capable "Danida fisher". He had up to several containers filled with stainless steel, which he had required by getting involved in things." (Interviewee 2, translated from Danish)

"When he finished (his presentation ed.) one of the Nepalese exclaimed: 'Yes, and then we write a BIG report, Danida likes that!' And I kid you not, there were five Nepalese laughing themselves to death. That was the first time I experienced how good they are at tricking people." (Interviewee 2, translated from Danish)

In both statements, the interviewee describes the Nepalese partners as intelligent people who have figured out how to play the game of aid money, and how Danida is being ridiculed for their management of the support for B2B. Though this is the view of the Danish business, it supports the claim of the consultant that there are businesses, who determinedly engage in development projects for their own profit rather than mutual benefits and development of genuine business ideas. The Nepalese business is portrayed as a cunning agent, and Danida as a naïve agency, who distributes aid to anyone, as long as they receive a thick report. While this may not be how the Nepalese company would describe itself (it almost certainly would not do so publicly), these experiences show that the identity of the business that outsmarts the aid agencies is present among some Nepalese businesses.

Most of the companies described their business by distancing themselves from a certain business "culture" which they depicted as the dominating way of thinking

¹⁴ The interviewee refers to the stainless steel as a pension for his Nepalese partner.

in Nepalese business environment. One theme that echoed among several interviewees was unwillingness or incapability to share and create ideas and to be entrepreneurs.

“if I communicate around entrepreneurship and business, people’s perseverance is the employment possibility. For them business is only a possibility to make a revenue. It is not for challenging ideas and coming up with new product services and giving it to the market and then trying to create value out of the ideas and the services around.” (Interviewee 3)

The interviewee describes an environment of inertia, which is in contrast to his own “entrepreneurial” ideas of business development. This diagnose of the Nepalese business environment is in line with a discourse which is also described by Sujeev Shakya in *Unleashing Nepal*. He argues that Nepal suffers from discouraged and suppressed entrepreneurial instincts along with “a striking deficit of vision, a lack of interest in dreaming big and capitalizing on opportunities to promote big business in Nepal” (Shakya, 2013, p. 80). A speaker at the business get-together also touched upon the lack of entrepreneurial thinking:

“Something is wrong. In our genes, we have been taught to be followers. We have been told that you can become very good managers. But does that make us good entrepreneurs is the question. (...) We have been told that you can become a very good administrator. But have we been told that you can become a leader? No.” (Speaker at get-together)

Another interviewee described the problem of lacking transparency as a consequence of this culture. This problem is associated with the issue of thinking independently and being innovative and entrepreneurial, because it derives from a culture where business do the opposite, i.e. they copy:

“The culture out here in business is that you try not to be transparent. You try with most of the companies they do not want to reveal anything. They do not want to tell you or give you more information of their business. They probably feel insecure that somebody would copy them. This is the disease we have. Okay, I do not care. (...) I think if people copy then I think “okay, because I am good they are copying”” (Interviewee 4)

By referring to ‘the culture’ and ‘people’, they describe a majority to which they are an exception. Likewise, the words ‘genes’ and ‘disease’ alludes to something which is not easily resisted, something even more pervasive than a norm. There is a strong sense of identity attached to independence and visions in the companies. The notion of independence is not only about having one’s own business ideas and visions. It also refers to an independence from others, especially government and aid agencies. One of the interviewees praised the DBP program because Danida has a more withdrawn role as a catalyst and initiator:

“What I really like about DBP is that Danida is completely out of the process because they are only working as a catalyst. They are just pushing the process more.” (Interviewee 5)

Hence, involvement from aid agencies in the private sector is tolerable when they use soft measures like ‘pushing’ an already ongoing process. It is a good program because Danida knows its place and limits in relation to the private sector. One interviewee described the tension between keeping one’s independence and credibility and receiving money from aid agencies as following:

”I do not want to be named or tagged as this person of this company was made big because of Danida. No. It is not going to happen like that. Because then where is my significance, where is our company’s credibility? We are very credible company. We have worked really hard.” (Interviewee 4)

The aversion and skepticism against receiving aid is linked with the company’s trustworthiness and honesty. The credibility can be challenged because any potential success must be accredited to both the company and Danida. This blurs the line between them and hence diminish the company’s independent identity. Furthermore, the credibility can be challenged by the mere association with aid agencies.

The businesses formed their identity in a space where different actors and discourses meet. The fixation points of their identity have been “the Nepalese business culture” and Danida. They related to the general business environment in different ways. The businesses who were not yet part of a partnership characterized their company as an exception to the rule in terms of entrepreneurial skills and professionalism. In this respect, they position themselves as western oriented and modern companies, and their emphasis on entrepreneurialism in particular draws on central neo-liberal notions. At the same time, they have a skepticism towards Danida and the dependency of aid that might emerge from engaging in their program. The new businesses wish to conform to the ideals of the DBP program, i.e. innovation and CSR. However, they find themselves in a context where monetary aid has been given to the private sector for decades with the only result being that the general business culture is to think in short term profit and how to scheme the aid agencies. Furthermore, the trust in any institution related to government is very limited.

It was characteristic for the businesses who were already part of a partnership to emphasize their professionalism and their compliance with the demands of DBP. They were more concerned with their relationship to Danida than to the general business culture in Nepal. Two of the (Danish) partners in established partnerships would stress how Danida’s management of DBP was unprofessional, and distance themselves from certain behaviors of B2B managers in Danida. In the third partnership, the Nepalese partner simply stated that they had done their homework and their paperwork well, so they had good communication with Danida, and that they had had no challenges¹⁵. The critique of Danida included lack of knowledge

¹⁵ The Danish partners were more outspoken and critical towards Danida than the Nepalese partners, who seemed more careful in their choice of words. It may have been caused by the risks that the Nepalese company was taking when speaking to me relative to the Danish company. However, this difference could also rely on the different characters of the partnerships, where the two Danish partners represented smaller companies, while the Nepalese partner had a partnership with a relatively larger Danish company. Hence, the resources allocated to

about conditions in Nepal due to the limited amount of time the employees at the Danish embassy would actually spend in Nepal. The embassy demanded reports every third month, which should be presented as a power point presentation. The Danish partner interpreted this as a sign of laziness, because the ambassador would not actually have to read anything. Finally, one partner insinuated that there had been cases of corruption in the B2B program, and that he had been shocked by this behavior, which he considered very unprofessional¹⁶. The partners described a culture of bad organization, ineffectiveness and even illegal activity, which was in contrast to their company identity. They made a distinction between an inefficient and unprofessional culture in public agencies, as opposed to the efficient and professional private sector. Several of the Nepalese companies supported this description of public agencies. They generally found government untrustworthy.

The DBP program offers both opportunities and challenges for the Nepalese companies. They are offered support to strengthen the parts of their identity concerned with western contemporary trends like innovation and entrepreneurship, but they are challenged by the relationship this would create to aid and governmental agencies. For the established partnerships the program has offered a chance for the Nepalese partners to improve their know-how and social impact, or their possession of material resources, while they continually negotiate their position in relation to their donor, Danida. This section has analyzed and discussed how the presence of the DBP program itself has affected the identities of the Nepalese companies and the partners in established B2B partnerships. In order to investigate how the program has impacted the practices of the companies, the following sections focus on the two key notions in the program, CSR and partnerships, and how the businesses relate to and implement these.

7.2.3 CSR

CSR was perceived as either something, which was already a natural part of the business core activity, or as a superficial or corrupt concept. The idea that CSR was an integrated part of the business activities was prevalent among several of the established partners as well as the new companies. Some companies were more reflected than others, and acknowledged that CSR was an important trend and hence struggled to fit it into their business concept. One interviewee, an owner of an IT company, formulated his concerns for CSR thus:

”Basically, those are the high five jargons for starters like ours. (...) I don’t know if there is, basically in the service industry, if we’re having those kinds of impacts that we’re obliged by CSR and all. But the business that we’ve chosen is having the value so integrated with the social responsibility in it.

deal with the partnership and the priority it was given by Danida may have made the partnership run more smoothly. This is exclusively speculations of the author however.

¹⁶ Both partners stressed that these critiques and accusations concerned earlier employees at the embassy, and that the current administration had improved many things and were much more professional.

Business in itself is having a social impact. We are clear from our part.”
(Interviewee 3)

A reseller of Danish medical equipment to Nepalese hospitals expressed a similar view. He defined activities such as demonstrating the equipment at conferences and teaching about its functions and benefits for the hospitals as CSR - activities which are part of the sales and marketing process:

”Since we are the medical equipment supplier and we are there for CSR. (...) The major aspect is we always support for the educational program like, if there is any conferences then we bring the visual equipment or demo equipment for the OT. So, this is one part of our CSR.” (Interviewee 6)

These activities was something they had initiated as part of the partnership project. The know-how about clinical aspects that the Nepalese company had received through training from the Danish partner thus became an integrated part of the business strategy as well as their social impact. Because they were enabled to educate doctors and nurses in the use of the equipment, their sales would increase and at the same time create a clinical impact in the field of critical care. Hence, corporate responsibility is to make sure that the costumers know how to use the product and support them with technical know-how, which would at the same time work as a marketing strategy.

A different approach to CSR was through international certifications. One company put great emphasis on certifications, and enumerated a range of certifications and awards they had gotten for their social and environmental engagement. CSR was often equated with international certifications like Fair Trade or FSC (Forest Stewardship Council) certifications. Especially the Fair Trade certificate was brought up during business meetings by the Nepalese companies to show that they were responsible – they were already certified by an international organization.

The idea of promoting CSR as a key medium for development in the DBP program interacts with a complex business context in Nepal. Some businesses perceive CSR as an intrinsic part of their business activities. They are already aware of the “shared value” which is stressed in the notion of strategic CSR. Hence, their practices are not likely to be altered by the DBP program, but they may now be articulated as CSR. They did not work with an explicit CSR policy, CSR was simply what they were already doing. The health care sector was a successful identification of an area of “shared value”, where business interests and societal interests meet. Here, the training of sales personal for medical equipment had been positive for both the company, and for doctors and nurses at the hospitals.

The perception of CSR as overrated and superficial was prevalent among the businesses who also expressed skepticism towards aid and Danida. A partner in one of the established projects saw it as a concept without content or actions behind it:

“That CSR thing, I’m not even sure what it means, we simply didn’t budget for it. Yes, maybe 5000 DKK or something like that. I’m tired of it, it’s just something companies think. Most of it is just on a piece of paper. Not just in projects but in general.” (Interviewee 2)

The perception of CSR as “just a piece of paper” was also reflected in one company owner’s aversion towards “stamps” or certifications. He also perceived CSR as certifications like Fair Trade and organic certifications, but saw them as a blue-stamp that companies could just buy if they wanted:

”See, I do not believe in those stamps, this might sound a little negative in the sense, but I do not believe in most “stamps” – this stamp or that stamp. We are in Nepal. I can easily get established even without Danida I can get it.” (Interviewee 4)

The skepticism towards CSR is thus linked to the corruption in Nepal. It is too easy to cheat with any certifications that makes the company seem responsible. The credibility of the traditional stamps connected to corporate responsibility have been eroded and hence CSR has become an empty concept. Furthermore, CSR was perceived to carry a risk for Nepalese traditions if it is not carefully planned. The following statement about training of locals as a CSR activity exemplifies this risk, when there is a lack of long term commitment:

“It rather spoils inherent local skills and ways of doing things. For example, if you come in, help someone, and get them to use a new technique or new material or new pipe or do something, after three years if that aid or support starts then this person will not use this local technique or the local skill and stuff like that. And this is something that is, what you call it... more negative than positive.” (Interviewee 4)

The concern for the protection of local skills and customs was linked to a sense of pride over Nepalese traditions and products, which was expressed by several of the interviewees. Nepalese products were regarded as the best in the world, among them agriculture and handicrafts. It was also connected to a feeling of lost identity because the memory of cultural heritage and pride is fading in light of development and modernity.

These businesses perceived CSR as mere lip service to Danida or customers. They tried to actively avoid the concept because of its shallow meaning. They still talked about the positive social and environmental influence of their business, but refused to call it CSR. CSR was something embedded in a Western discourse of modernism and development, which have deprived Nepalese people of their sense of independence and pride. This negative influence related to handicraft, traditional local skills, waste management, and water management. There was a desire to show that Nepalese business could stand on their own feet, without the interference of foreign aid agencies.

CSR holds the potential for frictional encounters, because the importance and significance ascribed to the concept differ from Danida to the Nepalese and the Danish companies. The Nepalese consultants played a central role by smoothing out the skepticism they traced among Nepalese companies towards the program. The flexibility of the concept meant that it could be fitted into any context. Most of the companies regarded it as something they were already doing, as their core activity, through certifications, and even if they disliked the concept. This flexibility is a strength in the sense that it makes CSR adaptable to many contexts. However, if it is just a question of articulating existing practices as CSR, the program will not

have the effect of changing the behavior of the companies towards taking more responsibility.

7.2.4 Partnerships

"Because in the beginning it is like falling in love. In the beginning, you are nice to each other and you say nice things. But then when you actually get married then you get to see all the reality and all the bad things..."
(Interviewee 4)

This was a description of business partnerships given by an interviewee, who had participated in the Matchmaking Event. The companies who were new to the program already had several international contacts and partners and thus knew how partnerships worked. The quote aptly captures how partnerships form an almost natural space for frictional encounters, where miscommunication happens and things never go according to plan. This section will discuss the initial challenges experienced by the participants in the Matchmaking Event, and scrutinize two cases of established B2B partnerships.

The potential partnerships

As described earlier, a partnership emerges where partners can realize mutual benefits through collaboration in a space where growth and responsibility meet. The companies agreed that these things must be taken into consideration for a partnership to be successful. Danida should not only establish a contact, but help the companies recognize this potential:

"Why would I need partnership? To do things that I cannot do it on my own and there has to be a solid different set of contribution. The strength has to be not just doubled, but maybe tripled or otherwise I can always find partners. If it is just the question of buying and selling I can go and visit the exhibition and they should come to Nepal, we do not need Danida."
(Interviewee 4)

According to this statement, a partnership is more than just a relationship between a Danish buyer and a Nepalese seller or vice versa. This view was shared among the businesses, but it was a way of thinking which was difficult to overcome. The negotiations and discussions at the business meetings during the week of the Matchmaking Event circled around this issue, from clothing to IT companies. Especially within the manufacturing industry this traditional view of a business relationship was prevalent. This man owned a paper factory, and was looking for a Danish buyer:

"So if we have a business partnership with Danish company we hope to get help for design and market trend and market research. So that will be very helpful for you because we do not know about what foreign countries are doing. So we want some marketing program organized by if any foreign

country marketing, that type of meeting with businesses just like Danida organized in March, buyer-to-seller.” (Interviewee 7)

The business partnership is referred to as a ‘buyer-to-seller’ relationship and the training they hope for consists of figuring out what is the trend on the market, i.e. what the buyer wants. In this case the Danish partner is reduced to a ‘buyer’. A Nepalese IT company expressed their frustration in a case where the Danish company was the seller and regarded the Nepalese company as a distributor rather than a partner.

”And the next serious problem I saw with them might have been they never tried to understand what we are doing at no point of time because they were from the sales department and they were only trying to pitch their ideas and sell their concept of technology. If collaboration had to go good actually they have to understand the partner with whom they are trying to collaborate also, what’s our expertise, what are we working, what are our client base like, what are the services we offer to the client, should have actually really helped and they were in the mindset to sell rather than to collaborate.” (Interviewee 3)

In this case, the Danish company had built their product on a proprietary technology, which is unaffordable for most people in a development country. The Nepalese company knew this, and had built their products on free open source technology. Though they tried to communicate the possibility of developing a new version of the software, which would be suitable for the Nepalese market, the Danish company rejected the idea and the partnership was given up. However, the partnership idea seemed to have settled in mind of the Nepalese company, who had started looking for other Danish companies to collaborate with.

Though there was positive communication between the Danish and Nepalese companies, this was limited to a buyer-seller relationship. The established contact might be the first step towards a partnership, but several participants, both Danish and Nepalese admitted that the process of establishing a committed partnership would be too expensive, time consuming, or difficult. None of the companies challenged or questioned the partnership concept as such. Several interviewees complimented DBP for its design and approved of the catalyst role of Danida. When the partnership idea came into practice there turned out to be some unexpected and sometimes invincible points of friction. Though the partnership idea has been expanded to include third parties, as for example the universities in Kathmandu who met with the IT companies, the field of action is in practice a narrowly defined space.

The established partnerships

The two B2B partnerships gave very different accounts of their experiences. However, they both agreed that doing business in Nepal without a Nepalese partner was impossible. The first partner stated that they never experienced challenges in their partnership. This partnership had a clear division of roles where the Danish partner acted as a supplier of medical equipment and the Nepalese partner as a distributor on the Nepalese market. The B2B partnership was based on training

activities for the Nepalese partner. The project had ended after the 2-year pilot phase and the relation had turned into traditional trading. This was a by-the-book partnership where everything had gone according to the plan and no frictional encounters between the partners or the partners and Danida had occurred.

The second partnership had established a joint venture and planned to produce organic ice cream. The points of friction were many. The Danish partner called the business idea itself “crazy” because they planned to produce and sell the product in Nepal where there would be no profit. The partners were introduced to each other in 2000. The Nepalese partner had no knowledge about ecology when they started. He died in 2012 and a manager now ran the joint venture in Nepal. The manager described the process and current situation as frustrating. The business was not making any profit and was surviving on money from Danida. The people working on the project did not get paid. The production of organic ice cream was also problematic. The organic milk was local, but they had been waiting for the organic certification for two years. The certification process was problematic because it required uneducated and illiterate farmers to fill in several forms. The organic milk powder was imported from Germany, the organic sugar from India, and the organic berries from Denmark, which made the final product very expensive. The prospect of profit seemed far away, and though the manager would rather move with his family to the Terai and attend to his own business, he felt obliged to the Danish partner who had invested in the joint venture. The Danish partner mostly expressed his dissatisfaction with their relation to Danida. The staff at the embassy had changed several times, the management procedures had changed, and the auditing had been outsourced to a third party. The communication between the project and the auditor was bad. Despite this, Danida was still funding the partnership, and it was the flagship of DBP at the International Trade Fair 2014 in Kathmandu.

In the established B2B projects, both the form and the length of the partnership affected the practices. In the first partnership where the roles were clearly defined, the Nepalese partner explained how the training had improved their knowhow in clinical and technical aspects and hence customer satisfaction and sales. He regretted that the partnership could not continue, but stated that now they knew the products and so it was okay. The first project had thus maintained the traditional relationship of buying and selling and kept the partnership activities limited. The joint venture B2B project was running on the 14th year, and the roles were more intertwined. Many things had happened during the period and the project had expanded in many directions. The partners knew each other well and the long relationship had created a sense of obligation towards the other, and a seemingly unsustainable business continued. The many points of friction in this partnership could have been given the type of attention that could have revealed interesting problems or opportunities for alternative solutions. Instead, the challenges seemed to be overlooked by Danida, and the project continued without pausing to question the framework.

Altogether, the idea of mutually committing and beneficial partnerships constitutes a field of action, which is limited by many factors. The businesses must navigate according to a range of demands from both Danida and their partner. First, it is

challenging to identify an area of shared value, which goes beyond traditional business relationships of mere trading. Second, the more intertwined the Danish and Nepalese companies got, and the more partners fulfilled the partnership role, the more potential the project had for frictional encounters.

7.2.5 Summary

In this section, I first explored how the Nepalese consultancy bureau operationalized the DBP program through various criteria for identifying new businesses for partnerships. I analyzed the role of consultants as ‘translators’ and how they identified Nepalese companies. The eligibility was narrowed down to well-established companies who already had international contacts and a social profile. Second, I scrutinized how the businesses would relate to other actors related to DBP and negotiate their subject positions. Most businesses were trying to conform to a western ideal of a good enterprise. They articulated their role as independent and professional, and referred to central neo-liberal concepts like “innovative” and “entrepreneurial”. Finally, I examined how CSR and partnerships affected the businesses and how the concepts constituted a specific field of action. CSR was regarded either as an integral part of business activities, as certification from international organizations, or with skepticism as a superficial concept at best or an imposing concept at worst. The concept of partnerships constituted a narrow field of action, with a high potential for frictional encounters. The first frictions occurred in the initial contact phase, where the prospect of an actual partnership and not just a traditional business relation was the main challenge. In the established partnership challenges appeared as the partnership evolved in time and depth and the potential points of friction increased.

8 Conclusion

Danish politicians are turning their attention increasingly towards new markets and fast-growing emerging economies in the pursuit of encouraging third world development. The scrutiny of existing contemplations and practices in government-driven initiatives for private sector interventions becomes ever more relevant. In this study, I set out to track the power-relations and identities, which are constituted and practiced in the DBP program, through the Danish development discourse. In order to dig deeper into the discourse and its effects on real practices, I chose a governmentality perspective. The notion of friction enabled the unravelling of the complex relations between truth, power, and subject.

The DBP program represents a crystallization of the Danish development discourse, in which the governmental rationality materializes into practices. The neo-liberal logic of the market as a formative principle of society constructs a governable space in which experts and consultants are given the role of translating and shaping a field of action. The structuring elements of this field are the concepts of CSR and partnerships, which are managed through the principles of NPM. The Nepalese consultancy bureau is left with little room for maneuvering. They translate the program to fit Nepalese companies, who conform to the neo-liberal logic and identify with the subject position of the entrepreneur. It thus filters out the large part of the Nepalese business environment.

However, these eligible companies do not perceive themselves as in need for monetary or technological support. They are among the few exporting companies in Nepal or they are well established on the Nepalese market and they already make use of their capacity and resources to make a social impact. The DBP program does not to any large extent facilitate a change of practices for these companies, because they already conform to its ideal. Furthermore, the practice of government is depended on the exercise of free choice by the subjects. The Nepalese companies value their independence, therefore the idea of dependence that aid agencies evoke, leads to a skeptical attitude towards DBP.

Nepal provides an interesting geographical space for the implementation of the program, because it differs, in terms of culture, economy, and politics, from the liberal democratic welfare state in which the neo-liberal governmentality has developed. It is a country, where this governmentality could be challenged on its core assumptions, and with the potential for frictional encounters, which could lead on to new paths. In its narrow definition of the field of possible actions, the DBP program offers development for the developed, instead of allowing for the friction to appear and potentially illuminate cracks of imperfection in the discourse.

9 Executive summary

The strategies for development in Danish development policies are turning increasingly towards export and trade policies and vice versa. In this context, the neo-liberal affiliations of the development discourse is growing stronger. This development stresses the relevance of a scrutiny of existing conceptualizations and practices in government initiatives for private sector interventions in developing countries. In this study, I investigate the small-scale development program Danida Business Partnerships (DBP) in Nepal, which facilitates and supports the establishment of long-term and mutually committing partnerships between Danish companies and companies in Nepal. The aim is to create jobs, strengthen competitiveness, and promote Corporate Social Responsibility (CSR) in developing countries. My research questions are: **How is the development discourse constituted as authoritative, powerful and governable in the DBP program? And: How does the focus on CSR and partnerships affect the identities and practices of the local partners in Danida's DBP program in Nepal?**

The thesis sets out with an overview of former research on the DBP program and on public policies on CSR, the focus area of DBP. The academic literature on B2B (now DBP) has focused mainly on identifying the shortcomings of the program and the potential for improvement. Within the political science literature on public CSR policies, it is argued that CSR activities have developed into co-regulatory arrangements where businesses, civil society organizations and governments assess and apply their powers in ways, which are simultaneously collaborative and confrontational. Researchers emphasize the lack of attention paid to the power issues that are inherent to the governance of business-government relations. The question of power and the relationship between power and the formation of the subject is not addressed.

In order to gain a deeper understanding of the relations between truth, power, and subjects in the DBP program, the theory of governmentality is applied. The theory section begins with a description of truth regimes and apparatus of knowledge-power. The truth regime constitutes certain forms of legitimate knowledge about the world, and the apparatus of knowledge-power is the strategies between power relationships, which support different types of knowledge, and are supported by these types of knowledge. A central idea is that power produces a domain of relations in which actions on others' actions are made practically and ethically possible, and that this it presupposes individuals' capacity as agents. The notion of 'government' in governmentality theory refers to "the conduct of conducts of men", or how individuals' or populations' actions are acted upon. Government is a question of tactics and strategies to be employed such as to reach certain ends, and it materializes in the interaction between techniques of domination and techniques of the self. What makes the conduct of conducts *governmental* is the

way in which aims of government are linked with different procedures, the way governing is made practical. The governmentality analysis focus on the rationality of government and governmental technologies. Political rationality is the *practice and knowledge* whereby the discursive field is created and maintained, in which exercising power is “rational”. Governmental technologies are a complex assemblage of strategies, techniques and procedures, which provide the regulation of decisions and actions of individuals, groups or organizations in relation to authoritative criteria.

The governmentality of advanced liberal democracies in the Western world, which also influences the development discourse, is characterized by a neo-liberal truth-regime. The aim for neo-liberalism is to establish a general art of government by reference to the formal principles of a market economy. The measures of government are interventions on society that will allow the mechanisms of competition to regulate every moment and every point in society. The implications for governmental actions is that economic growth becomes the only social policy, and that New Public Management becomes the tool for regulation. New Public Management implies an emphasis on new technology and training, the decentralization and de-layering of decision-making, and an increased stress on audit. In this economic and social regime of neo-liberalism, the subject is the homo oeconomicus as an entrepreneur. It is constituted by a way of behaving in the economic field through competition in terms of plans and projects with objectives and tactics. Subjects have responsibility, autonomy and choice, and they are acted upon through shaping and utilizing their freedom. Given autonomy and responsibility for their actions, their conduct is governed through contracts, targets, indicators, performance measures, monitoring, and evaluation.

The concept of friction and frictional encounters enables a conceptualization of the dimension of governmentality, in which subject positions are negotiated and practices are shaped. It facilitates the analysis of interactions between agents, discourses and practices in the DBP program. Frictional encounters are uneven and uncertain processes, with no fixed outcome. It is a space where the global and local meet to negotiate and mediate difference and affinity. The role of “translators”, who are familiar with both the global and the local discourse, can be decisive for the moderation of frictional encounters. They translate the apparatus of knowledge-power in a space of unequal power and function as negotiators of a middle space between power and potentiality.

The theoretical perspective calls for the attention to some fundamental methodological concerns. Reflexive methodology suggests that the discursive limits of the governmentality perspective, which directs the empirical observations of the researcher, should be made explicit, by paying attention to its ontological and epistemological assumptions. The researcher should resist unreflected and unconscious power of ideologies, and enable recipients to retrace empirical interpretations to the epistemological possibilities suggested by the governmentality perspective. In addition, the notion of a realist governmentality opens up for the possibility of using mixed methods. This broadens the scope of the traditional discursive analysis of governmentality studies. It pays attention to messy actualities of the empirical world, and gives voice to agency.

With these considerations in mind, the research design and operationalization conducted. The study takes the form of a case study. The scope of the research is the DBP program in Nepal. The program is described in a range of governmental documents produced by the Danish Government and Danida, which provide data for the discourse analysis of the political rationality and governmental technologies, while data on the actual practices and formations of subjects was gathered “on location” in Nepal. The research includes one operating project, and two business partnerships, which exists but are not in the program anymore. It also includes the Matchmaking Event 2014, which launched a new “round” of the program.

The two research questions have each been operationalized in terms of working questions. These are the working questions for the first research question, which enabled the coding of the data: What are the problems that the B2B and DBP program set out to solve? How is CSR and private sector partnerships characterized/justified as solutions? How are different agents gathered and given specific powers? The working questions for the second research question were the guiding questions for the gathering of interview data: How do the Nepalese businesses involved in the DBP program perceive the program and their role in the program? How do the concepts of CSR and partnerships structure the field of action in the DBP program?

The methods for analysis and data collection were discourse analysis, semi-structured interviews and unstructured participant observations. The discourse analysis is performed through a scrutiny of how governmental documents on DBP and development policies and strategies constitute the social reality and how discursive practices “act” to produce new spaces of governmental intervention. In order to study the identities and practices of the businesses in the DBP program, interviews and do observations were required, because no empirical material was available. The semi-structured interview is a method, which gives the interviewee freedom to form their reply and where the researcher still follows an interview guide. The unstructured participant observations were used to inform and form the interview guides. They also gave insights on the governmental practices of the DBP program.

The interviewees were located through snowball sampling. The owners and project manager of the B2B projects functioned as gatekeepers in the sampling process. Three interviews were conducted in Denmark with the respectable owners of the Danish businesses engaged in business partnerships in Nepal. Another eight interviews were conducted in Nepal with Nepalese consultants, a program officer for DBP, and five Nepalese business partners or potential business partners. The sight for observations was the DBP Matchmaking Event 2014, where I could gain a better understanding of DBP “in action”.

The first part of the analysis maps the governmentality of DBP. It examines how the discourse draws on elements from a neo-liberal assemblage of knowledge and practice, and illustrates the discursive construction of a space where DBP is perceived as authoritative and powerful. It also shows how this space is translated into specific technical practices and how it assigns roles of expertise. The DBP program addresses the problems of scarce resources and poverty. The discourse circles around liberal notions of human rights and responsibilities, and it creates a

“problem space” in which responsabilization of private enterprises is made possible. The political rationality builds on neo-liberal assumptions about society as organized around the principles of the market and focuses on the policy of “green growth”. The notion of green growth constitutes the discursive frame in which CSR and private sector partnership are justified as solutions to the problems of poverty and scarce resources. The aim of CSR is to contribute to the joining hands of growth and responsibility and thereby the creation of value for both business and society. CSR create an area of shared value where growth and responsibility meet, which constitutes the possibility for solutions and governmental intervention. The discursive construction of problems and solutions translates into a range of technical practices, consisting of procedures of screening, accounting and auditing, templates for applications, budgets and reports. These techniques and procedures of accountability are necessitated by the decentralized activities and self-regulation of partnerships, and they demand expertise and knowhow and therefore also experts and professionals to realize them. Hence, the role of experts and consultants is paramount for the DBP program.

The second part of the analysis focus on how the identities and practices of the Nepalese companies are shaped by and shapes DBP and its core concepts: CSR and partnerships. It begins by investigating how the Nepalese consultancy bureau translates the program into a Nepalese context. This illustrates the powerful role of consultants as ‘translators’ and how they identified Nepalese companies for partnerships through various criteria. It shows how the eligibility was narrowed down to well-established companies who already had international contacts and a social profile. The analysis then turn to how the businesses negotiate their subject positions when they get involved with the DBP program through relating to other actors. This showed that most businesses would try to conform to a western ideal of a good enterprise, by articulating themselves as independent and professional, and referring to central neo-liberal concepts like “innovative” and “entrepreneurial”. The third part examined how businesses perceive CSR and how it affects their practices. CSR was mostly seen as an integral part of business activities, but also as international certifications, or it was regarded with skepticism as a superficial or even imposing concept. The final part of the analysis explore how partnerships constituted a narrow field of action, with a high potential for frictional encounters. The first frictions occurred in the initial contact phase, where the prospect of an actual partnership and not just a traditional business relation was the main challenge. In the established partnership challenges appeared as the partnership evolved in time and depth and the potential points of friction increased.

Nepal provides a space in which the neo-liberal governmentality could be challenged on its core assumptions, and with the potential for frictional encounters, which could lead on to new paths, because it differs from the liberal democratic welfare state on many levels. Instead, the DBP program offers development for the developed through its limiting definition of the field of possible actions. It does not allow the friction to illuminate the cracks of imperfection in the discourse.

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Verbal sources

Interviewee 1 = Consultant at Biruwa Ventures. Interview. 12th March 2014

Interviewee 2 = Owner of Danish partner company in a B2B project. Interview. 13th February 2014

Interviewee 3 = Owner of Nepalese company and participant at the Matchmaking Event 2014. 9th April 2014.

Interviewee 4 = Owner of Nepalese company and participant at the Matchmaking Event 2014. 16th April 2014.

Interviewee 5 = Consultant at Biruwa Ventures. Interview. 26th March 2014

Interviewee 6 = Owner of Nepalese partner company in a B2B project. Interview, 27th March, 2014

Interviewee 7 = Owner of Nepalese company and participant at the Matchmaking Event 2014. 17th April 2014.

Speaker at get-together = Motivational speaker at an informal get-together arranged by an advertising agency in Kathmandu. Recorded. 6th March 2014

Appendix 1: Interview questions

In this appendix I present four examples of the different interview guides I used for my research. The questions for each interview were tailored according to my previous knowledge about the company/person and their relation to the DBP program.

Interview guide for Danish companies in B2B projects (Example):

First, I will make a brief summary of how I understand the content and organization the project. This is in order to start the interview in a way that enables me to be 'on the same page' as my interviewee and to give him a chance to correct my understanding or inform further about parts of the project, that he finds important.

- How would you describe your project/is this an appropriate description of your project or would you like to add/correct anything?
- How did you come up with the idea for the project?
- Who initiated the project?
- Why did you choose to do the project in Nepal?
- Did the “Business Opportunity Profile on Nepal” by Danida have an impact on your decision to engage in a B2B project in this country?
- How far has the project reached in terms of the three phases of the B2B programme?
- *Danida has four criteria for the effect of the project on development:*
 - *Strengthening of the competitiveness of the local partner*
 - *Increased job possibilities especially for women and youth*
 - *Improvement of the environment and the work environment*
 - *Promotion of CSR*
- Are some of these criteria more important than others in your project?
- How are the criteria addressed in the project?
- How do you monitor the project internally?
- What was your main motivation for entering the partnership?
- What were the main reasons why you decided to partner with X?
- How is the partnership organized in terms of responsibility?
- What have been the main challenges in relation to the partnership?

Interview guide for Nepalese companies in B2B projects (Example):

- How would you describe the impact that this partnership has had for your company?
 - o in terms of sales, hiring new people, education of staff etc.?
- What is the status of the partnership today?
- What are your future plans in terms of collaborating with X?

- Did the partnership/project evolve the way you expected it to?
- What has been the main advantages of the **partnership concept** for your business?
- What has been the main challenges in this project?
- Have you focused on CSR in the partnership?
- How has the incorporation of CSR affected your business?

Interview guide for Nepalese companies who participated in Danida's Matchmaking Event 2014 (Example):

- I am curious about how you have organized your business in terms of ownership and how you work – can you please explain that to me?
- I noticed that you had many technical and critical questions at the meeting with X. What did you think about that meeting?
- The Danish consultant was explaining how you should think in terms of forming a partnership with X and getting funding from the Danida Business Partnership program – how would a potential partnership between (your company) and X look like?
- What do you see as the advantages for (your company) if you choose to form a partnership with X through DBP?
- And what do you see could be the challenges?
- Do you think a partnership will create new job positions in your company?
- DBP has a specific focus on Corporate Social Responsibility (i.e. working conditions, environmental concerns, etc.). In what way could this be relevant to a partnership project between (your company) and X?
- What do you think in general about aid for private sector development?
- What do you think specifically about aid for developing the ICT (Information and Communication Technology) branch in Nepal?

Interview guide for the consultants at the Nepalese consultancy bureau (Example):

- How did Biruwa Ventures get the task as the consultancy firm for Danida?
- Please, tell me about the working process leading up to the Matchmaking Event?
- What were your criteria for choosing the firms for the event?
- What is Biruwa's role after the event in terms of establishing the DBP partnerships?
- What do you see as the greatest advantages of a program like DBP for Nepalese companies?
- And what do you see as the challenges?
- With your knowledge about the Nepalese business environment, what are your thoughts on the partnership concept of DBP?