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Zurich^{UZH}**

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***How do Swiss International Cooperation Stakeholders Frame the
Role of the Private Sector for Sustainable Development? A Critical
Discourse Analysis on the Controversies Around Switzerland's
New International Cooperation Strategy***

GEO 511 Master's Thesis

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Lara Landolt, June 2021

Summary

The private sector is no new development actor. However, recent development initiatives such as the Busan High Level Forum on Aid Effectiveness, the Agenda 2030 and the Addis Ababa Action Agenda of the United Nations have fed a new enthusiasm for working with the private sector for sustainable development. Following the footsteps of other national development agencies that have already incorporated the private sector more strongly into their foreign aid strategies, the Swiss Development Cooperation (SDC) joins the global appeal to blend public and private finances as a means to finance the Sustainable Development Goals (SDGs). This is shown by the fact that Switzerland's new International Cooperation (IC) strategy from 2021 to 2024, gives economic aspects greater emphasis, as it pushes so-called Engagement with the Private Sector projects that involve a variety of financial instruments to collaborate with the private sector. This new focus on the cooperation with the private sector for development has sparked great debate among Swiss IC stakeholders and has led questions on the role of the private sector for sustainable development into the spotlight of the Swiss discursive arena.

Motivated by this current discourse and critical literature on the increasing marketization and financialization of development, **this thesis aims to understand how Swiss IC stakeholders are currently framing the role of the private sector for sustainable development.** To do so, this thesis draws upon Foucauldian discourse theory that is put into use by conducting a Critical Discourse Analysis (CDA), which explores discursive fragments (*websites, position papers, consultation letters, etc.*) of various types of Swiss independent-, public- and private sector IC stakeholders engaging in the discourse. The independent sector involves NGOs and think tanks, the private sector includes finance institutions, businesses and foundations, and the public sector covers discursive actors of the Swiss parliament, SDC and research institutions. Analyzing the individual discursive fragments, this thesis goes beyond the individual positions' arguments themselves as it aims to reveal the structures that (re)create the hegemonic view on the new role of the private sector in Switzerland's new IC strategy.

Deconstructing the Swiss discourse on the role of the private sector for sustainable development, this thesis has not only revealed four explicit fields of controversy that characterize the discourse (*and various patterns of argumentation that underlie these tensions*) but also the deeper, more implicit discursive structures that hold the current dispositive of re-engineering Switzerland's foreign aid strategy together. Examining the discourse on its **explicit fields of controversy** in part one, four overarching findings have emerged: *One*, despite a few arguments that challenge the dominant discourse (*mainly put forward by IC stakeholders of the independent sector*) Swiss IC stakeholders largely support the new IC strategy's focus on engaging with the private sector for development and are well disposed towards the various ways and aspects of private sector engagement in development cooperation. *Two*, the explicit fields of controversy have revealed that self-interested motivations (*national interest, business opportunities, etc.*) accompany large parts of the discourse. *Three*, negative aspects of past and current development efforts are both used to critique current development trends but also in order to justify new development endeavours (*as new strategies with the private sector in the spotlight are said to be better than old ones*). *Four*, development as such is not put into question and the discourse does not engage with post-colonial or post-development discourses – a finding that clearly refers to a “blank spot” within the discourse.

Diving further into the more **implicit discursive structures of the dominant discourse** that part one has revealed, discursive structures that stress self-interested motivations of engaging in development prevail. The findings of the second part of this thesis' CDA can be summarized along three main discursive structures. *One*, I have shown five broad discursive structures within the the *Swiss dispositive on re-engineering foreign aid* that either support Mawdsley's claim of “a distinctive acceleration and deepening of the development-financialization nexus” (2018a,

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p. 265) and/or provide broader information about the rhetoric and processes behind the commodification and marketization of development of private sector IC stakeholders (which is partly supported by the SDC). *Two*, geographical imaginations (that include norms and ideals) of dominant IC stakeholders of the private and public sector help to justify behaviorist development interventions such as “unlocking the entrepreneurial potential of farmers” as the SDC (2021a) write. And *lastly*, I have found that the private sector’s IC stakeholders mark their discursive dominance not only by presenting themselves as “leaders” and “game changers” but also by referring to a “new reality” or a “revolution where commercial capital leads the way” (BLUEORCHARD, 2018) and by actively discrediting other development actors that follow non-commercial development approaches. How the different IC stakeholders promote their self-images within the discourse has implications on discursive hegemony, I argue.

In general, the effects of the current dominant discourse on the role of the private sector for sustainable development must be considered in the context of unequal power-knowledge relations. Relations, which not only include uneven capacities of different actors to shape discursive realities and alternatives but are also put forward in current buzzwords such as “creating shared value” and “win-win partnerships”, which obscure the “relation of inequality” but rather stress the “relation of assistance” (ANDREU, 2018, p. 275) that both underlie various efforts for sustainable development, as I argue.

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Abbreviations

AAAA	Addis Ababa Action Agenda
APK-N	Foreign Policy Commission of the National Council
AC IC	Advisory Committee on International Cooperation
CDA	Critical Discourse Analysis
CDE	Centre for Development and Environment (Universität Bern)
CCRS	Centre for Corporate Responsibility and Sustainability (Universität Zürich)
CEP	Competence Centre for the Engagement with the Private Sector
DAC	Development Assistance Committee of the OECD
DIB	Development Impact Bond
EAER	Federal Department of Economic Affairs, Education and Research (<i>Ger.</i> WBF)
EPS	Engagement with the Private Sector (also called PSE)
FDFA	Federal Department of Foreign Affairs (<i>Ger.</i> EDA)
GDI	Gross National Income
GDP	Gross National Product
IC	International Cooperation
IB	Impact Bond
NGO	Non-Governmental Organization
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
PPDP	Public Private Development Partnership
PPP	Public Private Partnership
PSE	Private Sector Engagement (also called EPS)
SDC	Swiss Development Cooperation
SDG	Sustainable Development Goal (Agenda 2030)
SP	Social Democratic Party of Switzerland
SECO	State Secretariat for Economic Affairs
SVP	Swiss People's Party
SIB	Social Impact Bond
SIFEM	Swiss Investment Fund for Emerging Markets
SME	Small and Medium-sized Enterprise
TBL	Triple Bottom Line
TMA	Toulmin Model of Argumentation
UN	United Nations
UNDP	United Nations Development Program
UNGC	United Nations Global Compact Initiative
WBG	The World Bank Group

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A. Introduction

1. Topic and Scope of Research

“What if all our development challenges could be tackled in cooperation with the private sector, or if our entire portfolio consisted of EPS Projects?”

(SDC, 2019a, p. 5)

“The global development community had moved on, as it so often does, without a critical backward glance to embrace the next era, the next round of “trust us, we know what we’re doing”.”

(MAWDSLEY, 2014, p. 4)

Today, the international development community largely agrees that firstly, sustainable development needs finance and secondly, the public and private sector must join forces reach the Sustainable Development Goals (SDGs) until 2030. Even though governments and private businesses have had joint endeavours throughout large parts of human history and are nothing new from a historical perspective (WETTENHALL, 2005), the current excitement for engaging with the private sector in development through *blended finance* or Public-Private Partnerships (PPPs) is a rather new phenomenon. Scholars have observed that in the 2000s, PPPs have quickly expanded from infrastructure projects in countries of the global north to “[key strategies] for delivering services to the third world” and have been commented on as the “trojan horse of neoliberal development” (MIRAFTAB, 2004, p. 89). Over the last decade, the private sector has morphed into the central agent within the international development landscape that should bring both “economic growth” and “aid effectiveness” (MAWDSLEY, 2014; OECD, 2011). Consequently, blending public and private finance is hailed as the central means towards reaching the Sustainable Development Goals (SDGs) and it is also prominently named in the Addis Ababa Action Agenda (AAAA) and Agenda 2030 of the United Nations. Through blended finance, the public and private sector are expected to create “shared value” and mitigate the possible risks, which should leave the public sector in a position to attract and actively guide the private sector towards investing in SDG relevant sectors, which they would otherwise avoid.

In recent years, human geographers and other critical social scientists have observed “a distinctive acceleration and deepening of the development-financialization nexus” (MAWDSLEY, 2018a, p. 265), that “both permeates and goes beyond the more commonly referenced private sector-led development” (ibid. p. 264). Emma Mawdsley’s claim that private sector donors increasingly use foreign aid “to carry out the mundane work of transforming objects into assets available to speculative capital flows” (ibid.), is being strengthened by the work of e.g., Emily Rosenman who shows how new financial markets of *social finance* – often supported by governments – convert poor people and disinvested regions “into an investment opportunity, with profit reframed as a force for – rather than disruptor of – social good” (2019, pp. 142–143). What connects such critical literature on marketization and financialization of development is the awareness of an increasing power of financial interests and logics in development policies. Most relevant for this thesis – this trend is also visible in how bilateral development agencies increasingly work as enablers of private-sector investments in the “risky emerging markets” of the global South and turn poverty into a profitable

investment opportunity (MAWDSLEY, 2014, 2018a; ROSENMAN, 2019), which, in a way, allows “the very wealthy [to] become producers or architects of charity rather than simply its supporters” (HAY & MULLER, 2014, p. 638).

Following the footsteps of other national development agencies that have already incorporated the private sector more strongly into their IC strategies nearly a decade ago (MAWDSLEY, 2014; REALITY OF AID, 2012),¹ the Swiss Development Cooperation (SDC) follows the global appeal to use blended finances as a means to finance the way towards the SDGs. Switzerland’s new International Cooperation (IC) strategy from 2021 to 2024, gives economic aspects greater emphasis, as it pushes so-called Engagement with the Private Sector projects (EPS or PSE), that involve a variety of financial instruments to collaborate with the private sector (SDC, 2021f, 2021c). This new focus on the cooperation with the private sector for development has sparked great debate among Swiss IC stakeholders and has led the question on the role of the private sector for sustainable development into the spotlight of the Swiss discursive arena.² In general, the debate has raised political questions of what kind of development Switzerland promotes, what cooperation models it advocates internationally (HERKENRATH & LANZ, 2019; LENGSELD ET AL., 2019; STEIMANN, 2020) and has surfaced the stereotypical distrust towards the private sector – mainly with the fear that private sector companies will privatize profits and socialize losses (BACH, 2020; KOESSLER, 2020; LIPPERT, 2020). Other commentators have expressed the fear that the SDC may have come under pressure to “push” its PSE portfolio, given the clear trend within multilateral institutions and bilateral donors (MATILE, 2021).

As the current debate has already hinted at various understandings of the role of the private sector for sustainable development, this master thesis takes these controversies to heart and focuses on the question: **How do Swiss IC stakeholders frame the role of the private sector for sustainable development?** Subject to this question are the areas of tension between the different ideas of the role of the private sector of different discursive positions of various Swiss IC stakeholders and the discursive patterns that underlie these positions. This thesis does not simply focus on the private sector’s engagement with the public sector alone but aims to cover relevant voices of various types of Swiss IC stakeholders engaging in the discourse. The matrix constructed to cover this broad field can be divided into stakeholders of the Swiss independent-, public- and private sector. The independent sector involves NGOs and think-tanks, the private sector includes finance institutions, businesses and foundations, and the public sector covers discursive actors of the Swiss parliament, SDC and research institutions. Subsequently, the expression *discursive position* is used as an umbrella term for the individual positions of various stakeholders such as of individual NGOs, of platforms or of individual people belonging to some of the involved groups.

¹ Canada and Australia adapted their IC strategy in a PPP-friendly way in 2012 (REALITY OF AID, 2012). Many European governments (e.g., U.K. and the Netherlands) have now joined the path towards intensified private sector financing of development and “promoting own commercial interests abroad” (REALITY OF AID, 2018, p. 12) and have sometimes even morphed their international development agencies with their Ministries of Foreign Trade (MAWDSLEY, 2017a, p. 112).

² The expression *discursive arena* refers to the discursive material of selected Swiss IC stakeholders that present the empirical case study that this thesis approaches in a critical discourse analysis (see chapter C).

2. Aim of the Research

The goal of this master thesis is to understand *how* Swiss IC stakeholders are currently framing the role of the private sector for sustainable development. This is done by *firstly*, crystallizing the explicit fields of controversy that characterize the Swiss discourse on the role of the private sector for sustainable development and extract the patterns of argumentation that underlie these tensions. *Secondly*, understanding the deeper, more implicit discursive structures that hold the current dispositive of re-engineering Switzerland's foreign aid strategy together. And *lastly*, positioning this local discourse in the greater debate on the involvement of the private sector for development – particularly trends in financialization and marketization of development.

As one can already deduct from the steps listed above, it is the aim of this thesis to *deconstruct* the discourse around this thesis' central question through a critical discourse analysis (CDA). The choice of conducting a discourse analysis with development as the object of analysis is influenced by the use of "discourse" in *Encountering Development: The Making and Unmaking of the Third World*, where Escobar writes:

"Thinking of development in terms of discourse makes it possible to maintain the focus on domination [...] It [discourse analysis] gives us the possibility of singling out "development" as an encompassing cultural space and at the same time of separating ourselves from it by perceiving it in a totally new form" (ESCOBAR, 1995, p. 6).

Writing from a critical geographical perspective, my initial proposition in this thesis is that the discourse of Swiss IC stakeholders around Switzerland's new IC strategy appears to mirror the "deepening of the development-financialization nexus", Mawdsley has proposed (2018a, p. 265). To examine this proposition, this thesis goes beyond the individual positions' arguments themselves and reveal the structures that (re)create the hegemonic view on the new role of the private sector in Switzerland's new IC strategy. Inspired by Foucault's understanding of discourse, I focus on how the arguments in the discursive formation are legitimized and what implicit assumptions and regimes of truth they draw on (FOUCAULT, 1977b, 2007). Setting out on which ideas the discursive positions build their arguments should help to dismantle why some meanings of development and/or the private sector are more dominant than others. This way, I intend to map out how the hegemonic view on the role of the private sector in development is (re)created within the discourse of Swiss IC stakeholders and what discursive patterns the discursive formations involve, that govern the discourse. Drawing upon a post-structuralist understanding of language, this thesis sees such hegemonic structures as being in a constant state of (re)constituting power and seeks to address how the "development machine" (FERGUSON, 1994) is being reconstructed within the discourse of Swiss IC stakeholders. This, as "the irony of structural reproduction does not simply exist – "hegemony" has to be worked out again and again (KORF, 2018, p. 158).³

³ Korf (2018) has criticized that development geography has gotten uncritical as the post-developmental critique of development has started to morph into a *Hyperkritik* that very well criticizes development cooperation's patronizing thinking (ESCOBAR, 1995; FERGUSON, 1994), but falls short of explaining how and why development practice still prevails to this day. The question was thus not *whether* but *how* the development project is being worked out (ibid., p. 158). Asking about the (re)creating structures within the current discourse and dispositive, this thesis wants to follow up on this criticism.

This thesis' research gap and its geographic relevance can be framed on two geographical scales. On a local scale, this thesis contributes to the sparse literature on the ideas of Swiss IC stakeholders of the independent-, public- and private sector and provides groundwork on the discourse on how the role of the private sector for sustainable development is framed by Swiss IC stakeholders. As already mentioned, Switzerland newly mentions the collaboration with the private sector so prominently in its IC strategy and to my knowledge, lacks discourse-analytical research on this topic. On a larger geographical scale, this thesis' discussion aims to contextualize the different discursive positions on the role of the private sector within the greater debate on financialization and marketization in development. Here, this thesis wishes to contribute to current research in geography that critically engages with these current trends in development by laying out the discourse of the Swiss discursive arena as case study.

3. Research Questions

The research questions can be structured into one main research question and subordinate research questions A, B and C. The guiding question addressed at each stakeholder is simply: "What is the role of the private sector for sustainable development?" This question is re-formulated into the main research question as follows:

Main RQ: How do Swiss IC stakeholders frame the role of the private sector for sustainable development?

RQ A	What <i>explicit</i> fields of controversy characterize the Swiss discourse on the role of the private sector for sustainable development and what patterns of argumentation underlie these tensions?
Level of Discourse	Micro
RQ B	What <i>implicit</i> discursive structures underlie the current dispositive of re-engineering Switzerland's foreign aid strategy?
	<p>B1. To what extent are there discursive structures in the dominant discourse that provide information about the financialization and marketization of development?</p> <p>B2. What are the different discursive actors' geographical imaginations?</p> <p>B3. What self-image do discursive actors voice in the discourse and to what extent do these self-images have implications on discursive hegemony?</p>
Level of Discourse	Meso
RQ C	Where can this local debate be located in the greater debate on marketization and financialization in development?
Level of Discourse	Macro

4. Structure of the Thesis

This thesis is structured into five parts. Following this introduction, chapter B lays out the relevant background and “state-of-the-art” used to approach this thesis. Chapter C introduces the theoretical framework and methods used, maps out this thesis’ field of research and includes reflections on the methodological limitations and my positionality as a researcher. Chapter D presents the results of this thesis in two parts, which are critically discussed in chapter E, followed by a brief conclusion.

B. State-of-the-Art and Background

I. A Brief Overview on Relevant Themes in Development

The discourse examined in this thesis refers to various development paradigms. Hence, this part presents a brief overview on the relevant themes in development (that partly resembles a chronology throughout the changing paradigms of development).⁴ This is done by first focusing on the most relevant aspects of **modernization**, second, the turn from state-led development towards market-oriented policies in connection to the **Washington Consensus and its structural adjustment programmes**, then a brief introduction to **sustainable development** and lastly on the recent turn towards **marketization and financialization** in development. The latter is accompanied by introducing the two useful concepts of **behaviourism and experimentalism** in development. This part ends with a short recap on the **changing development actors at the public-private nexus**, in order to show that the private sector has not always been such a central actor for development. In fact, its current dominance amongst development actors and the related deepening of financialization in the name of development (MAWDSLEY, 2018a) mirror a “shift from government to governance” (A. MARX, 2019, p. 1), where the private sector is increasingly engaging in rulemaking for sustainable development (RENCKENS, 2020).

1. Modernization

1.1 Origins and Attributes of the Modernization Paradigm in Development

Development underlies an idea of modernization that usually refers to “a transformation of a nonmodern, mostly traditional political system in a post-traditional political order” (SCHMIDT, 2015, p. 697). This modernist paradigm traces back to 18th century age of enlightenment where, in comparison to the knowledge of the “developed” European societies, non-western cultures were regarded as “traditional” or “backward” (R. POTTER ET AL., 2012, p. 20). This sharp distinction between of modern versus traditional is linked to the history of the period which “suggested a before-and after model in which societies dormant for centuries suddenly awakened to new forms of thought and adapted themselves to higher levels of social organization” (PORTES, 1973, p. 248). Findings of western scientists such as Charles Darwin’s theory of evolution further supported this evolutionary framework of development (ESTEVA, 2010, p. 164). Most often, however, conventional ideas of development are said to have their origin right after WW2 at the inaugural address of President

⁴ Of course, generalizing the diverse meanings of development is rather difficult as they depend on the context, interests and agendas of the ones talking about it. For example, important post-development critique is not explicitly part of this chapter, as it would go beyond the scope of this thesis.

Truman that describes the duty of the developed nations to bring development to “underdeveloped” countries:

“We must embark on a bold new program for making the benefits of our scientific advances and industrial progress available for the improvement and growth of underdeveloped areas. More than half of the people of the world are living in conditions approaching misery. [...] Their economic life is primitive and stagnant. Their poverty is a handicap and a threat both to them and to more prosperous areas. [...] Greater production is the key to prosperity and peace. And the key to greater production is a wider and more vigorous application of modern scientific and technical knowledge.” (TRUMAN, 1949)

The conventional modernization paradigm, which Truman propagates, involves the idea that the “underdeveloped” should be helped by the “modern”, developed nations through the transfer of western knowledge, apparatuses, procedures, money, etc. For example, Truman’s strong focus on greater economic production and transferring science and technical knowledge as the means to develop is a central aspect of the modernization project (ESCOBAR, 1995). This idea of modernization is grounded on “[t]he strong implication [...] that the end-stage of the process is preferable to the initial one” (PORTES, 1973, p. 251) and applied an image of “modernity” onto “top-down” development strategies which was based on purely Western ideas of enlightenment, infrastructure, science, economic growth, etc. and propagated an image of European supremacy (ESTEVA, 2010; HETTNE, 1995; MEHMET, 1999). In a way, Truman can also be accused of strategically creating “underdevelopment”, as Esteva comments: “On that day two billion people became underdeveloped” (ESTEVA, 2010, p. 2). In fact, Truman’s call for “help” for the “underdeveloped” people was a self-interested one as the new paradigm not only combined a deterministic, Western and paternalistic view of development onto the “underdeveloped” areas but was also an attempt to justify current geopolitical interests of the USA. This, as “the making of the third world”, as Escobar (1995) calls it, also aimed to justify neo-colonial undertakings of the West and geopolitical interests to contest the power of the USSR in the “Third World” (R. POTTER, 2018, p. 9).

One central aspect of development thinking, that has its origin in modernization theory, is that “all the development approaches are ‘Western’ and dominated by economists. This remains true even with strategies conceived by thinkers from the South or the East” (EMMERIJ, 2006, p. 3). Two of these western economists influencing the modernization paradigm in the 70s were Rostow and Hirschman. Hirschman’s *Strategy of Economic Development* involves the idea that the West can help other countries to “catch up” with the West i.e., modernize and Westernize (R. POTTER, 2018, p. 93). Further, Hirschman justified global economic inequalities by arguing that growth will “trickle-down” from the wealthy centres, which should motivate the state to invest in these very centres (ibid.). Rostow’s work *The Stages of Economic Growth: A Non-Communist Manifesto* describes the five steps of economic development a society finds itself in at some point through the unilinear modernization process. This western development-blueprint perceived local traditions and as a burden to development as “underdevelopment” was seen as the direct result of “traditionally irrational, spiritual, and communal values [...] that discourage human achievement motivation” (INGLEHART & WELZEL, 2007, p. 2; see also WEBER, 1958). This resulted in a damaging project of enabling “underdeveloped” societies to join the path of modern, capitalist development by replacing traditional values with modern ones in the name of development (HETTNE, 2009, p. 1). To this day, modernization keeps a focus on economic growth and is accompanied by a certain sense of “techno optimism” (GARDEZI & ARBUCKLE, 2020), “science optimism” or even determinism (PATAKI, 2009, p. 84).

1.2 “The Will to Improve”

Even though the modern project of developing the world has brought about many failures and much harm to local people (see e.g., SACHS, 2010), the project is not terminated but is rather always reincarnated in new development projects and approaches, that, in a way reflects Inglehart and Welzel’s understanding of modernization as “a self-reinforcing process” (2007, p. 1). The modernist development project has found a way to present itself as inescapable – for all development failure is explained with some mistake in *how* the institutionalised knowledge transfer was brought about (LEPENIES, 2009). Hence, “[t]here are always experts ready to propose a better plan”, Li has observed and famously named this phenomenon “the will to improve” (LI, 2007, p. 2). This “will to improve” does not only feed on an “institutionalized know-it-all-ism [Institutionalisierte Besserwisserei]” (LEPENIES, 2009, p. 33) but also on its own failures (KORF, 2018). Living off its own failures, Korf identifies the development apparatus as “resigned and melancholic” (ibid. p. 160). An attitude that is visible in the statement of a development expert interviewed by Li saying “you may be right [with your criticism], but we still have to do something, we can't just give up” (Li 2017 as cited in KORF, 2018, p. 160).

1.3 Geographical Imaginations and the Creation of the Other

Whether contested or defended, the “developing” or “modernizing” of the “developing countries” is based on the way “we” (the global North) think about “others” (the global South). Although the north-south dichotomy is starting to rupture (HORNER, 2020; MAWDSLEY, 2017a), geographical imaginations of the “other” in the global south still accompany political debates and decisions, as also seen in this thesis.⁵ Two relevant ideas that need to be introduced here are the concept of “othering” and Derek Gregory’s understanding of *Geographical Imaginations*. Defining “othering” and the making of geographical imaginations is not only necessary as the analysed discourse draws upon geographical imaginations but also as geographical imaginations have the power to form reality, which, especially in connection with the discourse on sustainable development, problematize the “common belief among those in the environmental sustainability movement that as they are “saving the world”, they are saving it for everyone *equally*, which somehow absolves them from wider discussions of equity and justice” (AGYEMAN, 2008, p. 751). So, as we are trying to save the world, who are *we* or is it rather a situation of *them and we*? This section aims to introduce the basic elements to recognize such situations in the discourse.

In broad terms, “othering” describes a process in which a group of people are constructed as “others” and differentiated from a “we”. This differentiation is problematic because it goes hand in hand with a distancing that condemns “the other” as “the foreign” or “less powerful” in “a style of domination” (HALLAQ, 2018, p. 109). In *Orientalism* (1978), Said has provided several definitions of orientalism, which present the foundation of the concept of “othering”. Hallaq summarizes Said’s conception of Orientalism as “a system of representations produced by a whole set of European forces”, which “is fundamentally a political doctrine willed over the Orient because the Orient [the Other] was weaker than the West, which elided the Orient’s difference with its weakness” (Said as cited in HALLAQ, 2018, p. 68). In other words, Said describes how the East is being constructed by the imagination of the West

⁵ Hallaq argues that „there is no single important aspect of modernity that is not touched, to one degree or another, by the issues that the problem of Orientalism raises“ (2018, p. vii).

through discursive practices such as stereotyping, generalizing, culturalism and essentialism (TRABOULSI, 2009, p. 180). Said recognized that constructing the Other runs on creating binaries such as friend/enemy, modern/traditional, rational/irrational etc., it is the attribution of real or imagined values that stand in relation to the Self and by that not only constitute the Other (what the Other is) but also the Self (what you are not) (GREGORY, 1996, p. 203; SAID, 1978). The presence of Self/Other⁶ is not directly criticized by Said, he rather argues that describing the world in binaries has political consequences “as the political unconsciously subordinates all other discursive domains to its own imperatives” (HALLAQ, 2018, p. 4). This is problematical as othering is accompanied with unequal power-relations and the attributions (including misrepresentations) of the Other are often accepted as truth (Said 1978 in Hallaq, 2018, p. 60). Hence, in a Foucauldian sense, such othering processes have the power to form reality (FOUCAULT, 1970). In short, othering exists in an “episteme that will “mean” (for others) and “know” (for the self)” (SPIVAK, 1985, p. 255), which, Gregory argues, will only be disrupted “when subaltern figures made enough noise that they were admitted to the conversation” (1996, p. 105).

The construction of the Other can be extended to geographical dimensions of not only “us” and “them” but also “here” and “there”. Said writes: “[M]en make their own history, that what they can know is what they have made, and extend it to geography [...] geographical sectors as “Orient” [...] are man-made” (SAID, 1978, p. 13). According to Said, the Orient or “the Other” is simply an idea with a history ascribed to *by* and *for* the West. In a way, this idea also mirrors how the North has created the South in the development discourse.⁷ And just like Said writes that “[t]he two geographical entities thus support and to an extent reflect each other” (ibid.), what Northern perspectives on “development” involve, is reflected in the geographical sector of the South. Said’s understanding of Orientalism has been taken up by geographers such as Harvey and Gregory. While Harvey wrote about the *geographical imagination*, which enables people to “[...] recognize how transactions between individuals and between organizations are affected by the space that separates them” (1973, 2005b, p. 12), Gregory recognizes that *geographical imaginations* are born at the local-global nexus and present “uneven local knowledges” (GREGORY, 1996, p. 203). This, as geographical imaginations not simply “[inscribe] different images of here and there, but they also shape the ways in which, from our particular perspectives, we conceive of connections and separations between them, hence, the “global” [...] *is itself a situated construction*” (GREGORY, 1996, p. 204) This calls for critically engaging with our geographical imaginations as the ways we conceive these connections and separations are never neutral, draw upon unequal power relations (SAID, 1978), are closely linked to identity, legitimacy and norms and “imaginaries are often put forward as political anticipatory logics” (KRISTOFFERSEN & LANGHELLE, 2017, p. 24).

2. From Structural Adjustment to Aid Effectiveness

After an era of modernization (infused with geographical imaginations of the “developed” countries), where the state was the central actor for change, the Washington Consensus in the 1980s represented a paradigm shift from state-led development towards market-oriented policies that hailed deregulation, privatisation and economic restructuring (GORE, 2000). In very simple terms, this shift

⁶ Accepting the modern category of “culture”, “the very concept of “culture” [...] is ontologically and epistemologically impossible without the existence of the “Other” (Hallaq, 2018, p. 58).

⁷ This statement would definitely find its critics as it represents a rather “radical” position of e.g., Esteva (2010).

came about as during the 1970s, government spending in developing countries surpassed GDP growth and Keynesian economics⁸ were held responsible for the economic crisis many countries were facing. At that time, the neoliberal⁹ alternative was already prepared – as Milton Friedman said: “When the time came that you had to change [...] there was an alternative already there to be picked up” (Friedman as cited in MONBIOT, 2016). In contrast to Keynesian governments that “took responsibility for key sectors of the economy and society away from the market and expanded the role of the state on an unprecedented scale at both central and local level, to create the welfare state, which [...] provided key public services and infrastructure” (HEARNE, 2009, p. 7), the Washington Consensus dismantled the welfare state as the public sector got opened up to competition with the private sector (HARVEY, 2005a; HEARNE, 2009). The new paradigm perceived the state as “part of the problem of underdevelopment” (R. POTTER, 2018, p. 353) and in 1981, Ronald Reagan emblematically said that “the most important cause of our economic problems has been the government itself” (REAGAN, 1981). Roughly speaking, “getting the markets right” was the goal of the “neoliberal” development policy changes (MAWDSLEY, 2014, p. 2), which have had great influence on public policy to this day (BEVIR, 2011).

In general, neoliberal policies linked to the Washington Consensus are underpinned by the idea that the private sector “is more efficient, productive and cost-effective than the public sector in providing and managing the economy and society” (HEARNE, 2009, p. 8). In contrast to the old liberal school of economics, it is *neo* as the neoliberal state aims for open, unregulated and competitive free markets *by design*, meaning that the state cannot or should not interfere and actively creates the policies and infrastructures that facilitate privatization (HARVEY, 2005a). With a new paradigm in place, modernization has gotten a new globalized face – as Gordon and Sylvester (2004, p. 27) summarize: “Modernization was now defined as integration into the global economy, and development as economic liberalization, privatization and embracing the free market”.

During that time, the World Bank and the IMF prescribed Structural Adjustment Programs (SAPs) and “Shock Therapy”¹⁰ (COE ET AL., 2020, p. 321), which enforced liberalizing policies onto countries of

⁸ From WW2 until the economic crisis in the 1970s, Keynesian state interventionist economics (“mixed economics”) have dominated global economic theory (HARVEY, 2005a). Keynesian economics evolve around the idea that the government should increase demand to increase economic growth. Keynes criticized prior classical economic theories for their *laissez-faire* policy because free market economic systems are not self-adjusting but need government intervention in case the market failures (JAHAN ET AL., 2014). One of Keynesianism’s fundamental tools to boost demand is government spending in key sectors of the economy as he explained that “aggregate demand – measured as the sum of spending by households, businesses, and the government – is the most important driving force in an economy” (ibid. p. 53).

⁹ Neoliberalism itself has morphed over time and is not easy to define as there is hardly any consensus nowadays. Not only it’s ideology and scale but also how it has been put into effect, put differently, how the ideology has created “actually existing neoliberalism” (BRENNER & THEODORE, 2002). Venugopal (2015, p. 1) writes that “[n]eoliberalism is everywhere, but at the same time nowhere”. Generally, it can be said that neoliberalism has developed from a “new liberal philosophy to [an] anti-liberal slogan” (BOAS & GANS-MORSE, 2009). Like many others, Peck and Tickell (2002) prefer speak of an ongoing process of *neoliberalisation* instead of neoliberalism as a final state. This suggestion links to current debates on where neoliberalism stands today and whether today is still neoliberalism (PECK & THEODORE, 2019). Others such as Žižek (2017) have come to speak of a “late capitalism”. I do not dive deeper into this discussion on “neoliberalism as a concept” (VENUGOPAL, 2015) and where neoliberalism stands today, as this would exceed the scope of this thesis.

¹⁰ The term *shock therapy* describes “the imposition of a neoliberal package of policy measures at such times of economic crisis” and usually “includes trade liberalization, the removal of price and currency controls, free capital flows, the with-

the global South.¹¹ The goal of these programs by World Bank and IMF were broad policy reforms that should solve the economic crisis many countries of the global South faced in the 1980s and spread a neoliberal form of economic governance globally (COE ET AL., 2020, p. 321; R. POTTER, 2018, p. 341). While SAPs used a diverse set of instruments and designs, all of them aligned with the neoliberal key-paradigms of deregulation, privatisation and economic restructuring (MAWDSLEY, 2014, p. 2) – with the goal “to transform a government-controlled centralized economy to a competitive market-based one that would improve efficiency and restore growth” (ZAKI, 2001, p. 1867). According to Hettne (2009, p. 128), the terms *development* and *structural adjustment* were used interchangeably at that time. Over time, SAPs have been criticized by many for not delivering expected results but worsening the situation shown in disrupting genuine nation building and bureaucratic quality as well as in the social costs of such rapid restructuring (HETTNE, 2009; REINSBERG ET AL., 2018). Reoccurring criticism and the 1997 Asian financial crisis have led “international” development actors to rethink the Washington Consensus and marked a change towards a *Post-Washington Consensus* (SHEPPARD & LEITNER, 2010, pp. 186–187).

This new consensus in the late 1990s to early 2000s marked another shift within the realm of international development. The neoliberal paradigm of the Washington Consensus, which completely redefined the role of the private and public sector in development as the market entered the development project as the new central player, stayed in place.¹² Still, policy reforms in the 80s and 90s were motivated by different concerns than they were in 2000. Naim (2000, p. 521) observed that in the early 1990s, policy buzzwords were “macroeconomic stabilization and structural reforms”, which were replaced by “rule of law”, “[g]overnance, transparency and Institutions”. Naim (ibid.) further writes that

“[t]he obsession with crushing inflation, common in the late 1980s and early 1990s, has been substituted by the obsession to curb corruption [...] Today, investing in “social capital” and developing the organisational infrastructure of civil society is seen as an obvious, albeit formidably difficult, goal”.

Naim’s observations of the 2000s still seem partly applicable today as e.g., the SDC summarize their new IC strategy along the keywords “Jobs, climate, migration and the rule of law” (SDC, 2021e) and name key issues to be addressed as “decentralisation, democratisation, corruption, natural resources and human rights” (SDC, 2021d). Pushed by the UN and the OECD-DAC, “aid effectiveness” was another concept entering the neoliberal development policies in the early 2010s aiming to “finally make aid work for the poor” by bringing about economic growth (MAWDSLEY, 2014, p. 3). Trying to make development work for once, more and more actors (donors, partners, recipient countries, foundations etc.) have joined the development landscape resulting in a pluralised “development mosaic” (ibid.).

drawal of state subsidies for local industries, the reduction of budget deficits, and the large-scale privatization of state assets” (COE ET AL., 2020, p. 321).

¹¹ The unequal relationships between capitalist states, mirrored in SAPs, are often linked to a process that Harvey has named “accumulation by dispossession”, which describe how “collective resources are appropriated by private interests – i.e. transferring the possession of local communal resources towards global corporate wealth (COE ET AL., 2020, p. 82).

¹² I am referring here to Fine (2001), who argues that the post-Washington consensus is an *extension* of the Washington Consensus. There are, however, many other views on this matter as this new post-Washington Consensus is in fact hardly any consensus (SHEPPARD & LEITNER, 2010, p. 188).

3. Sustainable Development

Another very prominent theme in current development discourse is sustainable development. Sustainable development grew out of “eco-development” that was born in the 1970s from within other various alternative conceptions of development that stood for development “from within and below” (Potter et al., 2012, p. 23). Such alternative conceptions of development overall argue that “development should be based on local resources rather than economic efficiency” (ibid.). However, it was not until the UN Brundtland Commission in 1978, when sustainable development reached international significance: “[sustainable development] meets the needs of the present without compromising the ability of future generations to meet their own needs” (WCED, 1987, p. 45). Their early definition of sustainable development stresses three core ideas. First, the concept of *needs* and second, the idea of *limitation* of the environments resources (ibid., p. 54) and third, the importance to meet inter-generational needs (BEDER, 2000).

The UNCED “Earth Summit” or “Rio Conference” that took place in 1992, took the principles of sustainable development into the political discourse of development (PELLIG, 2002). The significance of sustainability remained in the spotlight of the development discourse and was continuously taken up in the following years in the 2002 World Summit on Sustainable Development in Johannesburg, the succeeding Rio conference in 2012 and the UN Sustainable Development Summit in 2015, where the UN member states ratified the SDGs that replaced the Millennium Development Goals (MDGs). As the MDG targets were not met,¹³ there is currently a lot of hope for the success of the SDGs – albeit already doomed to be missed, the journal *nature* predicts (EDITORIAL, 2020). The SDG’s conception of sustainable development largely agrees with the Brundtland Commission’s early definition but focuses on various interconnected elements rather than on resource scarcity, which was one of the main concerns in the 1970s (MEADOWS ET AL., 1972). In contrast to the MDGs, the SDGs show a stronger emphasis on sustainable development and partnership. To achieve sustainable development, the UN state that “it is crucial to harmonize three core elements: economic growth, social inclusion and environmental protection. These elements are interconnected and all are crucial for the well-being of individuals and societies” (UN, 2015c).

While the need for sustainable development seems to be generally agreed on¹⁴, the term itself remains very ambiguous until this day. There are many different views on how to define it and many more on how to implement them into policy (R. POTTER, 2018, pp. 128–132). Summarizing the most essential questions the sustainable development discourse raises, Redclift (2005, p. 213) asks: “Is development, or economic growth, the primary determinant of changing needs, and to what extent does our consciousness of changes in our needs or ‘wants’ influence how they are met?”, “How are needs defined in different cultures?” And “how do we establish which course of action is more sustainable?” Elliott (2014) also stresses the importance of how different disciplines engage with the term. Economists, biologists and social scientists value certain aspects of sustainability more than others and respectively aim for different approaches. The most recent venture to find consensus on what sustainable development means for the different stakeholders of the international community is

¹³ Potter et al. describe as success of the MDGs as “patchy at best” (R. POTTER ET AL., 2012, p. 17).

¹⁴ While in the 1970s Brundtland Commission, the need for sustainable development was still faced with scepticism (Potter et al., 2012, p. 102), today; it is uncontested that current environmental developments are not sustainable and raise ethical concerns (INDEPENDENT GROUP OF SCIENTISTS APPOINTED BY THE SECRETARY-GENERAL, 2019).

found in the SDGs of the Agenda 2030. However, such undertakings are always socially constructed and always in a state of finding the right balance between different goals as “[s]ustainable development can be viewed from different perspectives” (REDCLIFT, 1993, p. 4). Such ambiguities surrounding the term sustainable development strike the ontological question “*what* is to be sustained?”, which, again, may be answered according to differing logics (REDCLIFT, 2005, p. 214).

Much of sustainable development’s ambiguity lies in the aim of sustainable development to bring modernist efforts of economic growth interests and environmental sustainability under one roof. For many, sustainable development is an oxymoron as neoliberal capitalist ideas strive for maximum profits through highly unsustainable practices (J. H. BROWN, 2015; REDCLIFT, 2005; SPAISER ET AL., 2017). Critical voices raise concerns that current development processes under neoliberal capitalism are only worsening the situation as it is further favouring the world’s rich (e.g. Harvey, 2005) and call for new approaches putting “unfavourable power relations at the centre of interventions aimed at achieving the ideals of sustainable development” (KUMI ET AL., 2014, p. 539). Potter et al. (2012, p. 103) comment: “[A]s long as neoliberalism remains the global faith guiding contemporary (and future) political economic decision making, then a sustainable development that is socially just and fair for all’ is highly unlikely”. Lately there have even surfaced critical commentators of rather unexpected places such as e.g. *Forbes* magazine with the headline: “Unless it changes, capitalism will starve humanity by 2050” (HANSEN, 2016).

4. Financialization and Marketization of Development

Recent years indicate that the formal international development landscape is, again, in a period of “complex and turbulent” change (MAWDSLEY, 2017a, p. 108) and has provoked questions on a “new paradigm of global development” (HORNER, 2020). One major process of change, which has caught the attention of a growing number of scholars, is the intensified engagement of private sector firms and investors for development (BARMAN, 2015; BRACKING, 2012; LAMBERT, 2020; LANGLEY, 2021; MADER, 2015; MAWDSLEY, 2014, 2018a; MCGOEY, 2014; MITCHELL & SPARKE, 2015; ROSENMAN, 2019; SOEDERBERG, 2013). Although, the private sector is certainly not a new development actor anymore, mainstream development is currently witnessing a change from “foreign aid” to “development finance” and observes intensified efforts of the private sector to expand and accelerate “financialization” under the pretext of development (MAWDSLEY, 2018a).

The concept of financialization still raises “[c]onceptual and analytical questions” (LANGLEY, 2021) as its boundaries to other concepts such as marketization, commodification, privatization and neoliberalisation are still to be clearly delineated (MADER ET AL., 2020, p. 2). In this spirit, I should briefly state how I refer to financialization, marketization and commodification, and how these terms differ from each other. *Financialization* it is usually understood along the lines of Epstein’s definition as “the increasing role of financial motives, financial markets, financial actors and financial institutions in the operation of the domestic and international economies” (EPSTEIN, 2005, p. 3). Mawdsley sees an additional use of “financialization” within heterodox theorists, who argue that financialization “is the dominant force changing capitalism” as it helps to move the economic activity from “real” production to finance, which includes, for example, investment banking and insurance (MAWDSLEY, 2018a, p. 265). This view is also shared in Žižek’s brief definition of financialization as “profit from financial

dealings parasitic upon value production” (2017) that, of course, refers to the creation of “fictitious commodities” (POLANYI, 2001).¹⁵ *Marketization*, on the other hand, can be defined as “the promotion of market ideologies and the expansion of the market into areas traditionally beyond its purview” (TADAJEWSKI, 2020). When these two definitions are contrasted, the crucial difference between marketization and financialization lies within what Mawdsley (2018a) has already hinted at: Real market (physical goods and services) versus financial market (products with monetary values to be traded). This thesis ties in with Godechot (2015, p. 495), who argues that financialization is “a phenomenon of marketization”. Both processes are intrinsically linked by the *people* and *things*, Berndt is referring to when conceptualizing the wider term of “concrete markets” as “the result of specific constellations of people [economists] and things [market devices, tools, settings, etc.] that shape products, prices, procedures, places of exchange and mechanisms of operation and control” (BERNDT, 2015, p. 569). Building up on this conceptualization, this thesis sees these two market elements (“people” and “things”) as drivers of shaping and pushing both marketization and financialization. One last term that needs a conceptual demarcation of the two latter concepts is *commodification*. Commodification is a term coined by Marx (1999) and usually defined as “the process by which something without an economic value gains economic value that can replace other social values” (LEVESQUE, 2015, p. 1). The process of commodification can be located within marketization processes (BERNDT, 2015) and financialization processes, as I will come to show. Shepard et al.’s definition of financialization, as shown in the table below, already connects the two terms.

Table 1: Defining the Terms Marketization and Financialization.

Financialization	Marketization
“the increasing role of financial motives, financial markets, financial actors and financial institutions in the operation of the domestic and international economies” (EPSTEIN, 2005, p. 3).	“the promotion of market ideologies and the expansion of the market into areas traditionally beyond its purview” (TADAJEWSKI, 2020)
“profit from financial dealings parasitic upon value production” (ŽIŽEK, 2017)	“the intricate formation and expansion of markets as a particular modality of economization” (Berndt & Boekler 2011 as cited in BERNDT, 2015, p. 569)
“Financialization is all about how money / value is produced and marketed <i>as a commodity</i> for sale, frequently through the design of exotic financial products whose functioning is ill-understood even by the their own expert-architects but whose rationale is entirely that of profit generation.” (SHEPPARD ET AL., 2012, p. 153, italics added)	

Own illustration showing definitions of Epstein, Shepard et al., Žižek, Tadajewski, Berndt & Boekler.

While financialization processes have been studied in various disciplines and thematic areas (MADER ET AL., 2020, pp. 2–6), the financialization and marketization of development has increasingly gained

¹⁵ Polanyi argues that land, labour and money are fictitious commodities because they are not produced for sale and, thus, no commodities: „[T]he postulate that anything that is bought and sold must have been produced for sale is emphatically untrue” (POLANYI, 2001, p. 75). Including “fictitious commodities” into the economy has led to the subordination of social to the market economy, i.e., economy got socially disembedded (ibid.). In contrast to Marx, whose idea of *alienation* can be summarized in the central idea of humans being alienated from the products of labour and labour itself, which is harmful to society (e.g. K. MARX, 1999, p. 61), Polanyi understands the idea of disembeddedness a bit broader as he not only refers to the disembeddedness of labour but also of nature and money. Still, Polanyi and Marx both agree on the negative effects the trade with “fictitious commodities” brings for society.

interest of scientific debate. For example, on the financialization of nature-based industries (BRACKING, 2012, 2020), the financialization of poverty through microfinance (MADER, 2015), the marketization of anti-poverty policy in the global South (BERNDT, 2015), the securitization of capital interests through the “financial inclusion” of the “unbanked” (AITKEN, 2017; MADER, 2018; SOEDERBERG, 2013), the “ethical or “moral” financialization of development through social finance (ROSENMAN, 2019) and impact investors (LANGLEY, 2021), and the deepening of financialization of development through private sector donors and foreign aid (MAWDSLEY, 2014, 2018a).

What connects such critical literature on marketization and financialization of development is the awareness of an increasing power of financial interests and logics in development policies. Most relevant for this thesis – this trend is also visible in how bilateral development agencies such as the UK’s Department for International Development work as enablers of private-sector investments in “risk contexts” of the “emerging markets” or “risky frontiers of profitable investment” of the global South to bring “financialization-as-development” and financial inclusion (MAWDSLEY, 2018a). For mainstream development actors such as the SDC and the World Bank, this is a desirable process (SDC, 2021f; THE WORLD BANK GROUP, 2018). However, financialization trends pose certain threats (see also e.g., BOND, 2013; WEBB, 2016) through e.g., speculation, which Mawdsley sees in current “mainstream” development practices:

“Foreign aid is being used to de-risk investment, ‘escort’ capital to ‘frontier’ markets and carry out the mundane work of transforming objects into assets available to speculative capital flows” (MAWDSLEY, 2018a, p. 264).

Further, development agencies have a tendency to “de-risk” i.e. mitigate the risks of the investors, “and not those of the countries, communities or individuals at risk” (MAWDSLEY, 2018a, p. 270). This plays into the hands of the investors and foreign private-sector partners that aim to “[deepen and expand] financial markets and logics in the name of development” (MAWDSLEY, 2018a, p. 265). Further, as Mader has observed, agencies’ and private sector’s instruments to financially include the poor, rest on the idea that poverty¹⁶ is the result of lacking finance – “consequently the aim of economic policy becomes to produce more financial relations” (MADER, 2015, p. 2). Such tools to create more financial relations for the poor and the critical receptions thereof (i.e., microfinance, impact investing, etc.) are more closely elaborated in part II of this chapter.

4.1 *Experimentalism and Behaviorism*

Relevant for the findings of this thesis are two concepts that Berndt (2015) discusses in relation to marketization in development practice: Behaviorism and Experimentalism. *Behavioral economics* may be defined as the study of economic decision-making that, through psychological experimentation, evolves around two central questions: “Are economists’ assumptions of utility or profit maximization good approximations of real people’s behavior?” and “[d]o individuals maximize subjective expected utility?” (KENTON & WALTERS, 2020). In fact, much of human decision-making is *not* based on careful deliberation but rather “influenced by readily available information in memory, automatically generated affect, and salient information in the environment” (SAMSON, 2014). Still, “behavioral economists

¹⁶ Mader, following Georg Simmel writes: „[...] poverty means being in need relative to others in the same society, and relative to its expectations and norms. The social relations which hold people attached to society but simultaneously hold them unequal are the true essence of poverty” (MADER, 2015).

share the view that rational maximization is what people *should* do” (BERNDT, 2015, p. 572). Since poverty, as described above, is generally regarded as a problem of lacking finance, behavioral economic thinking has been translated into anti-poverty policy and experiments in the global South to change individual behavior (BERNDT, 2015).

Esther Duflo, who won the 2019 Nobel Prize in economics “for their experimental approach to alleviating global poverty” (THE NOBEL PRIZE, 2019), has conducted several randomized behaviorist experiments, for example with smallholders in Kenya between 2003 and 2004 (BERNDT, 2015, p. 574). “The experiments centered on the question of how best to encourage smallholders to use fertilizer in agricultural production. [...] Duflo and co-researchers start with the assumption that it is behavioral biases that limit investment in modern agricultural inputs”, Berndt summarizes (ibid.). Duflo et al. (2011, p. 3253) come up with measurements that should motivate the farmers to behave more rationally – or as Berndt comments: “In the western Kenyan field laboratory smallholder maize farmers are addressed as *risk-taking, entrepreneurial subjects* who are disentangled socially and geographically, allowing them to be integrated into global agricultural markets” (2015, p. 575).

Discussing frequent concerns with such randomized experiments in real-life field laboratories, Duflo and Banerjee (2009, p. 168) see that their experiments not only change the behavior of people but also of life consequences of people who did not participate, as they or their village was not selected for a certain training program or money. Still, they take a relaxed and rather patronizing view on this circumstance, as the poor participants “are used to such arbitrariness”:

“Limited government budgets and diverse actions by many small NGOs mean that villages or schools in most developing countries are used to the fact that some areas receive certain programs whereas others do not, and when an NGO serves only some villages, they see it as a part of the organization’s overall strategy. When the control areas are given the explanation that the program has enough budget for a certain number of schools only, they typically agree that a lottery is a fair way to allocate those limited resources. They are often used to such arbitrariness and so randomization appears both transparent and legitimate.” (BANERJEE & DUFLO, 2009, p. 166)

Summarizing, I want to briefly highlight the three crucial attributes of this “behavioural and experimental turn” in development (BERNDT, 2015, p. 577). Firstly, randomized experiments in development economics research for building “evidence” have become increasingly popular (BANERJEE & DUFLO, 2009). Secondly, this trend is driven by what Berndt names “a desire to transform poor risk-averse smallholders, trapped in traditional agricultural practices, into ‘responsibilized’ entrepreneurial farmers who readily take risks and never shy away from adopting the latest technology” (2015, p. 584). And thirdly, behavioural economic’s thinking enables the development industry to “add” new people and places to global value chains, in other words, marketize development (ibid. p. 585).

5. The Changing Actors of Development at the Public-Private Nexus

As already announced, this introduction on the most relevant themes in development ends with a short recap of the chapter with an explicit focus on the changing development actors at the public-private nexus. This brief contextualization is useful to show that the private sector has not always been such a central actor for development as it is the case today (MAWDSLEY, 2014, 2018a). In fact, its current dominance amongst development actors and the related deepening of financialization in the

name of development (MAWDSLEY, 2018a) mirrors a “shift from government to governance” (A. MARX, 2019, p. 1), with the private sector being increasingly engaging in rulemaking for sustainable development (RENCKENS, 2020).

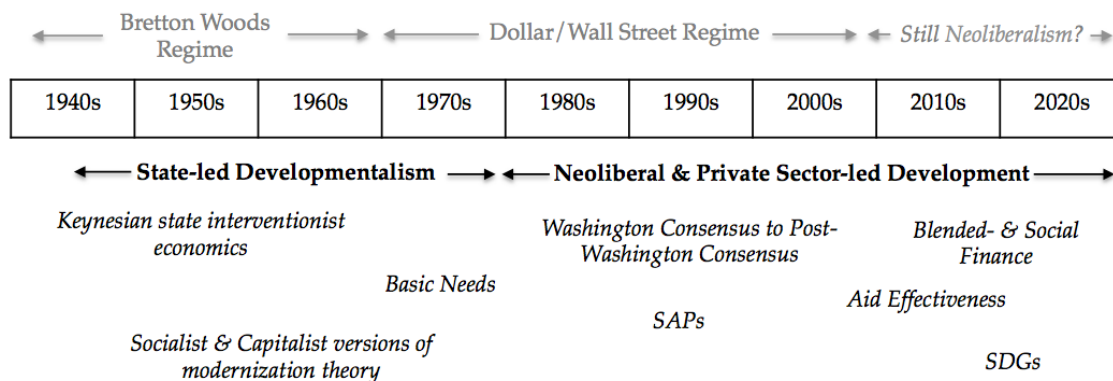
During the early days of conventional ideas of development (1945-1970s), the state was the central actor to bring about *modernization*, which is also mirrored in, for example, Rostow’s theories, that “envisaged the full-scale transformation of economies and societies towards the urban, industrial, scientific models provided by the West and the Soviet Union” (MAWDSLEY, 2014, p. 2). In fact, development results and goals were both guided along national frames of reference (GORE, 2000, p. 3), in which “[t]he ideology of ‘developmentalism’ and the concept of the interventionist state were inseparable” (Mackintosh 1992 as cited in R. POTTER, 2018, p. 352). During this era of modernization, the state was clearly understood as the central actor “in planning, financing, and executing economic growth and modernisation strategies” (MAWDSLEY, 2014, p. 2).

This era of modernization was followed by the Washington Consensus that imposed liberalizing policies and capitalist governance over the global South, which, in its later stages, manoeuvred into a “Post-Washington Consensus” that presented a “Polanyian” counterrevolution (POLANYI, 2001) to neoliberal governance (HART, 2010, pp. 119–120; SHEPPARD & LEITNER, 2010, p. 193). The 80s and 90s were dominated by an era of SAPs and “shock therapy” – linked to the Washington Consensus (COE ET AL., 2020, p. 321). During this time, modernist development efforts prevailed but rather “reflected and helped produce neoliberal globalisation” (MAWDSLEY, 2014, p. 2) and focused on macroeconomic stabilization and structural reforms (NAIM, 2000). This era clearly marked a shift from state-led development towards neoliberal development, which involved policy measures such as enforcing trade liberalization, large-scale privatisation, economic restructuring, etc. Following the critique on the Washington Consensus, the 2000s then brought about a new phase of neoliberal development that hailed the concept of “aid effectiveness” (OECD, 2011), which should “finally make aid work for the poor” (MAWDSLEY, 2014, p. 3). This era welcomed a variety of actors to the development landscape and allowed the private sector to “move to the centre” (ibid.). Mawdsley has observed a crucial change within later stages of this phase, as “aid effectiveness” has morphed into “development effectiveness” that “restores economic growth to the central role it has occupied through most of the post-1945 development era(s), while poverty reduction returns to a position of following rather than leading economic growth” (ibid.).

Although certain scholars are already hinting at a “new paradigm of global development” (HORNER, 2020), it is probably safer to speak of a current “complex and turbulent” development landscape that these new developments have brought about (MAWDSLEY, 2017a). Today’s trends in development still build up on the development interventions of the Washington Consensus, as development institutions “are continuing to facilitate capital market growth, the creation of new asset classes, the de-risking of investment in frontier markets, and the tightening grip of financial logics [...]” (MAWDSLEY, 2018a, p. 271). Current development policies not only show intensified presence and influence of the private sector firms and investors for development but also show a strong focus on sustainability as promoted by the UN’s Agenda 2030 (SDGs) and the AAAA. In a way, Truman’s speech is still echoed in current development practice as the narrative of modernization has continued in development practice to this day – for example, in current financialization trends of international development, where the modernization-theme still prevails, for example in PPPs for development, that are often referred to as “drivers of modernization” (e.g., BRUCE & COSTA, 2019, p. 87).

In short, ideas of modernization have prevailed throughout different contexts, have been put forward by different main-actors and in different forms – accompanied by a certain “will to improve” (LI, 2007). As the development NGO Swisscontact fittingly writes: “Change is nothing new for the development cooperation sector”.¹⁷ So, although under different contexts, with different main-actors and in different forms, Truman’s speech still resonates as the narrative of modernization prevails to this day. Today, however, the modernization paradigm continues under increasingly more influence of the private sector.

Figure 1: Actors at the Public-Private Nexus Along Hart’s Scheme of International Political Economy



Adapted illustration of Hart (2010) complemented with additions of Mawdsley (2014) and Peck & Theodore (2019).

II. Private Sector Engagement and Public-Private Cooperation for Sustainable Development

1. The Private Sector as a New Global Development Actor

As already introduced in previous chapter, recent years have indicated that the formal international development landscape is, again, in a period of change. One of the prominent changes is represented by the intensified presence of the private sector for development, often supported by development agencies of governments (MAWDSLEY, 2014, 2018a; MCGOEY, 2014; ROSENMAN, 2019). Mirroring this trend in its new IC strategy, Switzerland is not a pioneer but follows the footsteps of other bilateral development agencies, who have already created more space for the private sector in their international development strategies nearly a decade ago (REALITY OF AID, 2012). The private sector is also no stranger to the SDC as they have collaborated with the private sector for decades already (SDC, 2019b, p. 6). However, even as the private sector is not a new development actor anymore, mainstream development is currently witnessing a change from “foreign aid” to “development finance” and observes intensified efforts of the private sector to expand and accelerate “financialization” under the pretext of development (MAWDSLEY, 2018a).

This intensified collaboration between the private and public sector is connected to the sustainable development paradigm and the goal of reaching the SDCs in time. The Busan High Level Forum on

¹⁷ “Für die Branche der Entwicklungszusammenarbeit ist Wandel nichts Neues” (SWISSCONTACT, 2019).

Aid Effectiveness, the Addis Ababa Action Agenda (AAAA) and the Agenda 2030 are three global key strategies that have moved the private sector into the spotlight of development strategies, highlighting the importance of sustainable development. Throughout the last century, these and other initiatives have actively pushed sustainable development into the mainstream. Unsurprisingly, today, the sustainable development discourse has even found its way into the agendas of finance, business and reinsurance, pushing social and sustainable finance approaches, and “social business”, as it is often called. This transformation of the development landscape is based on the wide global consensus that sustainable development needs financing. In order to meet the SDGs until 2030, the UN has calculated that 2.5 trillion USD are needed each year to bridge the investment gap in all SDG sectors (ZHAN, 2015, p. 2), while worldwide finance makes up 399.179 trillion USD (SHORROCKS ET AL., 2020, p. 23). Even though the pandemic has so far caused global wealth to fall by 7.2 trillion USD (ibid. p. 22), the remaining sum still gives off the impression that the funds for reaching the SDGs should be available. However, as only few countries achieve the 0.7% ODA/GNI target¹⁸ and most of global finance lies in the private sector, the needed funds most likely will not come from the public sector alone but will need to collaborate with the private sector. However, currently only fractions of private capital are invested in the sectors relevant to reach the SDGs (ZHAN, 2015).

2. A Plethora of Concepts and Definitions

This current development landscape centring on public-private cooperation and/or private sector engagement for sustainable development has surfaced a plethora of new prominent concepts and buzzwords of development finance as introduced in the following part. While these processes can all be somehow located within the progression of financialization processes, they are far from being all the same.

2.1 *Blended Finance*

Blended finance is often hailed as the main concept leading towards reaching the SDGs through collaborations between the private and public sector. The idea is quite simple: As the private sector is hesitant in investing in SDG-relevant sectors due to the financial risks it would face in fragile contexts of the Global South, the public sector or philanthropic funds can join in to increase the return of an investment and mitigate the possible risks. This way, the public sector attracts the private sector to invest in sectors they would otherwise avoid. The process when the public sector succeeds in leveraging or mobilizing development finance from other actors through government spending is commonly known as “crowding-in”. Blended finance structures may involve stakeholders that do not

¹⁸ An ODA/GNI ratio of 0.7% is the target ratio of all DAC member countries (LEEUEWEN, 2008). The target has a long history that traces back to Jan Tinbergen’s calculation that flows of 0.75% of GNP (now replaced by GNI) were to be achieved for helping developing countries’ growth rate by 1970 (FDFA, 2020). Since 1970, this target was often re-endorsed at development conferences and is a target of all DAC member countries, with the exception of Switzerland and the United States (ibid.). The United Nations Agenda 2030 states in SDG Goal 17.2 that “Developed countries to implement fully their official development assistance commitments, including the commitment by many developed countries to achieve the target of 0.7 per cent of gross national income for official development assistance (ODA/GNI) to developing countries and 0.15 to 0.20 per cent of ODA/GNI to least developed countries; ODA providers are encouraged to consider setting a target to provide at least 0.20 per cent of ODA/GNI to least developed countries” (OECD, n.d.). In 2018 and 2019, the Swiss ODA/GNI ratio was 0.44% (including asylum-related costs), which is below the average of other DAC-EU countries (FDFA, 2020).

have a particular interest in generating a development impact. Still, blended finance projects measure their impact, as at least the public stakeholder is interested in the social, environmental, and economic impact the project has generated. In contrast to traditional investment structures, development impact is part of the return of the blended finance investment (OECD, 2020a). This thesis understands blended finance as “the strategic use of development finance for the mobilisation of additional finance towards sustainable development in developing countries” (OECD as cited in SDC, 2019a, p. 3). In contrast to social or sustainable finance, blended finance is not an investment approach but a structuring approach that aims for increased private sector investment in sustainable development (OECD, 2020a).

2.2 Social and Sustainable Finance

The terms social and sustainable finance are very broadly used and generally describe investment approaches that aim to generate financial returns as well as additional “measurable” positive environmental and/or social outcomes through their investment decisions. Social finance is often illustrated as the interface between philanthropy and profit, which investors refer to as the *double bottom-line* (i.e. obtaining financial returns and social impact). “Sustainable finance” is a clearly related term albeit also focused on environmental terms and – in investment speech – pursues a *triple bottom-line* (i.e. obtaining financial returns, social *and* environmental impact). Sustainable finance is defined as any financial approach that takes the scarcity of limited natural resources and the regenerative capacity of renewable resources into account (FOEN, 2020). Although many countries have differing taxonomies and definitions for sustainable finance (OECD, 2020b), they all agree on defining certain sustainability factors necessary for sustainable financing and investment decisions of all involved stakeholders. A prominent example are the ESG (Environment, Social, Governance) criteria (FOEN, 2020).

2.3 Impact Investing and Impact Investors

Another term that is often confused with blended finance is impact investing. Just like social or sustainable finance, impact investing refers to an *investment approach or philosophy*, while blended finance refers to the *structure of an investment* where multiple types of investors join forces in a project (YI, 2019). More precisely, impact investing is a *type* of social finance (ROSENMAN, 2019, p. 143). Impact investing is an investment approach that aims for development *impact* in the public interest and *financial* returns for the investor (CHIAPELLO & GODEFROY, 2017, p. 158). This thesis follows the definition of Langley (2021, p. 331), who defines impact investing as “an investment technique for targeting returns on capital that are also more-than-financial and measurable”. As impact investments are per definition motivated by “impact”, not only is measuring development impact of great importance for every impact investor, but investments can also be achieved through private finance only, as “leveraging” public finance is not needed (but can be useful, nevertheless). Hence, blended finance and impact investing are not mutually exclusive – often, blended finance projects involve an impact investor as one of the partners (YI, 2019).

Although many impact investment projects measure and report their impact performance according to guides and metrics of associations such as the Global Impact Investment Network (GIIN), private sector actors such as impact investors still use a multiplicity of own approaches for measuring and reporting on results (SDC, 2021f, p. 26). What’s important here, is that the impact investor’s measurements and metrics are often “shaped by the prioritization of investors as users of these market devices” (BARMAN, 2015, p. 11), that, consequently, provide for “a dissociated, incomplete and

partial valorization [...and] assist in legitimizing” impact investment and its financializing consequences (BRACKING, 2012, p. 271). Also, impact investor’s efforts to measure, valorise and report on impacts are also self-interested, as new tools to measure social impact add “a new source of value” to the market: “These new market devices allowed the social and environmental value of investments not only to be made calculable for market members but also to be brought into being as a source of value in this market” (BARMAN, 2015, p. 11).

Adding to that, impact investing is also “performative” as some investments are valued as “good”, while others get overseen or seen as not relevant for solving current development struggles (ibid.). For example, as Rosenman states, “there are, for example, no SIBs [Social Impact Bonds, *see next page*] devoted to reducing white-collar crime”. This, as these investors target “the problems and perceived pathologies of the poor, not the rich” and rather “mine geographies of poverty for profitable opportunities” (ROSENMAN, 2019, p. 147). Hence, SIBs are a *selective* “attempt to marketize/financialize certain contemporary, intractable social problems” (COOPER ET AL., 2016, p. 63).

Also, just as in social finance in general, the idea that sustainability or additional social impact comes at the expense of returns is often refuted in studies and comments of others within the impact investment industry (CLARK ET AL., 2015; FRIEDE ET AL., 2015; TAMHANE & PANDIT, 2018). This discursive strand on the possible trade-offs between *impact* and financial *returns* within the investment community mirrors the contradicting ways impact investors are portrayed:

“[Impact] investors are financial subjects that act as the authoritative arbiters of capital allocation in return for legitimate returns [consistent with the making of the mainstream investor], but the impact investor is also an ethical agent of change who has the potential to address global challenges through their distinctive financial techniques and practices” (LANGLEY, 2021, p. 331).

This twofold identity of impact investors gives off an impression of “concerned markets” (BARMAN, 2015) and “moral capital” (ROSENMAN, 2019, p. 142) that includes a hidden contradiction. In fact, impact investment performs “a relation of assistance” at the same time as it also performs “a relation of inequality” (LANGLEY, 2021, p. 344). In contrast to the traditional investor, an impact investor is “ethical” and aims to “do well” (ibid.). However – in an attempt “to resolve the unequal and often unjust results of capitalism with the application albeit re-tooled, more capitalism” (ROSENMAN, 2019, p. 142) – impact investors leave the traditional capitalist investment system, that benefits them, intact:

“As ethical subjects pursuing positive more-than-financial returns, impact investors do not necessarily have to give up on maximizing returns on their capital, or indeed on delivering returns on the capital that they manage on behalf of investors. Neither are they required to privilege particular issues and areas as they seek to make an impact” (LANGLEY, 2021, p. 345).

Hence, viewing impact investing through a critical lens, it is a tool that enables “the very wealthy [to] become producers or architects of charity rather than simply its supporters” (HAY & MULLER, 2014, p. 638). Critical voices such as e.g., Rosenman argue that this is problematic as it “reframes profit as a force for – rather than disruptor of – social good”. This framing allows investors to make profit of poverty and turn it into an investment opportunity while at the same time being displayed as “ethical” (2019, p. 142).

2.4 Microfinance

Microfinance is closely related to impact investing as it is also promoted through highlighting the “social impact” it creates (see e.g., BLUEORCHARD, 2021a). Langley sees microfinance as “a feature of impact investment” (LANGLEY, 2021, p. 334). However, microfinancing’s approach and history are different. Rosenman defines microfinance as “a business model based on making small loans to poor people, often for entrepreneurial activities” with the difference to other social financing approaches (e.g., impact investing), that microfinance gives loans *directly* to poor, “unbanked” (AITKEN, 2017) people instead of investing in projects of certain organizations (ROSENMAN, 2019, p. 144). Also, in comparison to impact investing, the microfinance industry is older,¹⁹ and has paved the way for the impact investment industry (ROSENMAN, 2019, p. 147). For the social investment industry, the experiences made with microfinance have worked as a “proof of concept” (ibid.). According to Mader, “[m]icrocredit rather is proof that changing social meanings of credit serve to transform and expand financial markets”, again pointing at social finance’s self-interested aspect to deepen financialization in the name of development by “[rendering] their [poor people’s] needs and productive capacities perceptible to the transnational financial market” (MADER, 2015, p. 26). Following this trend, companies such as BlueOrchard, a Swiss impact investment manager that I have analysed in this thesis’ CDA, has morphed from “the first commercial manager of microfinance debt investments worldwide” into a “leading global impact investment manager” (BLUEORCHARD, 2021b).

2.5 Impact Bonds and Public-Private Partnerships

Two related concepts that are often confused with blended finance are Impact Bonds²⁰ (IBs) and Public-Private Partnerships (PPPs). IBs are outcome-based contracts where the initial capital used to set up the project stems from private investors and the government agency paying capital returns to the private investor *if* the project was successful (GO LAB, 2021). Often, IBs are praised for their focus on outcomes instead of inputs, which should lead to more innovation and adaptation to local contexts (GLASSMAN, 2012). The criteria for a successful IB and how it is measured are defined before the project starts by outcome payers (ibid.). There are generally two different types of IBs: Social impact bonds (SIBs) and Development impact bonds (DIBs). The difference between SIBs and DIBs lies in the outcome payer. Outcome payers in SIBs are exclusively government agencies, while the outcome payers in DIBs may be any other aid agency, multilateral agency or philanthropic foundation (GO LAB, 2021). A SIB is thus a “public-private partnership in which services are contracted to a third party and funded by investors, with state repayments to investors contingent on program results” (ROSENMAN, 2019, p. 144).

A PPP, on the other hand, is simply a contract between a government agency and a private sector company.²¹ A classic example might be a contract between a construction company and a government agency in order to build a governmentally owned highway that serves the public. A PPP does not necessarily involve any positive development outcome and is most often found in infrastructure projects (e.g. A. MARX, 2019). Looking for a general definition for PPPs, we find a plethora of existing

¹⁹ Simon Morgan, a commenter from within the impact investment community, estimates that, seventeen years ago, the microfinance industry was at a similar stage, like impact investing today (MORGAN, 2019).

²⁰ The term “bond” might be a bit misleading since an IB’s risk/return structure rather resembles that of an equity investment as the bonds do not involve a fixed rate of return (ROSENMAN, 2019, p. 158).

²¹ Sometimes, PPPs in development projects are referred to as Public-Private Development Partnerships (PPDPs).

definitions. They reach from early definitions by van Ham and Koppenjan (2001, p. 5) that define PPPs as the “cooperation between public-private actors in which they jointly develop products and services and share risks, costs and resources which are connected with these products and services” to extreme positions arguing that “there is no core PPP concept” in the first place (MARSILIO ET AL., 2011, p. 776). The SDC defines a PPP simply as the “partnership between an agency of the government and an organisation from the private sector aimed at the delivery of goods or services to the public” (SDC, 2019a). A PPP can very well be a blended deal if the public sector or philanthropic funds join the PPP in order to strategically attract investments of the private sector (LEGER, 2019).

Modern PPPs have their origins in the early 1990s as an element of early neoliberalisation processes ignited in the era of Margret Thatcher in the UK and Ronald Reagan in the US (BRENNER & THEODORE, 2002). These new policies were underpinned by the idea that the private sector “is more efficient, productive and cost-effective than the public sector in providing and managing the economy and society” (HEARNE, 2009, p. 8) and involve a state that aims for open, unregulated and competitive free markets by design, meaning that the state should not interfere in market activity but actively create policies and infrastructures that facilitate privatization (HARVEY, 2005a see also last chapter). During more recent years, the number of PPP projects and their financial dimensions has grown more rapidly in most counties and are more frequently used in development projects (IOSSA & MARTIMORT, 2015). Especially agriculture-related PPPs are considered to be drivers for development and modernization of the sector in the global South (e.g., BRUCE & COSTA, 2019). Three main processes might explain this growing significance: One, public policy making witnessed a “shift from government to governance” (A. MARX, 2019, p. 1), as governments have long started to increasingly relocate authority by collaborating with the private sector (ROSENAU, 1995). Two, new and more cooperative forms of PPPs have emerged (EBERLEIN ET AL., 2014; LAMBIN & THORLAKSON, 2018; A. MARX, 2019). And three, it is largely agreed that current global problems cannot be tackled with the finances of the public sector alone, but the public and private sector need to join forces to do so (see at the beginning of this chapter).

With their ever-growing significance, PPPs have quickly expanded from infrastructure projects in countries of the global north to key strategies “for delivering services to the third world” (MIRAFTAB, 2004). Today, there is widespread enthusiasm for the implementation of PPPs in development: The private sector has morphed into “the new donor darling” (KINDORNAY & REILLY-KING, 2013, p. 1) and narrative about PPPs has changed significantly which “[brings] the private sector to the centre of its development strategies” (EURODAD, 2013, p. 4). Generally, PPPs have taken centre stage in global development practice and their global support “seems stronger than ever before” (LEIGLAND, 2018, p. 103). Today, global partnerships are listed as the 17th SDG of the Agenda 2030 (UN, 2015a), are mentioned very prominently in the AAAA on Financing for Development (UN, 2015b) and have just recently been listed as a goal in the Draft Declaration for the Commemoration of the 75th Anniversary of the United Nations (UN, 2020) as shown in table two.

Table 2: Highlighting the Importance of Partnerships in the Agenda 2030 and the AAAA

Agenda 2030	Addis Ababa Action Agenda
<p>All countries and all stakeholders, acting in collaborative partnership, will implement this plan. (UN, 2015a)</p> <p>We are determined to mobilize the means required to implement this Agenda through a revitalized Global</p>	<p>We recognize that genuine, effective and durable multi-stakeholder partnerships can play an important role in advancing sustainable development. [...].</p>

Partnership for Sustainable Development [...] (ibid. p. 2). This partnership will work in a spirit of global solidarity, in particular solidarity with the poorest and with people in vulnerable situations. It will facilitate an intensive global engagement in support of implementation of all the Goals and targets, bringing together Governments, the private sector, civil society, the United Nations system and other actors and mobilizing all available resources (ibid. p. 10).

We further recognize that partnerships are effective instruments for mobilizing human and financial resources, expertise, technology and knowledge [...].

We support building capacity in developing countries, especially least developed countries [...]. (UN, 2015b)

Own illustration based on the United Nation's declarations.

Despite their widespread popularity, there are voices that criticize the current excitement for PPPs and IBs. Main criticism on PPPs evolves around the claim that PPPs are drivers of financialization/marktization and unwelcome modernization. For example, Miraftab argues that PPPs often fail and are rather used as a “trojan horse of neoliberalism” – bringing about unwanted modernization through “a form of privatization under neoliberal policies of decentralization” (2004, p. 98). Tying in with the possible downsides to PPPs for development, Mawdsley writes that PPPs can even work as drivers of “accumulation by dispossession” in land grabs, resource extraction, speculative capital flows, vulture investments, short term shareholder value maximisation strategies and so on (MAWDSLEY, 2014, p. 8).²² In contrast to PPPs, IBs are much less used and financial volumes are lower (CHIAPELLO, 2020, p. 89). Their low financial volumes are surprising as they are being much discussed. Here, Ève Chiapello argues that IBs primarily work as legitimizing tools to support further financialization – which serves as a possible explanation for this phenomenon:

“They [IBs] are widely discussed but are making very little difference to the problems they are intended to solve. In many respects their role appears essentially ideological and the experiments that have succeeded, whatever the involvement and authenticity of the actors implementing them, can be accused of being no more than “proofs of concept” whose job is to support the ideological work and general legitimacy of financial activities. However, a low level of financialization can also be considered as the first step towards much greater financialization, as the innovations being tried outgrow more common and the new financial circuits become better-established” (CHIAPELLO, 2020, pp. 89–99).

Despite the few IBs in use, there has already been a very prominent and recent failure of an IB by the World Bank: The so-called “Ebola Bonds” or “Pandemic Bonds”. Initially hailed as “innovative” “specialized” new financing mechanism “[...] to channel surge funding to developing countries facing the risk of a pandemic” (THE WORLD BANK GROUP, 2017) – the “Pandemic Bonds” have failed during both, the Ebola and Covid-19 outbreaks. This, as the hurdles for the much-needed money that should have flown into pandemic response were too high and instead, high interest was still being paid out to the investors (ALLOWAY & VOSSOS, 2020). Following the comments of Lawrence Summers,

²² At the base of such criticism lies a general identity against the capitalist economy. A broad strand of post-development thinkers argue that development does not equal increased production or material wellbeing (contributing to alienation in Marx's (1999) terms) but rather “qualitative human enrichment” (R. POTTER ET AL., 2012, p. 104). Goulet supports this claim: “The beginning of authentic developmental human history comes indeed with the abolition of alienation. Development's true task is precisely this: to abolish all alienation – economic, social, political and technological” (Goulet 1996 as cited in R. POTTER ET AL., 2012, p. 105).

former U.S. Treasury Secretary and former chief economist of the World Bank, from saying that “pandemic bonds have potential to be win-win-win” (SUMMERS, 2015) to referring to them as “an embarrassing mistake” (IGOE, 2019) and “dumb idea” (ALLOWAY & VOSSOS, 2020), mirror the cycle of failed development projects. The developmentalist “will-to improve” (LI, 2007) lives on, as Menzinger of SwissRe comments on the outcome of the pandemic bonds: “This was a first, and first always comes with learning and is never perfect. But the fundamental idea of a rules-based pre-financing instrument continues to hold” (ALLOWAY & VOSSOS, 2020).

3. Switzerland’s International Cooperation Strategy from 2021 - 2024

Following the current trend of incorporating the private sector more strongly into development strategies, Switzerland’s new International Cooperation (IC) strategy²³ from 2021 to 2024, gives economic aspects greater emphasis as it pushes so-called Engagement with the private sector projects (EPS or PSE), that involve a variety of financial instruments to collaborate with the private sector in development (SDC, 2021f, 2021c). Although the SDC like to mention that their engagement with the private sector is not new, the new strategy does involve developing *new* financing approaches and instruments (SDC, 2021f) and has sparked great debate around the role of the private sector in development. Important parts of this debate have undoubtedly happened through the public consultations (*Ger. Öffentliche Vernehmlassungen*) that have preceded the parliamentary debates, bringing the views of many different Swiss IC stakeholders into the discourse. While it belongs to the nature of the Swiss IC strategy, that the Federal Council and the Parliament discuss and revise Switzerland’s IC strategy every four years, including the public into the debate via an optional consultation is new (SDC, 2021e). The consultation procedure is based on article 147 of the Swiss Constitution that should be used when discussing “projects of substantial impact”.²⁴

This time, the way towards the new IC strategy from 2021 until 2024 spun over roughly two years. The SDC first took up the subject of the new IC strategy (particularly discussions on the new focus on EPS) in May 2018 (SDC, 2018a). On November 11th 2018, the Federal Council set out the strategic approach for the new dispatch period of Switzerland’s IC Strategy (SDC, 2019b) and an explanatory IC report got published on May 2nd, 2019 (SDC & EAER, 2019). Between this very day and August 23rd of 2019, the FDFA and EAER opened up a discussion on the new IC strategy in order “to better integrate the issue of international cooperation in the domestic political debate” (SDC, 2021e). This first optional consultation resulted in 249 responses presenting their comments and thoughts on the new IC strategy. The SDC published a report on the results of the optional consultation on February 2nd 2020 and adapted the strategy according to some of the critique of the consultation (SDC & EAER, 2020). However, as they write, “The stakeholders consulted approved the draft, but some demanded certain clarifications and changes. The high response rate means that the changes requested are extremely wide-ranging and to some extent irreconcilable” (SDC, 2021b). In the summer and autumn session of 2020, the subject has been discussed and accepted by the parliament. The responses to the

²³ The SDC define their IC strategy as “a foreign policy framework for Switzerland, based on the Federal Constitution, to alleviate need and poverty worldwide, improve respect for human rights, promote democracy and protect the environment” (SDC, 2021e).

²⁴ Article 147: “The Cantons, the political parties and interested groups shall be invited to express their views when preparing important legislation or other projects of substantial impact as well as in relation to significant international treaties” (SCHWEIZERISCHE EIDGENOSSENSCHAFT, 2021).

optional consultation were just as numerous as they were diverse. Yet, the main concerns of the consultation evolve around seven points: Migration, climate change, the financial extent of the strategy, Swiss self-interest, creation of jobs, the new geographical focus and of course the intensified private sector engagement in development (ibid.). Thus, the responses on EPS do not mirror a stand-alone controversy but were in fact one out of many, albeit much smaller, discussion points about the new IC strategy. As this thesis focuses on the discourse around the IC strategy's new focus on the engagement with the private sector, these other controversies, that became visible in the consultation, will not be further considered.

3.1 Engaging with the Private Sector is not New for the SDC

The SDC's interest in engaging with the private sector is not entirely new, as they like to stress: "For decades, the SDC has seized opportunities to partner with private sector actors to further its development goals" (SDC, 2019b, p. 6). The first PPP, in which the SDC provided start capital (together with British Department for International Development, the Government of the Netherlands, the WBG and the Rockefeller Foundation) was a project to boost the malaria drug development called "Medicines for Malaria Venture" way back in 1999 (HOOFT VAN HUIJSDUIJNEN ET AL., 2019; SDC, 2019b, p. 6). Already the prior IC strategy (2017-2020) aimed for an increased cooperation with the private sector (SDC, 2021f, p. 5). At the beginning of 2017, the SDC set up the Competence Centre for the Engagement with the Private Sector, which supported the SDC to set up new EPS (SDC, 2019b, p. 6). From 2017 until 2019, the SDC partnered in 73 EPS projects with a total SDC investment of 312 million CHF as of June 2019 (SDC, 2019b, p. 7). As at the end of December 2020, the SDC partnered in 125 active private sector partnerships with an estimated investment of around CHF 165 million per year (SDC, 2021c). The SDC thus already surpassed its goal to reach a total of 120 active EPS projects by the end of 2024 (SDC, 2019b, p. 9). At the end of 2019 (exact data of active partnerships is not available for 2020/21), the SDC engaged in partnerships with large companies and multinationals, social enterprises, start-ups and SMEs, impact investors and grant making foundations and showed a diverse portfolio of sectors with the highest percentage of projects in the field of "Employment and Economic Development" (SDC, 2019b, p. 7).

The SDC's cooperation with the private sector did not stay without any controversy. Subject to recent critique were mainly the so-called "mixed partnerships", which include large multinational corporations such as Nestlé or Coca Cola and make up the most frequent partner type of the SDC. Generally, there is a common mistrust towards the private sector due to "an endless list of corporate wrongdoing in the developing world" (DOANE, 2016), which appears to have drawn the attention of some Swiss IC stakeholders even more closely to this cooperation as shown in chapter D. The most prominent controversy in the history of EPS surrounded the SDC's engagement with Nestlé. Preceding the new strategy, various NGOs and Swiss newspapers have accused the SDC of supporting Nestlé with the privatization of water supplies in the Global South under the pretext of promoting access to this essential good since 2017. Among other critique, his liaison has been commented on as a "foretaste of Swiss development cooperation of the future" (LENZ, 2020) and "the imposition of a Trojan horse in certain regions to enable dominant positions to be imposed"²⁵ (BACH, 2020). Many discussions led towards the issue of human rights and the lack of criteria: "Accept

²⁵ «l'implantation d'un cheval de Troie dans certaines régions pour permettre d'imposer des positions dominantes.»

everything except weapon trafficking and casinos”²⁶ (LUGINBÜHL, 2019), “no exclusion criteria have been provided for companies that would violate human rights”²⁷ (BACH, 2020). The SDC’s new head of global cooperation, Christian Frutiger, did not help to eradicate fears of privatization in the name of development as Frutiger joined the SDC after a decade of working for Nestlé (KOESSLER, 2020; LIPPERT, 2020). These points of critique also show up in this thesis’ discourse analysis and are discussed in more depth and together with other discursive positions in chapter D.

With this backstory, it is not surprising that, despite the new IC strategy setting many other new priorities compared to the prior dispatch period, its new focus on the cooperation with the private sector for development has caught much attention. This focus mainly raised political questions about what kind of development Switzerland promotes (implying normative questions on what “proper” development is) and what cooperation models it advocates internationally (HERKENRATH & LANZ, 2019; LENGSELD ET AL., 2019; STEIMANN, 2020). In context of early discussions around the new focus of the new IC strategy, Public Eye set out to “free” internal documents of the SDC which included the draft of the *Strategic Guidance for the Modality Engagement with the Private Sector* (SDC, 2019b), the corresponding annexes (SDC, 2019a) and three protocols of the management meetings of the SDC. The “freeing” of SDC documents does not only hint at the stereotypical distrust of some NGOs towards the private sector but also shows the great interest in the subject. From early discussions until the implementation of the new IC strategy in late 2020, the strategy’s new focus on EPS surfaced different views and positions of the role of the private sector in Switzerland, as shown in later chapters on the findings of this thesis. In an attempt to eradicate misunderstandings, the SDC published a handbook and a set of guidelines that illustrate and support the SDCs approach for working with the private sector in development earlier this year (SDC, 2021f, 2021c). In an interview, SDC Director Patricia Danzi says that the documents are intended to bring clarity into the subject as they see some misunderstandings “not only with our partners, but also domestically” (SDC, 2021g).

3.2 *The SDC’s Approach to Engaging with the Private Sector*

On the way towards the new IC strategy, the SDC did not stick with one definition of EPS (also named *Private Sector Engagement*, PSE). In an early guidance, the SDC define an EPS as a Public-Private Development Partnership (PPDP), which they explain as “a qualified cooperation between public and private partners, which presumes a closer collaboration than a simple cooperation” (SDC, 2019b, p. 8). The most recent guideline refers to EPS as follows:

“PSE refers to the SDC and one or several private sector partners joining forces on an equal footing for an impact-driven development intervention. Co-ownership and co-funding of the intervention is what differentiates PSE from other forms of interaction with the private sector, such as contracts awarded to the private sector or interventions aimed at supporting local companies in the SDC’s partner countries [...]” (SDC, 2021f, p. 7).

According to this definition, an EPS can, of course, always be defined as a PPP and can be a blended deal if the SDC uses its finance to strategically attract investments of the private sector (*see previous part of this chapter*). Now, is that the case with all EPS? The SDC uses many different EPS formats, which can be grouped in either a development project-oriented format or financial market-oriented

²⁶ «Ausser Waffenhandel und Casinos alles akzeptieren.»

²⁷ «Aucun critère d’exclusion n’a été prévu pour des entreprises qui violeraient les droits humains.»

format (SDC, 2021f, p. 58). The first format follows traditional development project logic, while the second format follows an investment logic that includes grant-based instruments and return-based instruments. The SDC explain:

“Grant-based instruments consist of non-refundable contributions aimed at facilitating private investment with development goals; these include, e.g. technical assistance facilities for private investment funds with development objectives as well as ‘pay-for-results’ instruments (impact bonds and social impact incentives). Return-based instruments differ from grant-based instruments insofar as repayments are envisaged or at least possible; they include, e.g. shares, loans, stakes in structured funds and guarantees. Repayment conditions have to be clarified from the outset.” (SDC, 2021f, p. 12)

In a strict sense, not all EPS are “blended” as one could argue that social impact bonds follow a different logic than other blended deals.²⁸ Still, the SDC regard impact bonds as one of their blended finance formats, which include venture investment (equity and debt), guarantees, structured funds, impact bonds, social impact incentives and technical assistance to financial vehicles (SDC, 2021f, p. 49). Generally, the SDC use all EPS formats (including traditional development project-oriented EPS) but continuously stress the growing interest of impact investing, their expertise and collaboration with the SIFEM and see great potential in market-oriented EPS formats (SDC, 2021f, p. 12).

Who does the SDC partner with? The SDC’s private sector partner-types did not change much since 2019 and can still be summarized as “large companies and multinational enterprises, SMEs, social enterprises, impact investors and grant making foundations” (SDC, 2021c, p. 9). The SDC’s definition does not include the independent sector as part of the private sector. Even though NGOs are often confused with non-profit social enterprises, they show different revenue models (DE MALSCHE, 2016) and are thus not part of the SDC’s definition of the private sector. Still, the SDC does not exclusively collaborate with the private sector but also partner with other public institutions such as other governments, multilateral organizations, NGOs, science and other donors such as private funds (SCHWEIZERISCHE EIDGENOSSENSCHAFT, 2020, p. 2648). In fact, EPS are often a “mixture” of private and independent sector partners as “NGOs, research centres and academic institutions are often involved in such partnerships on account of their specific knowledge, for example as an implementing partner” (SDC, 2021c, p. 10).

The SDC write that the development interventions of their partnerships are “impact-driven”. However, the global impact investment community does not follow a shared standard approach on how to measure their development projects’ results or “impact” but rather “use tailored approaches according to their needs” (OECD, 2019, p. 100; SDC, 2021f). Hence, the SDC and the partnering private sector entities may use a variety of different approaches to how to evaluate the “impact” an EPS generates (SDC, 2021f, p. 26). Still, there are some tools the SDC uses to align project values with the private sector partner. Their two main systems are the Impact Management Project (IMP) and the IRIS+. Both, IMP and IRIS+ define “impact” along the questions illustrated below. This

²⁸ IBs deliver an impact and financial return through strategic use of development and philanthropic funds to mobilize private capital, which would define IBs as a blended finance instrument. However, “[s]ince public and philanthropic lenders are the ones who pay back the principal and also provide a financial return to private investors (in the case of a successful project), there is no true financial leverage. In the end it is the public sector and/or philanthropic donors who pay for the program” (FREIBURGHAN ET AL., 2016, p. 5).

“unstandardized” circumstance of measuring development “impact” according to *own* measurements is critically discussed in chapter D.

Table 3: IMP’s Five Dimensions of “Impact”: What, Who, How Much, Contribution and Risk

Impact Dimension	Impact Questions Each Dimension Seeks to Answer
What?	<ul style="list-style-type: none"> • What outcomes do business activities drive? • How important is the outcome to the people (or planet) experiencing it?
Who?	<ul style="list-style-type: none"> • Who experiences the outcome? • How underserved are the affected stakeholders in relation to the outcome?
How much?	<ul style="list-style-type: none"> • How much of the outcome occurs - across scale, depth and duration?
Contribution?	<ul style="list-style-type: none"> • What is the enterprise’s contribution to the outcome, accounting for what would have happened anyway?
Risk?	<ul style="list-style-type: none"> • What is the risk to people and planet that impact does not occur as expected?

Adapted illustration of GIIN & IRIS+ (2019) and SDC (2021f, p. 26).

To reach such impact, a project between the SDC and the private sector development partner should be based on a shared set of values shared benefits, shared risks and shared costs. The SDC break down an EPS in three core attributes: Co-initiating, co-owning and co-funding and refer to these principles as follows:

“**Co-initiating** refers to the joint setting up of a collaboration, including the identification of new ways to address development challenges. An optional ‘co-initiation phase’ allows for better alignment of objectives among partners. [...] **Co-steering** reflects the shared engagement of the partners towards collaboration success. Typically, both the SDC and the private sector partner(s) actively participate in the governing body of a PSE collaboration. [...] **Co-funding** is a compulsory element of PSE collaborations. Without co-funding, there is no PSE. Generally, the SDC aims to fund no more than 50% of the collaboration costs [...]” (SDC, 2021f, p. 8, bold added).

Co-initiation and the co-steering guideline of 50% of the collaboration costs do not always apply, however. Co-initiation is mainly necessary if a new partner or the SDC joins an already running project. The co-steering guideline of no higher than 50% collaboration costs may not apply in some cases as this largely depends on four attributes of the specific PPP: First, the public good character of the collaboration (more public good, higher SDC financing), second, the level of context-related risks (high-risk context, higher SDC financing), third, cost-benefit considerations and fourth (innovative business without finance, higher SDC financing), the number of funding partners involved (the more partners involved, the lower the SDC financing). The SDC conclude that “the implementation of PSE core attributes differs from traditional practices of development cooperation and requires a new collaborative mindset and way of working” (SDC, 2021f, p. 8).

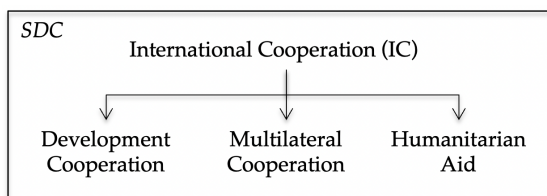
There are other (often more indirect) forms of interventions with the private sector than collaboration with the private sector. These other measures include the establishment of suitable political and economic frameworks for the private sector, the promotion of local business and promoting sustainable public procurement procedures (SDC, 2021c). The SDC specifically distinguishes EPS and

private sector development (PSD). In contrast to EPS, “PSD aims at the development of a dynamic private sector in SDC partner countries; therefore, it contributes to those SDGs that focus on the economy” (SDC, 2021f, p. 9). Thus, the SDC does not only engage with the private sector as a development partner but also as an ally (via contributions to e.g., the UN Global Compact Platform), as the target of an intervention (mainly norm-setting processes), as a beneficiary and as an implementing partner (ibid.).

3.3 Defining International & Development Cooperation and Foreign Aid

Finally, this section needs to differentiate between international & development cooperation as well as the term foreign aid. According to the SDC, “[i]nternational cooperation [IC] includes development cooperation with the South and the East, multilateral cooperation, humanitarian aid and the promotion of peace and human security” and focuses on “conflict resolution, social development [...], good governance, gender equality, development of the private sector, disaster prevention, respect for and promotion of human rights and fundamental freedoms, and conservation of natural resources” (SDC, 2018b). Development cooperation, on the other hand, is defined quite simply as “a Swiss foreign policy instrument that is used to help eradicate poverty and promote human rights” (ibid.). In a way, IC can be seen as the cooperation efforts behind distributing all sorts of foreign aid, while development cooperation describes a sub-category strictly focused on eradicating poverty and promoting human rights.

Figure 2: The SDC’s Scope of Activity



Own illustration according to information of the SDC (2018b).

Throughout the discourse, these two terms have often been used interchangeably, which makes it difficult to strictly focus on one term. Also, the expression “foreign aid” (*Ger. Entwicklungshilfe*) is often used as an overarching term that includes various aspects of international & development cooperation. In various documents, commenters and IC stakeholders are referring to the new “IC strategy” as the new “foreign aid strategy” and use the terms interchangeably (e.g., PLÜSS DAVIES, 2020). Hence, the second part of the results section is named *The Swiss Dispositive of Re-Engineering Foreign Aid* whereas IC and foreign aid are understood as synonyms.

III. Summarizing the State-of-the-Art and Background

Chapter B has given a brief introduction on the themes in development discourse, which are most relevant for the context of this thesis, as well as on the necessary background information of this thesis’ case study: The controversies around Switzerland’s new IC Strategy’s EPS. Before moving on into the following chapter C that introduces the theoretical framework and methods used in this thesis, I shall briefly recapitulate the content of this last chapter.

Part I has led through various development paradigms that still find their way into current development debate. It started by introducing the origins and attributes of development’s **modernization paradigm** (prominent in the 1940s-1970s) and showed how “the will to improve” (LI,

2007) allows failed modernist ideas to be reincarnated in new and “improved” development projects. Modernization feeds on an idea of a “before and after model”, where the latter is favorable to the initial state (PORTES, 1973). Modernization is intrinsically linked to the formation of “the modern self” [the developed] versus the “Other” [to be developed] (HALLAQ, 2018), which led towards introducing the concept of “othering”, “orientalism” (SAID, 1978) and “geographical imaginations” (GREGORY, 1996; HARVEY, 2005b). Leaving the era of modernization, the 1980s presented a new development paradigm that marked a shift from state-led development policies towards market-led development policies associated with the **Washington Consensus**, which aimed for deregulation, privatization, globalization, liberalizing economic restructuring, etc. that were brought about by Structural Adjustment Programs and Shock Therapy (see e.g., GORE, 2000; SHEPPARD & LEITNER, 2010). In the 1990s, the international development community devoted themselves more and more to **sustainable development** that, today, has found its way into the mainstream but is still a very ambiguous concept. Some scholars have come to label sustainable development as an “oxymoron” (J. H. BROWN, 2015; REDCLIFT, 2005; SPAISER ET AL., 2017), as current “sustainable” development processes under neoliberal capitalism are unsustainable and rather favour the world’s rich through “unfavourable power relations” (HARVEY, 2005a; KUMI ET AL., 2014, p. 539). In recent years, the **financialization and marketization of development** has increasingly caught the attention of human geographers (e.g., BERNDT, 2015; LANGLEY, 2021; MAWDSLEY, 2018a; ROSENMAN, 2019). At heart, such critical voices argue that financial interests and logic are gaining increasing power in development policies. Most relevant for this thesis, however, is that this trend is also visible in how bilateral development agencies are argued to work as enablers of private-sector investments in “risk contexts” of “emerging markets” to expand and accelerate “financialization” under the pretext of development (MAWDSLEY, 2018a). Behaviorism and experimentalism are two key concepts when discussing marketization efforts in development that, among other things, aim for creating “risk-taking entrepreneurial farmers” in the global South and add these new market subjects to the global economy (BERNDT, 2015). Part I on the most relevant themes in development has ended with an explicit focus on the **changing development actors at the public-private nexus** throughout the various development paradigms. This has been helpful to show that the private sector has not always been such a central actor for development as it is the case today. In fact, its current dominance amongst development actors and the related deepening of financialization in the name of development (MAWDSLEY, 2018a) mirrors a “shift from government to governance” (A. MARX, 2019, p. 1), where the private sector is increasingly engaging in rulemaking for sustainable development (RENCKENS, 2020).

Part II of this chapter has started by introducing how the private sector has increasingly morphed into a central global development actor. This short preamble was followed by an overview over the **plethora of concepts and definitions that private sector engagement in development** has surfaced so far. While these concepts and practices can all be located somewhere in the trend of financialization, they are far from being all the same and have provoked an array of criticism. Part II has ended with a chapter on introducing **Switzerland’s new IC strategy, its backstory and the SDC’s ways of engaging with the private sector for development**. The SDC, for example, engages with “large companies and multinational enterprises, SMEs, social enterprises, impact investors and grant making foundations” (SDC, 2021c, p. 9) and also engages in IB’s that Chiapello (2020, pp. 89–99) primarily sees as legitimizing tools to support further financialization. Further, this last chapter has shortly introduced the terms **international & development cooperation as well as the term foreign aid**.

C. Theoretical Framework and Methods

“Thinking of development in terms of discourse makes it possible to maintain the focus on domination [...] It [discourse analysis] gives us the possibility of singling out “development” as an encompassing cultural space and at the same time of separating ourselves from it by perceiving it in a totally new form” (ESCOBAR, 1995, p. 6).

Inspired by Escobar’s preferred thinking of development in terms of “discourse”, this thesis methodologically draws on a Critical Discourse Analysis (CDA). This choice of method perfectly fits this thesis’ research question, as it is the goal of this thesis is to understand *how* Swiss IC stakeholders are currently discussing the role of the private sector for sustainable development. Subject to this question are the areas of tension and underlying discursive structures between the different ideas of the role of the private sector of different discursive positions of thirteen Swiss IC stakeholders of private, public, and independent sector that have surfaced in current debate on Switzerland’s new IC strategy from 2021 until 2024.

Approaching relevant documents of the selected Swiss IC stakeholders through a CDA, the focus lies on how the arguments in the discursive formation are legitimized and what implicit assumptions and regimes of truth they draw on (FOUCAULT, 1977b). Setting out on which ideas the discursive positions build their arguments, should help to dismantle why some meanings of development and/or the private sector are more dominant than others. More precisely, this CDA intends to map out who creates the hegemonic view on the new role of the private sector in Switzerland’s new IC strategy and what patterns the discursive formations involve, that govern the discourse. This is done by *firstly*, extracting the discourse into its explicit fields of controversy that characterize the Swiss discourse on the role of the private sector for sustainable development and *secondly*, deconstructing its deeper discursive structures such as geographic imaginations and self-image that hold the current dispositive of “re-engineering” or “re-structuring” Switzerland’s foreign aid strategy together (MAWDSLEY, 2017a, p. 112, 2018c). This latter part aims to contribute to the greater debate on financialization and marketization in development, as introduced in the previous chapter, by understanding to what extent this thesis’ Swiss case study provides information about the financialization of development.

Having briefly recapitulated the subject of this CDA, this chapter introduces the methods used in more detail. This part is structured in four parts: *Part one* introduces the theoretical background this thesis draws on and provides a terminological demarcation of the two terms “discourse” versus “dispositive”. *Part two* introduces the methods used and how they complement this thesis’ intentions. *Part three* maps out the field of research in detail. And *part four* critically discusses the limitations of this research design and includes a reflection on my positionality as a researcher.

I. Discourse Theory

This thesis is based on a poststructuralist understanding of language that draws on the discourse theory heavily influenced by the analytical method of Michel Foucault. It is the aim of a CDA to critically examine the communication practices (*what* and *how* people communicate) that influence the *regimes of truth* they draw on (FOUCAULT, 1970). This chapter will firstly, provide some insights into

discourse *theory* and secondly, explain how this thesis draws upon this theory in a critical discourse *analysis*.²⁹

1. Defining Discourse

“In other words, using Heidegger’s terminology, human beings are ‘thrown into’ a world of meaningful discourses and practices, and it is this world that enables them to identify and engage with the objects they encounter.”

(HOWARTH, 2000, p. 9)

What is a discourse? This question might seem rather simple and straightforward but one can in fact end up with an array of conflicting definitions, as there are different ideas and schools of thought around the concept of discourse. Explanations of discourse reach from linguistic- and text-focused “the use of language” (CHILTON, 2004, p. 14) or “talk and texts as parts of social practices” (J. POTTER, 1996, p. 105) to approaches that explain discourse a bit broader as “social cognitions, socially specific ways of knowing social practices” (LEEUEWEN, 2008, p. 6) or “the flow of knowledge through time”³⁰ (S. JÄGER, 2009, p. 129). The focus of discourse analyses typically lies on text, as also in this work. However, corpora of multimodal approaches can include visuals such as signs in *semiotics* (KRESS, 2001) and even smells (NORRIS, 2013).

Making sense of this diversity of discourse definitions, Schiffrin et al. (2003, p. 1) note that definitions fall into three main categories: First, “anything beyond the sentence”, second, “language in use”, and third, “a broader range of social practice that includes non-linguistic and nonspecific instances of language”. A critical-constructivist definition of discourse may be located in this last category as it goes beyond the linguistic level of (re)creating³¹ meaning. Rather, it denotes the connections between *various* discursive elements: “Discourses are characterized by a specific way of establishing links between ‘institutions, economic and social processes, forms of behavior, systems of norms, techniques, types of classification and modes of characterization’” (Foucault as cited in GLASZE & MATTISSEK, 2009, p. 12).

Foucault’s work and other critical discourse analysts inspire this thesis’ working definition of discourse. By discourse, this thesis understands the “wide social knowledge systems” (MATTISSEK ET AL., 2013, p. 246) that crystallize in the “institutionally solidified mode of speech, which determines and solidifies action and thereby exerts power” (LINK, 1983, p. 60). In doing so, discourses always (re)construct our knowledge of reality (FOUCAULT, 1970) and create a “feeling of objectivity” (MATTISSEK ET AL., 2013, p. 246). Here, knowledge is understood as “all elements of thinking and feeling in human minds, or in other words, all contents that make up human consciousness” (S. JÄGER

²⁹ While *discourse analysis* can be defined as „the practical side of things: examining communication practices in order to find out how people see the world, and how power dynamics and institutions in society affect those worldviews (or are, in turn, affected by them), [...] [*theories of discourse* are about the general questions that inform discourse analyses” (Schneider, 2013, italics added). Discourse studies encompass both discourse theory and discourse analysis (ANGERMULLER ET AL., 2014).

³⁰ All further quotes in this chapter that are originally printed in German or French are own translations and are only displayed in both languages if the original represents an added value to the translation.

³¹ Using the verb „(re)create” should stress that discourses do not only reflect reality but simultaneously shape and produce the very reality it refers to.

& MAIER, 2014). Moreover, it is important to stress that knowledge is always conditional as everyone's discursive surroundings (i.e. the validity of this knowledge) may differ depending on factors such as their geography, time in history, social surroundings etc. (ibid.).³²

Table 4: Defining Discourse

Discourse refers to the wide social knowledge systems that crystalize in the institutionally solidified mode of speech, which determines and solidifies action and thereby exerts power. In doing so, discourses always (re)construct our knowledge of reality and create a feeling of objectivity.

This thesis' working definition of discourse is based on Link's definition (1983) with additions from definitions of Mattissek et al. (2013) and Jäger & Maier (2014).

2. On Ontology and Epistemology in Discourse Theory: What Is Reality and What Can We Know About It?

Despite the differences in discourse theories, their core idea is shared: How and what humans communicate shapes the world around us and what is considered true. Discourse constructs social reality or the corresponding *regime of truth* (i.e., the sum of the discourses society accepts as true and where the discourses it understands as false are sanctioned). Such *regimes* influence the political decisions taken, which, in turn, have effects on how we behave and live our lives. Thereby, humans must communicate on the base of generally accepted knowledge, beliefs or "common sense", which can be infused with ideology, in order for others to understand our statements. Doing so, we can either challenge or reinforce the generally accepted knowledge but always contribute to discourse, which shapes current truth (SCHNEIDER, 2013). Jäger (2009) generally understands "truth" as "a discursive effect" that is "generated historically-discursively". Elsewhere, Jäger writes: "It [the discourse] represents a reality of its own, which in comparison with 'real reality' is by no means only sound and smoke, distortion and lie, but has its own materiality and is 'fed' by past and other discourses" (S. JÄGER, 2001, p. 85).

In this sense, discourse theory is founded in anti-foundationalist ontology, as there is no "real" world "out there", independent of our knowledge. In order to deal with this reality, which we cannot objectively identify, Foucauldian discourse theory takes on an interpretist view on epistemology. Without meaning, objects do not exist for people, hence, we "make it meaningful for us, or because our ancestors and neighbors assigned meaning to it, and this meaning is still valid for us" (S. JÄGER & MAIER, 2014). Roughly speaking, discourse actively constructs the very objects it talks about by constantly assigning meanings to them. Thus, research that is based on discourse theory sees discourse as what *forms* objects and it the aim of the researcher is to describe and dissect the discourse into its shaping factors – such as its underlying ideologies or beliefs – through a critical discourse analysis.

³² There are different forms of knowledge. We can distinguish between explicit and tacit knowledge: „Some of the knowledge that people have is explicit, for example expressed in words, mathematical formulas or diagrams. (Such as a sign that states: "Children must be accompanied on lift at all times.") Much knowledge, however, is implicit. It is hardly verbalized (e.g.: Do not stare at people when you are inside the lift with them.) [...] The tacit knowledge of a particular culture is passed on in non-linguistic practices and materializations. In other words, the knowledge is in the practices and materializations, and people learn it by watching others and trying out themselves" (ANGERMULLER ET AL., 2014).

The suggestion that truth is *generated* highlights the general constructivist view that underlies discourse theory: Discourses merely represent reality (J. POTTER, 1996) and “lead a life of their own in relation to reality, although they shape and form reality, yes, they first make social reality possible” (S. JÄGER, 2000). This view becomes very prominent in how Foucault defines discourse as the “systems of thoughts composed of ideas, attitudes, courses of action, beliefs, and practices that systematically *construct* the subjects and the worlds of which they speak” (Foucault as cited in LESSA, 2006, p. 285, italics added) Foucault has shown that values, conventions, norms and habits have changed throughout time, which in turn, had an influence on the generated truth at that time. He referred to this *a priori* knowledge, which is linked to the historical epoch, as *episteme*: “In any given culture and at any given moment, there is always only one episteme that defines the conditions of possibility of all knowledge, whether expressed in a theory or silently invested in a practice” (FOUCAULT, 2002, p. 183). Knowledge is thus limited by its episteme. This is what Jäger (2009) builds up on to as he speaks of “historically-discursively” generated truth, as mentioned above.

The “constituting” of truth happens through discursive practice, which Wrana and Langer (2007) refer to as the “iterability of expression acts”. Often, this process of constituting an object is referred to as *subjectivation*. This can be illustrated based on two short examples. A first example might be the how current political speech, which is infused with neoliberal ideology, constitutes how we (the subjects and objects) perceive and think about e.g., the role of the state. A second example can be shown when looking at media reports on migration that shape the way we think about refugees. Ideas on such matters can only persist as the meanings we give certain objects are being repeated in a social sphere. By illustrating such examples of *subjectivation*, the dialectical relation between the object which is spoken about and the event, situation, person, relationship itself may get most evident (PELZELMAYER, 2020, p. 21).

3. On the Issue of Power: What Does Communication and Power Have to Do with Understanding Reality?

“While in former times the sovereign was master of life and death, today the sovereign has “resigned” and has handed over his power to society. But how does it come to light in today's societies like ours?”

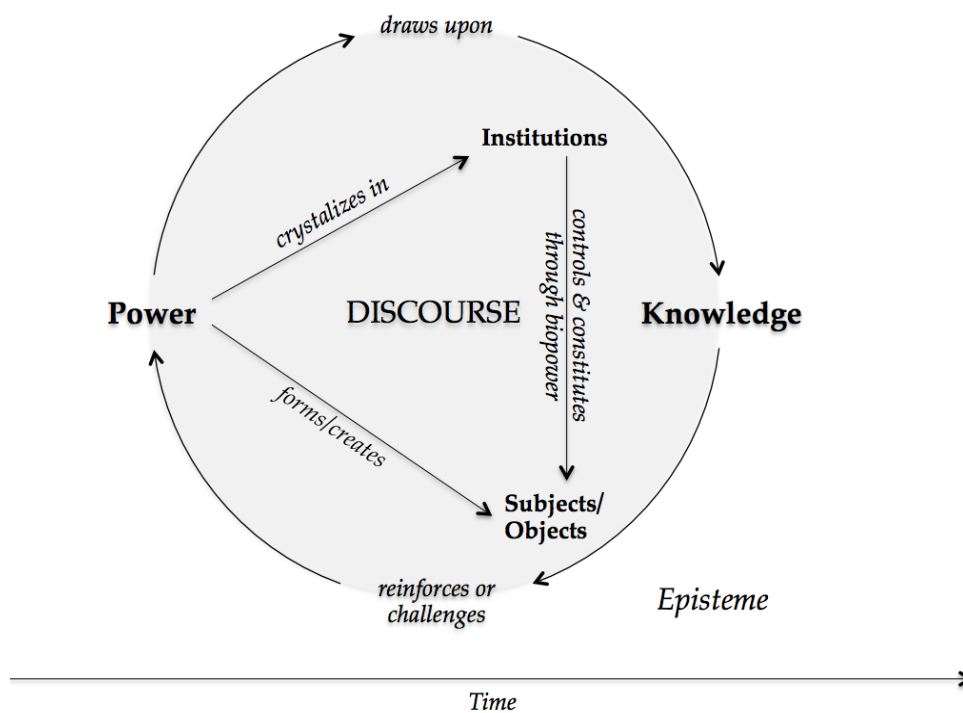
(S. JÄGER, 1993, p. 172)

Discourses are not merely the product of social practices but are tools to exercise power. For Foucault, the role of discourses is mainly concerned with the hegemonic aspect of power in legitimizing, creating and maintaining social systems. This aspect of discourse is illustrated very clearly in one of Link's definitions of discourse, which inspires this thesis' working definition of discourse, as he sees it as “an institutionally consolidated way of speaking, insofar as such a way of speaking already determines and consolidates action and thus also already exercises power.”³³ This can be interpreted as how we communicate shapes our social reality through power relations. The rules to this *Redeweise* are part of discourse as they define what is sayable and what is not in a certain social system. Foucault refers to the resulting *discursive formations* as the way meanings are linked in discourse through a shared set of rules (WRANA & LANGER, 2007).

³³ «Eine institutionell verfestigte Redeweise, insofern eine solche Redeweise schon Handeln bestimmt und verfestigt und also auch schon Macht ausübt» (LINK, 1983).

A central aspect of Foucault's ideas is that the discursive creation of social systems implies the marginalization and exclusion of vulnerable social groups in the name of "order" (SIM & VAN LOON, 2012). This aspect gets most visible in political institutions such as governments, prisons and schools, where power "crystalizes" into political institutions (SCHNEIDER, 2013) that exercise biopower. Throughout his work, Foucault has been interested in the execution of biopower on the body – "a subtle, calculated, technology of subjection" (FOUCAULT, 1977a, p. 221). Foucault writes: "By this [biopower] I mean a number of phenomena that seem to me to be quite significant, namely, the set of mechanisms through which the basic biological features of the human species became the object of a political strategy, of a general strategy of power [...]" (FOUCAULT, 2007, p. 1). Downing (2008, p. 72) nicely summarizes that Foucault is interested in the "means by which the body is made to conform to the utilitarian ends of social regimes thanks to the operations of disciplinary power". These means can be understood as the process of "objectivizing the subject" (FOUCAULT, 1982) that describes the production of the biopolitical body upon which biopower is exercised. In order for hegemonic social systems to prevail, knowledge must lead to classification, power to marginalization and order to systemized control (SIM & VAN LOON, 2012).

Figure 3: Simplified Illustration of Foucault's Power-Knowledge Complex



Adapted illustration based on Foucault - The Media, Power and Politics (2017).

It may thus already be clear that for Foucault, knowledge and power are intrinsically linked. He writes: "There is no power relation without the correlative constitution of a field of knowledge, nor any knowledge that does not presuppose and constitute the same time power relations" (FOUCAULT, 1977a). Furthermore, he continually argues that power is diffuse and manifests itself everywhere in different combinations and directions (ibid.). The fluidity of the "power-knowledge complex", as Foucault (1977) names it, is insofar visible as that there is a constant "war of discourses" (S. JÄGER, 2009). Discourses are far from being stable and are always bound to change, Foucault argues. Here he sees reason for optimism: "My optimism would consist in saying [that] so many things can be changed, being as fragile as they are, tied more to contingencies than to necessities, more to what is arbitrary than to what is rationally established, more to complex but transitory historical

contingencies than to inevitable anthropological constants [...]” (FOUCAULT, 2000, p. 458). The entirety of individuals is what forms the discourse and the discourse, in return, forms the individuals. The discourse is the result of all the individual efforts for change, which, “*in this form* no one wanted, but that everyone (with different weights) has contributed to” (S. JÄGER, 2009).

4. A Terminological Demarcation from “Dispositive”

When writing about discourse, it is impossible to not introduce what Foucault names a *dispositive*³⁴ as this term approaches the very core of the genesis of a discourse: Its relationship to reality. Moreover, it is important to specify how this thesis understands and refers to this term as in some cases, dispositive analysis is used synonymously to discourse analysis such as in Jäger & Maier (2014). Various conceptions of this term have emerged over the years and Foucault’s own statements on this concept do not provide a coherent definition. For clarity, this thesis’ working definition, or how I understand Foucault’s concept, is thus shown below. Briefly put, this thesis understands the dispositive as the relations between all discursive and non-discursive elements, whereas the differentiation between discursive and non-discursive is not important (FOUCAULT, 1977b) and should simply stress that the dispositive “includes virtually anything” (AGAMBEN, 2009, p. 14). Hence, it is rather impossible, to mark the dispositive in the previous illustration of the power-knowledge complex.

Table 5: Defining Dispositive

A dispositive is the nature of the interplay between the constantly evolving net of knowledge of all possible non-discursive and discursive elements as well as their materializations that form reality in their synthesis. A dispositive reacts to an *urgence*, is of strategic nature and is always situated in power-relations.

This thesis’ working definition of dispositive or apparatus based on Foucault (1977b) inspired by the definition of Jäger (2000), Jäger & Maier (2014) and Agamben (2009).

Recalling this thesis’ definition of discourse (*see table 4*), one may see that both definitions refer to a net or system of knowledge that are involved in the process of constituting reality and ask: How, then, can we distinguish discourse from dispositive? The answer to this question of course depends on the definitions of discourse, as there are many differing definitions in the first place. For example, Jäger and Maier (2014) already include non-linguistically performed acting in their definition of discourse and show that both concepts can be understood as identical – albeit stressing different aspects of the power-knowledge complex.³⁵ This thesis does not agree with equating both concepts. The elements of discourse in this thesis’ definition of discourse only refer to the “institutionally solidified mode of speech”, as stated previously. It understands that a discourse can be an element of

³⁴ “Dispositif” is the original term by Foucault, while “dispositive” and “apparatus” have emerged from translations into English. Both latter terms are used as synonymous terminus technicus “at least since the translation of Agamben’s book of Essays “What is an apparatus?” into English” (DISCOURSENET CONFERENCE, 2020).

³⁵ In fact, both concepts are known as the foundations of two separate approaches (discourse analysis and dispositive analysis) solely because they have emerged from different receptions of Foucauldian theory, Jäger & Maier (2014) write. Foucault “did not see non-linguistically performed practices and artefacts as discursive” (ibid.), which is why a dispositive analysis can be helpful to go beyond a discourse analysis. This thesis, however, analyses different forms of *text* i.e., performs a “traditional” CDA.

a dispositive as the dispositive adds non-discursive elements (actions), materializations (objects) to the elements of discourse (S. JÄGER & MAIER, 2014). Despite these definitional differences, the relationship between discourse, dispositive and reality is still blurry. The following section, presenting and commenting on Foucault's conception of the term dispositive, will explain this thesis' definition. Foucault best defines the term *dispositif* in an interview in 1977. Here, Foucault describes a dispositive (or here, apparatus) as follows:

“What I'm trying to pick out with this term is, firstly, a thoroughly heterogeneous ensemble consisting of discourses, institutions, architectural forms, regulatory decisions, laws, administrative measures, scientific statements, philosophical, moral and philanthropic propositions - in short, the said as much as the unsaid. Such are the elements of the apparatus. The apparatus itself is the system of relations that can be established between these elements. Secondly, what I am trying to identify in this apparatus is precisely the nature of the connection that can exist between these heterogeneous elements. Thus, a particular discourse can figure at one time as the programme of an institution, and at another it can function as a means of justifying or masking a practice which itself remains silent, or as a secondary re-interpretation of this practice, opening out for it a new field of rationality. In short, between these elements, whether discursive or non-discursive, there is a sort of interplay of shifts of position and modifications of function, which can also vary very widely. Thirdly, I understand by the term 'apparatus' a sort of-shall we say formation which has as its major function at a given historical moment that of responding to an urgent need. The apparatus thus has a dominant strategic function.” (FOUCAULT, 1977b, pp. 194–195).

A dispositive can thus be understood as an assembly of discursive elements that has the power to *strategically* fill a “void” of discursive elements that is caused by an urgent need or *urgence* (i.e., a shift in the power-knowledge constellations). It is this urgent need, which holds the dispositive together and provides room for the discourses to form in the first place (S. JÄGER & MAIER, 2014). An *urgence* relating to this thesis' interest may be illustrated by the observation that the private sector takes over a new and more prominent role in development policy. Confronted with this shift in power-knowledge relations, the hegemonic forces of a specific society (e.g., the Swiss IC stakeholders within this thesis' field of research) aim to establish and/or collect all the discursive elements they find in order to fill the void and stop the *urgence* until a new shift in the power-knowledge complex emerges and this process starts again. This is exactly why a discourse (or dispositive) analysis is interesting in contexts of change as – from a discourse theory standpoint – one could argue that “truth” is being renegotiated in such contexts of change.

The difference between the two terms discourse and dispositive becomes most apparent when looking at the relationship between discourse and reality. Knowledge is not only limited by its episteme, as already stated in the previous sections, but is also limited by a superordinate net of knowledge only in which discourses can even form. As knowledge is *situated* as meaning “onto” an object, the object is made visible in social reality (HARAWAY, 2009). Jäger (2000) nicely illustrates:

“If people, for whatever reason, withdraw from a discourse whose meaning-giver and assigner they are, the realm of reality corresponding to it becomes meaningless in the truest sense of the word and falls back into the state of nature”.

In this sense, a dispositive can be “spun” along the net of the meaningful, thus, “visible”, materializations, discursive as well as non-discursive practices, while a discourse may be a junction or element of this net. Moreover, the same discourse can be an element of several dispositives. This is

very well mirrored in Agamben's definition of an apparatus, which even expands Foucault's explanation and complements the way this term is defined in this thesis:

"a. [The apparatus] is a heterogeneous set that includes virtually anything, linguistic and nonlinguistic, under the same heading: discourses, institutions, buildings, laws, police measures, philosophical propositions, and so on. The apparatus itself is the network that is established between these elements. b. The apparatus always has a concrete strategic function and is always located in a power relation. c. As such, it appears at the intersection of power relations and relations of knowledge" (AGAMBEN, 2009, p. 9).

II. Critical Discourse Analysis

1. Use and Purpose

This thesis draws upon one of the most prominent forms of discourse analysis, founded on a critical constructivist view: critical discourse analysis (CDA). A CDA draws upon the theory that, as mentioned in the previous sections, "reality" is not "out there" but is always (re)produced and being negotiated. Likewise, regimes of truth are not fixed as knowledge is conditional (S. JÄGER & MAIER, 2014). A CDA engages with this current "valid knowledge" with which commonly accepted values, conventions, norms and habits of the times are normalized through discursive practice (WRANA & LANGER, 2007). Discourse research such as in e.g. Michel Foucault, Judith Butler (2014), Siegfried Jäger (2000, 2001, 2009), Norman Fairclough & Ruth Wodak (1997) and is *critical* as they view current reality not as given but question or challenge the many ways a particular society is structured (ANGERMULLER ET AL., 2014, p. 359). Such approaches show that discourse can be deconstructed in order to criticize the prevailing social order. In the spirit of Foucault:

"A critique is not a matter of saying that things are not right as they are. It is a matter of pointing out on what kinds of assumptions, what kinds of familiar, unchallenged modes of thought the practices we accept rest. [...] Criticism is a matter of flushing out that thought and trying to change it: to show that things are not as self-evident as one believed, to see that what is accepted as self-evident will no longer be accepted as such. Practicing criticism is a matter of making facile gestures difficult." (1988, p. 154)

A CDA aims to dissect the broader discourse and unmask its dominant threads brought forward by more powerful discursive positions and locating them within society. In other words, a CDA allows the discourse and its underlying ideology to be exposed in order to make it criticisable, empower the dominated groups (VAN DIJK, 1995) and open up "spaces for resistance" (LYNN & LEA, 2003, p. 431). A discourse analysis is thus always political as it highlights that the social reality that we know could be very different (NONHOFF, 2017). This, as I have already noted, mirrors Foucault's very reason for optimism: Knowledge is fluid and changes as discourses shift. At the core of a CDA lies the question *what is thinkable and sayable in a particular society at a particular time and location?* It is the aim of a critical discourse *analysis* to examine *how* discourses exercise power while forming this reality. Or put differently, deconstructing the discourse into its "knowledges" that it contains in order to uncover the structure of the knowledge system and identifying how these "knowledges" are linked to power (S. JÄGER & MAIER, 2014).

With regard to my field of research surrounding the question "What is the role of the private sector for sustainable development?" a CDA goes beyond the arguments in the text or transcripts. Rather, it

is interested in how the arguments in the discursive formation are legitimized and what implicit assumptions (i.e. regimes of truth) they draw on. The discourse analysis further aims to show whose voices are most prominent and what is left unsaid or who is “silenced” (WAITT, 2010, p. 236). Hence, this work aims to “map out” *who* creates the view on the new role of the private sector in development in Switzerland and *what elements the particular discursive formations involve*, that govern the discourse (i.e., how discursive positions present their arguments). Below, the above said is mirrored in the four general main questions that are of interest in a CDA as it is used in this thesis:

- Which premises and assertions are postulated and accepted in reality? Put differently, how are discursive formations established?
- What are the (e.g., political) effects or purposes of these discursive formations?
- What are the dominant and marginalized strands of discourse? I.e., who are the hegemonic forces that create the dominant view?
- What is left unsaid?
- How can I position the knowledge that I produce within discourse (of which I am part of)?

2. Tools and Techniques

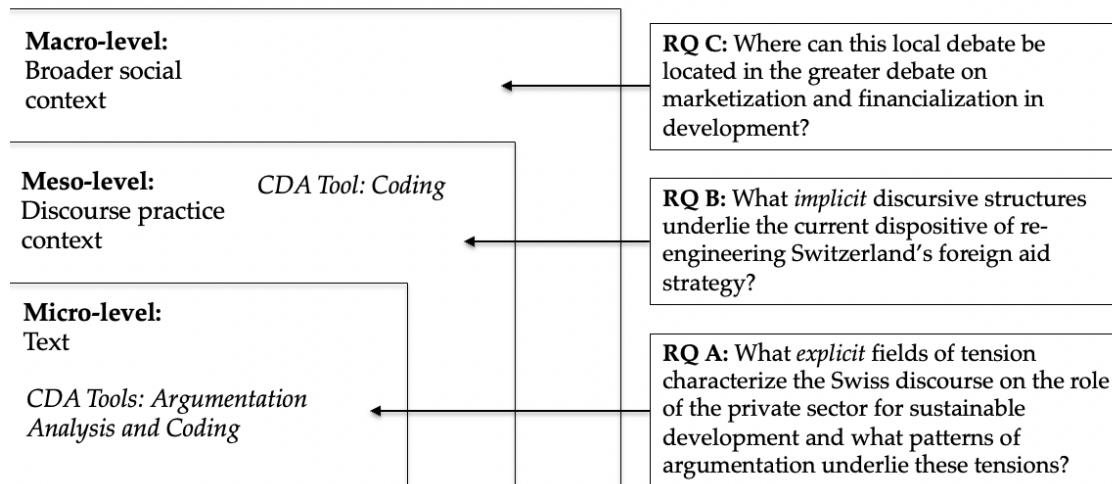
In order to answer these questions, discourse analysis includes various “tools” (LEEUWEN, 2008) and techniques. There is no right or wrong discourse analysis; there are simply different approaches that are more or less suitable for a specific research question. In their methods section, Glasze & Matissek (2009) dedicate themselves to the question how the theoretical discourse analysis approaches can be implemented into empirical work in human geography. They describe four techniques that have been used in past research projects: Lexicometrics, propositional analysis, argumentation analysis and coding procedures.

All techniques have different foci, tools and levels of analysis. Lexicometric approaches are useful for analyzing large text corpora on a macro-level (DZUDZEK ET AL., 2009). A propositional analysis and an argumentation analysis start their analysis at the level of individual texts or text segments, where a propositional analysis is useful if interested in the linguistic connection between text and context on a micro-level (MATTISSEK, 2009) and an argumentation analysis aims to systematically examine and interpret the implicit knowledge of the individual actors involved (FELGENHAUER, 2009, p. 262). Coding is a technique “to uncover rules of discourse and thus rules of the constitution of meaning and thus of the production of social reality” by developing codes that stand for a certain meaning in order to detect regularities, which may work well together with other techniques (GLASZE ET AL., 2009, p. 294).

This CDA draws upon techniques of *coding* and *argumentation analysis*. As many questions of interest in this CDA lie within the meso-level of discourse (i.e. the context of discourse practice) and even reach into the macro-level of discourse, which is understood as the broader social structures “that shape both the text at the micro-level and all the processes that surround the meso-level of its production” (BYRNE, 2017, p. 2), this thesis mainly works out the peculiarities of the larger discourse using an inductive coding procedure. On a micro-level, individual argumentative discourse excerpts are analyzed using the qualitative techniques of argumentation analysis. The next parts illustrate the aims of the selected approaches and how they are applied. Where the techniques are located within the levels of discourse is summarized in the figure below.

Figure 4: Locating this Thesis' Subordinate Questions and its CDA Tools Within the Levels of Discourse

Discourse: The Role of the Private Sector for Sustainable Development as Framed by Swiss IC Stakeholders
Main RQ: How do Swiss IC stakeholders frame the role of the private sector for sustainable development?



Own illustration inspired by Koller (2017, p. 28).

To uncover the complex structure of the knowledge and the relationships of meaning between micro and meso levels of the discourse, interpretative approaches such as coding can provide the necessary links. Glasze et al. define “the goal of coding as a sub-step of a discourse analysis [...] to work out regularity in the (explicit and implicit) occurrence of (complex) links of elements in the systems of meaning. These can then be understood as indications of discursive rules” (GLASZE ET AL., 2009, p. 293). As this thesis aims to deconstruct the discourse around its research question by going beyond the individual positions’ arguments themselves, a coding approach has turned out to be suitable.

In a first step, discursive elements are assigned the respective attributes or “meaning” (i.e. its relation to knowledge) in a code. The individual codes are grouped in coding categories that represent reoccurring themes or tropes in the analyzed documents. This process can be assisted by coding-software such as MAXQDA, which is used for this discourse analysis. Such coding procedures can either follow deductive (fixed, predefined codes) or inductive (coding along the way) approaches (MAYRING, 2000). This CDA follows a more “open” and inductive approach. In a second step, coding then can help the researcher to crystalize, bundle and organize the systems of meaning and/or rules behind the discourse and put them into relation to each other. In other words, coding is the process that detects tensions and bundles them into clusters of similar or equal discursive positions and from there allows to build up arguments. Thus, as Diaz-Bone & Schneider (2003, p. 474) point out, coding is not simply highlighting parts of text, as this would lack a way towards unveiling the key concepts of the discourse. Rather, the codes should work as a “reference to the discourse order materialized in the data as a reality ‘sui generis’”. In other words, “[co]ding is the pivotal link between collecting data and developing an emergent theory that explains these data” (CHARMAZ, 2006, p. 46). The interpretative character of coding approaches once again highlights that the developing theories of this CDA does not intend to produce “objective knowledge” but is in fact always entangled with the researcher’s own knowledge.

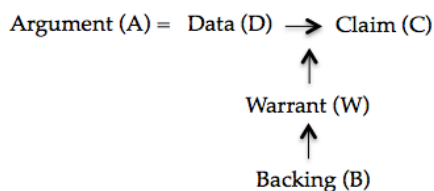
On the micro-level of the discourse, individual discourse excerpts with an argumentative character are analyzed through argumentation analysis. Felgenhauer defines an argumentation analysis as the

“reconstruction of an everyday practice [arguing] - as a qualitative linguistic-analytical procedure that primarily focuses on the sentence and word level” (FELGENHAUER, 2009, p. 262). An argument, the subject to this analysis, can be defined as “a verbal, social, and rational activity aimed at convincing a reasonable critic of the acceptability of a standpoint by putting forward a constellation of one or more propositions to justify this standpoint” (VAN EEMEREN ET AL., 2002, p. xii). Despite arguing being defined as the “rational” activity aiming to spread ones belief, it is not always logical. Or as Toulmin puts it: “They [arguments] are logical problems [...] problems *about* logic [and not *in* logic]” (2003, p. 1, italics added). With this in mind, an argumentation analysis aims to investigate and understand the actual “uses of argument” (ibid.). The *actual* use of arguments may be tied to different geographical worldviews, which, when put forward in an argument, have the power to construct a certain social and geographical reality (FELGENHAUER, 2009).

Such an analysis is thus helpful as the way people argue may mirror their geographical worldviews or “*Grundmuster der sprachlich-kognitiven Welteinteilung*” and the implicit knowledge of the actors involved in the discourse (FELGENHAUER, 2009, p. 273). A brief example: An actor that demands more financial means for the Swiss IC strategy in order to fulfill the promise to achieve the SDGs, to show solidarity towards people in developing countries and to continue the Swiss tradition in humanitarianism mirrors several aspects that give clues about their geographical worldview. Not only does this argumentation express their idea of a global community of responsibility but also allows drawing conclusions about the self-imagining of Switzerland (values, traditions etc.), the constituting of *them* (developing countries) and *us* (Switzerland) and the idea that “development assistance” is justified practice in the first place.

The “Toulmin-Model” as introduced by Stephen Toulmin in *The Uses of Argument* (2003), is a prominent model to understand how arguing, as a discursive practice, can be dissected and understood:

Figure 5: The Toulmin-Model of Argumentation (TMA)

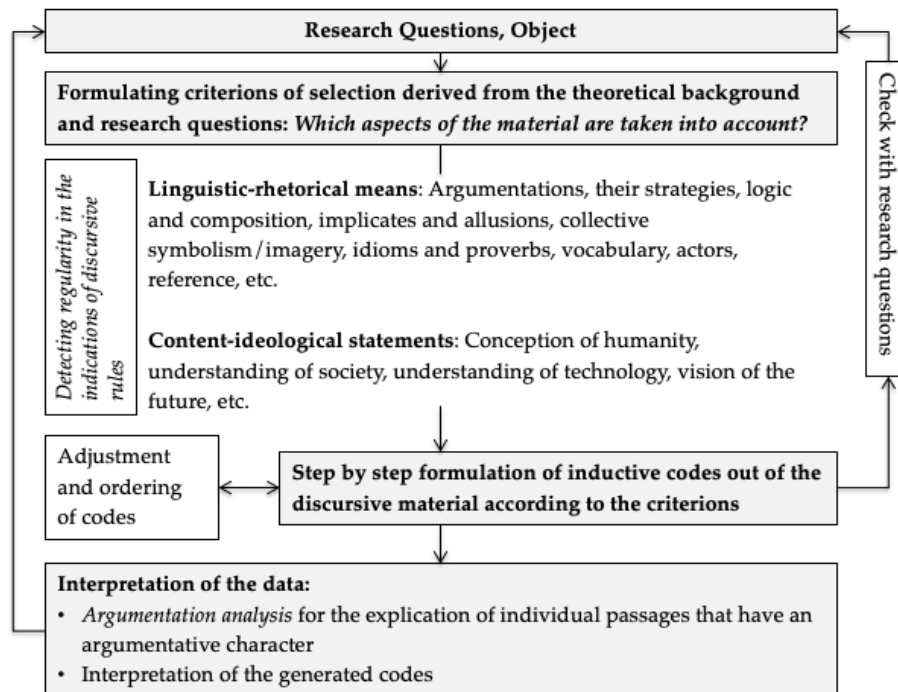


Own illustration based on the illustration of Felgenhauer (2009, fig. 9).

An argument (A), Toulmin explains, is made up of a claim (C) and data (D), which is used to justify the claim. However, this equation is only correct if we know the warrant (W) i.e. the often unspoken general rule or the moral norm, which, as normative premise, enables the transition from D to C. Further, the general background-knowledge for W to be “true” can be labelled as “backing” (B), on which the warrant is based. Of course, these micro-level techniques of an argumentation analysis are not enough to uncover the complex discursive systems of meaning that may reach beyond the micro level of discourse that refers to the elements of the text itself. Hence, this CDA rather uses them for an in-depth analysis of “isolated” interesting discourse excerpts making the implicit geographical and ideological knowledge visible. Felgenhauer nicely refers to this aim as the “disclosure of basic conditions” (FELGENHAUER, 2009, p. 276). Of course, determining the W and B only works through *interpreting* the argument in its context. Consequently, W and B are heavily entangled with my knowledge as a researcher.

The general process of this CDA illustrated below needs *initial sampling* as preliminary work. Initial sampling covers the broad inspection of the debate in order to get an overview of the discourse and to extract interesting threads of discourse. This kind of sampling is different to *theoretical sampling*, which comes later in the research process in order to saturate the emerging arguments and is finished when “theoretical saturation” is reached (CHARMAZ, 2006). Charmaz writes: “Initial sampling in grounded theory is where you start, whereas theoretical sampling directs you where to go” (ibid. p. 100).

Figure 6: Simplified Step-Model of this CDA’s Qualitative Techniques



Own illustration based on the illustration of Mayring (2000) and the discourse analysis overview of Jäger for parts of the criterions (2009).

3. Terminology

The general terminology used in discourse analyses is well established. The following section shortly explains the key terms and provides examples in the illustration below. The general discussions around the involvement of the private sector in development can be seen as a *discursive event*, which is not an usual event but rather refers to the extensive discourse about such events (PATTON, 1990) that “[appear] on the discourse planes of politics and the mass media intensively, extensively and for a prolonged period of time” (S. JÄGER & MAIER, 2014). The discursive event that is relevant for this CDA is the prolonged discussion around the involvement of the private sector in development that got triggered by the intentions of the new IC strategy. The case study of the discussions around Switzerland’s new IC Strategy can be described as a *thread of discourse*, which again contains sub-threads. Generally, a thread or strand of discourse is defined as the “[f]lows of discourse that centre on a common topic” (S. JÄGER & MAIER, 2014). Such threads are woven into different *levels of discourse*. Jäger (2009) refers to them as the “social places” from which a discursive position is brought forward.

The expression *discursive arena* refers to the discursive material of Swiss IC-stakeholders of independent-, public- and private sector who are in some form contributing to the discourse about the engagement of the private sector in development (this thesis’ field of research). The matrix constructed to cover this broad discursive arena can be divided in Swiss independent-, public- and

private sector. The independent sector involves NGOs, think tanks, societies and platforms. The private sector includes firms, reinsurance, banks and impact investors. And the public sector covers the Swiss government and research institutions. The expression “discursive arena” is not a generally established term used in CDAs but is useful as an umbrella term that should highlight several points: Firstly, this thesis’ field of research cuts through several discursive levels and sectors at a given point in time.³⁶ Consequently, the discursive workings of this discursive arena are very complex as some sectors and discursive levels may at that point “possess” more power (discursive and/or financial) than others. Secondly, the term “arena” should highlight that it is the central place where truth is being renegotiated at a given point in time. The discursive arena stresses that a discourse has a past and a future. Hence, this discourse analysis does not intend to refer to a text from within the discursive arena “as-is” but views the analysed discursive fragments as parts of a bigger social discourse, which, “in ihrer qualitativen Gesamtheit”, form part of the discourse (G. BROWN, 1983; S. JÄGER, 2009). Every individual participating in the discourse has its own *discursive position* which can be understood as “the result of the entanglement in various discourses to which the individual has been exposed and which he has processed into a certain ideological or ideological position [...] in the course of his life” (ibid., p. 165). In this case, these positions refer to the individual positions of e.g. individual NGOs, of platforms, or of individual persons belonging to some of the networks just listed. In order for different discursive positions to understand each other, they must follow shared sets of rules that govern the discourse, which are called *discourse formations*.

Zooming in on the terms more relevant on a micro-level of discourse, a *discursive fragment* is the central element as it refers to the individual “texts that deals with a particular topic” that involve *articulations* and *elements* (S. JÄGER & MAIER, 2014). Glasze et al. (2009, p. 159) propose to conceptually distinguish between these two levels of the discursive: *Elements* are the base units of the discourse that may be words/expressions and the visual representations such. *Articulations* are the connections between the elements (An argumentation analysis refers to such very linkages of elements). A *topos*, they write, refers to frequently used articulations (see e.g., WENGELER, 2003). In arguments, individual positions may face the need to extend or narrow down the limits of discourse to legitimize their position. The borders from the sayable to what is not sayable are referred to as a *discursive limit* (S. JÄGER & MAIER, 2014). Further, discourses may draw upon *collective symbols*, the “cultural stereotypes, [...] known to all members of a society. They provide the repertoire of images from which we construct a picture of reality for ourselves” (ibid.).

Table 6: Terminology in Discourse Analysis

Term	Example
Discursive event	Prolonged Discussion on the Involvement of the Private Sector in Development
Thread/strand of discourse	<i>Main Thread:</i> Switzerland’s EPS <i>Exemplary sub-threads:</i> Swiss interests, Swiss tradition, role of NGOs

³⁶ Jäger (2009) refers to such a “cut” through a discourse strand as a “synchroner Schnitt” that investigates e.g. what is sayable *at a given point in time* and stands in contrast to a “diachroner Schnitt”, that may investigate how the sayable *changed over time*.

Level/plane of discourse	Academia, politics, media, everyday life, business, etc.
Discursive arena	This thesis' field of research: The discursive material provided by Swiss IC stakeholders.
Swiss IC stakeholder (discursive actor)	An actor of either Swiss independent-, public- or private sector who has at least once commented on Switzerland's new IC strategy.
Discourse position	NGO: "It must not be about short-term self-interest."
Discourse formation	The <i>meaningful</i> way politicians present their positions in the parliamentary debate.
Discourse fragment/element	Transcript of a parliamentary debate, website, etc.
Articulation	"Switzerland has a humanitarian tradition."
Collective symbol	"The <i>global south</i> needs our help to develop."
(Expanding the) discursive limit	"I am not against international cooperation, but..." "There is no alternative than..."
Discursive patterns	The way actors attempt to make their arguments are meaningful and convincing by e.g., strategically repeating statements and ignoring others, accusing other actors, referring to certain institutions, etc.

Own illustration.

4. In-line Corpus References

This CDA uses MAXQDA as the program for handling and analyzing the discursive fragments. For clarity, the discursive fragments are not listed together with other bibliography but are listed separately in the annex. Citing a discursive fragment does not follow the usual APA7th citation style as when referencing other sources. The next chapters will refer to the respective discursive element as e.g., "AllianceSud_A6: 2" or "UBS_P1: 5". The referencing follows the following logic: **In-line corpus reference = Name of the organization + media type abbreviation + number of certain media type + page number.** Cases with the media type "video" (V) are followed with the first word number of the document instead of page number. The media type abbreviations are shown on page 45 alongside the detailed distribution of discursive fragments and IC stakeholders.

III. Field of Research

When looking at the tables below, it may already be evident that the “field” that I am referring to suggests a broad understanding of various social groups. The research field is thus far from a physical field or “place” but rather refers to the social reality in which the actors and the researcher act in different roles. This, as “[r]esearch fields may be public places, groups, social milieu (“scenes”), but also organizations or tribal groups” (WOLFF, 2004, p. 195) or as the Department of Political Geography at the University of Zurich write in a blog post: “A researcher’s field is another person’s everyday” (WOLFF, 2004).

The tables below present an overview over the field of research. The field can be structured along the lines of actors out of the public-, private- and independent sector. Part one provides an overview of the field and part two lists the media and distribution of the analyzed corpus which encompasses 76 documents. The selection process involved in creating this corpus is discussed in the following parts.

1. Overview of the Selected IC Stakeholders

Public Sector [4 Actors]	
Swiss Government	Research
SDC	CDE
Swiss Parliament	CCRS

Table 7: Actors from the Public Sector

Private Sector [4 Actors]		
Firm (together with respective firm-related foundations engaging in IC)		Commercial Impact Investor
UBS	UBS Optimus Foundation, Swiss Foundations	Blue Orchard
SwissRe	Swiss Re Foundation, Swiss Foundations	
Nestlé	<i>No foundation engaging in IC</i>	

Table 8: Actors from the Private Sector

Independent Sector [5 Actors]	
NGO	Think-Tank, Society, Platform
Public Eye	Alliance Sud
HELVETAS	economiesuisse
Swisscontact	

Table 9: Actors from the Independent Sector

2. The “Arena”: Media-Type and Distribution of the Discourse Material

Name of the Organization	Number of Documents per Media							Total
	Flyer (F)	Article (A) ³⁷	Position Paper (P) ³⁸	Consultation (C)	Video (V)	Parliamentary Debate (D)	Interview (I)	
Public Sector								
CCSRS				1			1	2
CDE				2			1	3
Swiss Parliament						4		4
SDC	3	6	3				2	14
Total Number of Documents of the Public Sector								23
Private Sector								
Blue Orchard		1	1		1		2	5
Swiss Foundations		1		1				2
Nestlé		2	1		1			4
SwissRe		2	2	1				5
UBS	1	5		1			1	8
Total Number of Documents of the Private Sector								24
Independent Sector								
AllianceSud		7	2	1				10
economiesuisse			1	1				2
Swisscontact		2	1	1			1	5
HELVETAS		5	2	1			1	9
Public Eye		2		1				3
Total Number of Documents of the Independent Sector								29
Total Number of Documents								76

Table 10: Overview of the Analyzed Corpus

³⁷ Includes short website entries. Some organizations show way less dense website-structures than others, which explains the varying number of articles per actor.

³⁸ Position papers, reports and strategy papers are treated as equivalent.

3. Profile of the Selected Discursive Actors and their Corpus Material

PUBLIC SECTOR

The selected IC stakeholders from within the Swiss public sector consist of research units and government agencies. The Centre for Corporate Responsibility and Sustainability (CCSR) is an associated research institute at the University of Zurich and focuses on the role of the private sector in sustainable development on the local and global level (CCRS, 2020). The University of Bern's Centre for Development and Environment (CDE) is "tasked with mainstreaming sustainability throughout the university's research and teaching" (CDE, 2021). All of the research units signed a consultation letter in response to the IC strategy draft in 2019, which are part of the analysed corpus and have a short statement available online. The selected government agencies consist of the Swiss Parliament and the SDC. The corpus involves the transcripts of the debates of the Swiss parliament's summer and autumn session 2020. The revised IC strategy (adjusted according to some of the critique of the consultation) was subject for discussion in the parliamentary debates during the summer and autumn session 2020 with the debate number 20.033. The transcripts of the debates are all available online. The four analysed transcripts are the results of discussions that took place in three individual debates on June 15th (National Council), September 15th (Council of States) and 21st (National Council). The SDC's analysed discursive fragments involve flyers, articles, position papers and two interviews published on their website.

PRIVATE SECTOR

The selected IC stakeholders from within the Swiss private sector consist of one commercial impact investor firm Blue Orchard³⁹ as well as the big cooperation Nestlé, the reinsurance company SwissRe and the bank UBS with their firm-related foundations. All of the analysed actors complement the corpus with articles published on their websites and with their position papers. The discourse material of BlueOrchard also involves a talk (also published on their website) and two interviews with Peter Fanconi (chairman of the board of BlueOrchard) published on *finews.ch*. Nestlé's discourse material includes a video, where they present a PPP they participated in with the SDC. All private sector stakeholders either wrote a consultation letter or another "statement-letter" targeted at the new IC strategy, which are added to the corpus. The Swiss Foundation's consultation letter is added to the corpus as well, as the SwissRe Foundation and the UBS Optimus Foundation are part of this association.

INDEPENDENT SECTOR

The IC stakeholders of the Swiss independent sector consist of three NGOs: Swisscontact, HELVETAS and Public Eye as well as two think-tanks/platforms: AllianceSud and economiesuisse. Swisscontact and HELVETAS are Swiss development organizations with slightly different foci and values (as presented on their websites). While Swisscontact aims to "strengthen the competencies of people, increase the competitiveness of enterprises and foster the inclusiveness of social and economic systems" (SWISSCONTACT, 2021), HELVETAS does not mention the importance of market values as

³⁹ BlueOrchard is a microfinance and impact investing company that uses money of private investors for investment in the global South (e.g. farmers and SMEs).

prominently but rather highlights their commitment to “[tackling] global challenges at various levels: with projects on the ground, with expert advice and by advocating for conducive framework conditions benefiting the poor [...trough] a multi-stakeholder approach by linking civil society actors, governments and private sector” (HELVETAS, 2021). While both agree that global partnerships are an absolute necessity in development, these two development organizations are selected due to the slightly different values detected after browsing their webpages and position papers. The third NGO, Public Eye, is specialized in critical journalism and designing campaigns focusing on global justice, or, as they put it, “[s]hining a light where nefarious people prefer their activities to remain hidden in the shadows, denouncing harmful actions and proposing specific solutions” (PUBLIC EYE, 2021). The selection of these three NGOs is strategic as a preliminary screening of NGO documents revealed a differing “openness” towards PPPs: Public Eye presents itself very critical towards PPPs, HELVETAS and Swisscontact already partner with the private sector, although HELVETAS still appears to take a more stance towards the private sector than Swisscontact. Adding to the NGOs, two think-tanks/platforms are part of the arena. AllianceSud is the Swiss Alliance of Development Organizations and “strives to influence Switzerland’s policies to the benefit of disadvantaged countries and their peoples” (ALLIANCE SUD, 2021). The alliance includes Swissaid, the Catholic Lenten Fund, Bread for All, HELVETAS, Caritas and the Interchurch Aid (ibid.). *economiesuisse* is an umbrella organization representing “the interests of the competitive, internationally networked and responsible Swiss economy” and see “[a] prosperous economy is the basis of our prosperity and the foundation for a healthy and successful Switzerland” (ECONOMIESUISSE, 2021).

IV. Critical Reflections

1. Reflections on the Selected IC Stakeholders (Discursive Actors)

The general selection process involved a broad initial sampling, where every sector’s organizations have been scaled down to be left with a feasible field of actors to cover in this MSc thesis. The selection of IC stakeholders was done along three main criteria:

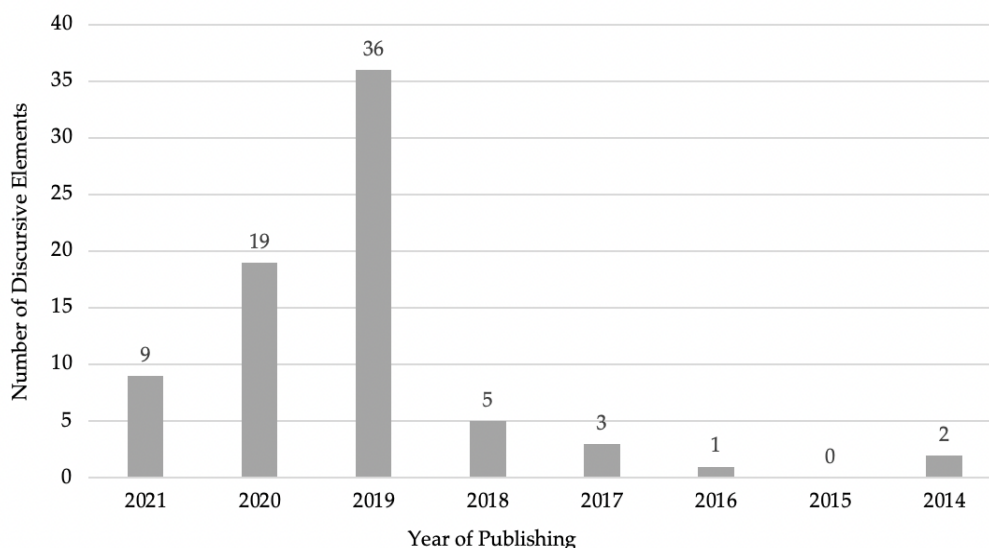
- Actor has commented on the IC strategy in the consultation.
- Actor is vocal about the private sector and its role for sustainable development.
- The discursive material of the actor was published between 2018 until data collection in early 2021.

Whether or not an actor took part in the consultation presented itself as a good “hard” criterion to select actors that can really be labelled as “Swiss IC stakeholders”. The only actors that did not write a consultation letter were Nestlé and Blue Orchard (and of course the SDC itself). Although BlueOrchard did not participate in the consultation, they signed a message to the SDC called “Putting Switzerland at The Heart of SDG Financing” laying out their views in regards to the upcoming new IC Strategy (SWISS DEVELOPMENT FINANCE, 2019), which can be treated as similarly to a consultation letter. Adding to that, they also share some additional ties with the SDC: They are both members of the Swiss Capacity Building Facility (SCBF) and have partnered for the launch of “responsAbility”, another commercial Swiss impact investor, as the SECO provided initial financing (together with other partners), SDC provided thematic support and BlueOrchard partnered as an investment advisor (DOMINICÉ ET AL., 2011, p. 9). Adding an impact investor like BlueOrchard to the field is important as the SDC expects impact investors to be of high importance as it is a rapidly growing niche in the field of market-oriented EPS formats where they see high potential for the future financial instruments

(SDC, 2021f, p. 12). Nestlé, on the other hand, did also not publish any sort of statement on the new IC strategy. However, as Nestlé has revealed itself as a prominently and controversially discussed partner of the SDC in various Swiss News outlets (*see chapter B*), this private sector partner was added to the corpus as well.

The timespan of 2018 until data collection in early 2021 is rather wide. This, as in 2018, the Federal Council set out the strategic approach for the new dispatch period of Switzerland's IC Strategy, 2019 involved the optional consultation (resulting in much discussion) and in the summer and autumn session of 2020, the subject has been discussed and accepted by the parliament. As every year, one sector clearly dominated the discursive arena,⁴⁰ and I aimed for a balanced corpus from different sectors, it presented itself as rather difficult to limit the discourse material to a certain year. Under these circumstances, I see this wide time span as justified. The six discursive elements that are located outside this timespan are documents that are still promoted on the respective actor's website today, as there are no recent versions of the document and hence added to the corpus, nevertheless.

Figure 7: Distribution of the Corpus Elements' Year of Publishing



Own illustration.

Another important consideration regarding this thesis' corpus set-up is that one could argue that as the field is structured along the lines of private-, public- and independent sector, it takes away the very important focus on the "in-between" or interactions of sectors. Still, this initial distinction and categorization between the three sectors very much helps to organize different actors, assure a broader field of different positions, and compare their views. Most importantly, as many actors across different sectors share certain ideas and values, the results of this thesis are not structured along sectors and in this sense highlight similarities or differences *between* sectors.

⁴⁰ The discursive arena is dominated by the public sector in 2018 (first publication of the new strategy), the independent and private sector in 2019 (consultations), in 2020 again by the public sector (parliamentary debates). The year 2021 does not surface one dominant sector.

2. Methodological Limitations and Positionality

This thesis faces a few methodological limitations and needs reflection on my positionality as a researcher. There are three issues that need to be transparently discussed: First, Bernd Steimann (HELVETAS) is part of the field of his thesis but inspired this thesis' research question and supported me with feedbacks and remarks in the process of drafting my research proposal. Although I have formulated the precise research questions and the composition of the field myself, this initial process was influenced by the views of an employee of HELVETAS. Second, the coding procedure during a CDA lives off its interpretative nature. I, as a researcher, with a background in human geography, am part of this CDA as some parts of a discursive fragment only make sense through "adding" certain background-knowledge to it (i.e., interpreting it). Hence, some passages might have been understood differently and seen in a different light by another reader that has read, studied, and lived different ideas of "truth". Of course, this is an everyday dilemma but the question on *how I can position the knowledge that I produce within discourse (of which I am part of)* still needs to be highlighted in this context, as this thesis simply does not intend to produce objective knowledge (which other sciences claim they do). Rather, I "admit" that the findings in this thesis are a representation (*this text*) of a representation (*analysed discourse itself*) of "reality". Third, I have conducted an interview with an SDC employee in the research process, which largely mirrored statements already made in official SDC statements that I have already added to the corpus. The Interviewee applied interesting argumentation patterns, which would have been nice to add to the CDA. However, as I would have needed to let the interviewee double check everything I wrote about the interview and I expected them to not agree with what I write, I concluded that I am "freer" when not taking the interview into account and instead solely refer to documents that are available on the SDC's website.

D. Results

This chapter presents this thesis' findings along the sub-research questions A and B, which allow answering the main RQ **"How do Swiss IC stakeholders frame the role of the private sector for sustainable development?"** in two parts. Part I answers RQ A: What explicit fields of controversy characterize the Swiss discourse on the role of the private sector for sustainable development and what patterns of argumentation underlie these tensions? This first part approaches the discourse on a micro level through Toulmin's Model of Argumentation (TMA) and presenting the explicit discursive patterns from coding with MAXQDA. Part II answers RQ B: What *implicit* discursive structures underlie the current dispositive of re-engineering Switzerland's foreign aid strategy? In contrast to part I, part II approaches the discourse of Swiss IC stakeholders on the role of the private sector for development also in terms of a *dispositive*, which helps to reveal the *implicit* discursive structures that underlie the current dispositive of "re-engineering" Switzerland's foreign aid strategy on a meso level. The second part's meso-level-perspective allows connecting certain discursive structures with other research in the field, as introduced in chapter B. Both sub-chapters present the results of a CDA that is based on discursive materials such as position papers, flyers, articles, interviews, or videos of thirteen Swiss IC stakeholders⁴¹ that were either directly published in the context of the general consultation of the IC strategy or were published independently and comment on the private sector and its role for sustainable development out of the respective stakeholder's perspective. The transcripts of the parliamentary debates on the SDC's new IC strategy of course pose a special kind of document as it includes positions of diverse politicians (*for detailed description on the selection of stakeholders and their discursive material see previous chapter*).

Before introducing the explicitly conflicting arguments and discursive structures that characterize the current discourse in part I, as well as the implicit discursive structures underlie the current dispositive of re-engineering Switzerland's foreign aid strategy in part II, I briefly recapitulate the term **discursive arena** and the **context**, in which the arguments are brought forward. As already thematised in more detail in chapter C, the term *discursive arena* refers to the selected discursive fragments (i.e., documents, flyers, website entries, etc.) provided by Swiss IC stakeholders and presents this thesis' field of research. The usage of the word "arena" highlights that it is a place where truth is being renegotiated at a given point in time and stresses that a discourse has a past and a future. Hence, this CDA does not intend to refer to a text from within the discursive arena "as-is" but views the analyzed discursive fragments as parts of a bigger social discourse, which, "in ihrer qualitativen Gesamtheit", form part of the discourse (G. BROWN, 1983; S. JÄGER, 2009). The *context*, in which every IC stakeholder participating in the discourse presents their discursive positions, largely surrounds the controversies around EPS engagement of the new IC strategy. The SDC's IC strategy is a Swiss foreign policy framework that should "alleviate need and poverty worldwide, improve respect for human rights, promote democracy and protect the environment" (2020). Every four years, this strategy is revised and is discussed by the Federal Council and the Parliament. For the new IC strategy from 2021 until 2024, the FDFA and EAER opened up a discussion in early 2019 on the new IC strategy in order "to better integrate the issue of international cooperation in the domestic political debate" (ibid.) after their publication of the new strategy. This dialogue happened in terms of an

⁴¹ An actor of either Swiss independent-, public- or private sector shown interest in the strategy by at least once commenting on Switzerland's new IC strategy, is defined as an IC stakeholder.

optional consultation, where every organization or person in Switzerland could comment on the draft of the new strategy. This consultation happened for the very first time in the history of Swiss IC strategies. It was this very discussion that has surfaced the controversies on the private sector's role in development, which mark the initial motivation of this thesis. Most of the discursive material was published in the context of this discussion in 2019. However, as already shown in the last chapter, the publishing dates of the discursive material span over several years, as every year, one sector clearly dominated the discursive arena: In 2018 (first publication of the new strategy), the discursive arena was dominated by the public sector, the independent and private sector dominated the arena in 2019 (consultations), and in 2020, the public sector dominated again (parliamentary debates).

I. Explicit Fields of Controversy

With context and discursive arena in mind, this first section answers RQ A **“What explicit fields of controversy characterize the Swiss discourse on the role of the private sector for sustainable development and what patterns of argumentation underlie these tensions?”** This part intends to line out the explicitly conflicting strands of discourse and gives an idea about the controversial issues within the discourse on the role of the private sector for sustainable development, as framed by Swiss IC stakeholders. By *explicit* fields of controversy, I understand the controversial issues that have surfaced where two opposing discursive strands “meet” within the discursive arena. Each sub-chapter presents a confrontation of opposing discursive strands that lines out selected patterns of argument used within these strands. These different argumentation patterns are each named and set out in an argumentation analysis after Toulmin (2003) on a macro level.

Summarizing, I can say that except the critical views that mostly stem from actors of the independent sector and a few politicians of the Swiss parliament, Swiss IC stakeholders support the new IC strategy's focus on EPS and are well disposed toward the various ways an aspects of private sector engagement in development cooperation. The arguments, shown in this part, can all be located in one of four fields of controversy:

- **One, the dominant assertion that development is needed and justified versus the minor opposing anti-aid position.** This field of controversy is not directly located within the discourse on the role of the private sector in development but is important nevertheless, as its arguments underlie the relevant discourse as a whole. Through four different argumentation types, the discursive arena surfaces the dominant assertion that development is needed and justified, which contrasts a minor discursive strand of SVP politicians that reject development aid as a whole.
- **Two, dominant arguments of Swiss self-interest opposing arguments of local demand.** The two dominant arguments within this field of controversy argue that it is possible and just to pursue Swiss self-interest in development aid while a minor contrasting argument draws attention to possible negative side-effects for local people if such endeavors do not take local demand into account (i.e., win-lose situations).
- **Three, the nuances of welcoming the private sector to the development landscape.** While all IC stakeholders agree that the private sector can be part of the development landscape, not all actors welcome the intensified EPS the same way. This field of controversy encompasses four different arguments with individual discursive patterns that range from “enthusiastically”

welcoming the private sector as the cure for nearly everything, to the critical argument, which argues that Switzerland must first and foremost ensure policy coherence.

- **Four, dominant arguments of shared value contra the accusation of private profit maximization.** This field of controversy holds two opposing argument types: One, that highlights creating shared value (CSV) through differing motivations (e.g., CSV as a selling criterion for customers of the private sector) and another, that surfaces mistrust towards the private sector in development due to several reasons such as past corporate wrongdoing in development.

It should be highlighted, that the argumentation patterns, which are located within these fields of controversy, do not intend to show every little nuance within the discursive patterns but rather serve the purpose of drawing out the “framework” and “patterns” of the current discourse. In fact, no argument is exactly like another and all arguments show complex connections to other arguments, which cannot be fully laid out in the context of this thesis. Hence, this chapter presents a simplified image of the discourse as it rather focuses on specific argument-*types* that were often raised instead of summarizing every single argument within a field of tension.

1. Introducing Excuse: The Dominant Assertion that *Development is Needed and Justified* and the Minor Opposing *Anti-Aid Position*

Although not directly referring to the discourse on the role of the private sector for sustainable development, the larger discourse is *full* of arguments that confirm and reinforce “development” as such again and again. SVP politicians are the only discursive actors that oppose this dominant discursive thread. This “excuse” gives a brief insight into the most striking discursive patterns that arise within the field of tension between stances that argue that development is needed versus minor opposing anti-aid positions. This introducing excuse is useful as these arguments underlie the whole discourse as such and leave their marks in other discursive strands.

THE SELF-INTERESTED ARGUMENT: “Promoting development abroad ultimately means securing prosperity at home”

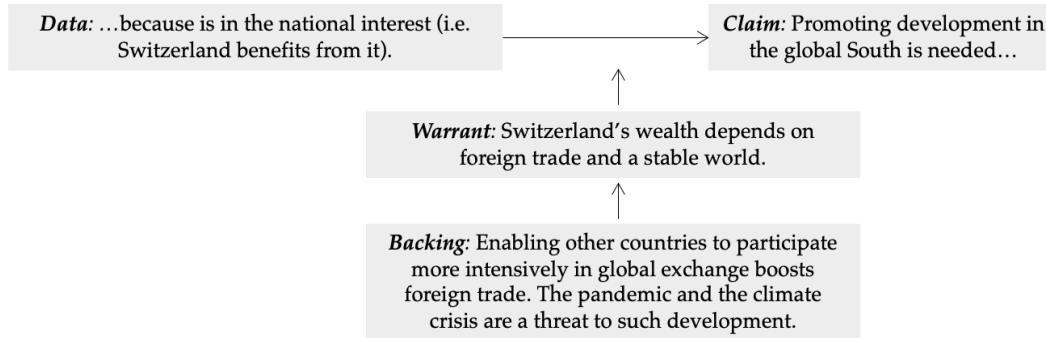
The basic *self-interested argument* is based on the observation that Switzerland, as a profiteer of globalization, highly depends on a stable world and economy and it is, thus, in our very own interest to keep it that way. In a nutshell, “[p]romoting development abroad ultimately means securing prosperity at home”.⁴² Moser, representing a large number of similar statements in the parliament, that highlight the centrality of Swiss self-interest within the discourse, explains: “Switzerland has a strong export economy and is an absolute winner of globalization. Our prosperity is based to a large extent on foreign trade. We therefore also want a corresponding international commitment”.⁴³ More explicitly, the UBS write in their consultation letter: “Switzerland has an interest in enabling other

⁴² **Schneider-Schneiter, National Council_15_06a: 12:** «Entwicklungsförderung im Ausland bedeutet letztlich Wohlstandssicherung im Inland.»

⁴³ **Nationalrat_15_06b: 10:** «Die Schweiz hat eine ausgeprägte Exportwirtschaft und ist eine absolute Globalisierungsgewinnerin. Unser Wohlstand basiert zu einem wesentlichen Teil auf dem Aussenhandel. Wir wollen deshalb auch ein entsprechendes internationales Engagement.»

countries to participate more intensively in global exchange as we also benefit from it".⁴⁴ Also the SDC's core interests support the UBS's point of view as they write that "Switzerland will continue to ensure that developing countries can exploit the potential of trade agreements", which in return "[contributes] to the implementation of Switzerland's free trade policy".⁴⁵

Figure 8: Promoting development abroad means securing prosperity at home (TMA)



Own illustration based on Toulmin (2003).

Such self-interested statements that primarily refer to the national dependence and profit of foreign trade are often intertwined with the climate argument, where the climate crisis is seen as a threat to a stable economy, on which we depend. Referring to reports of the World Economic Forum, Fischer, for example, argues that effective foreign aid is in our very own interest as the climate crisis, biodiversity loss and their consequences are the biggest risks to the global economy.⁴⁶ Similarly, the pandemic and its consequences are used as exemplifiers for why aid works in our own interest. This, as the pandemic presents a setback for the global economy, which affects Switzerland (Nationalrat_15_06a: 3), and as the pandemic is jeopardizing the development achievements we already achieved so far (Nationalrat_15_06a: 20). Systematically running this type of argument through an argumentation analysis, the claim that strong foreign aid is needed, is based on the "data", which says that promoting development in the global South, combatting climate change and the pandemic globally is in the national interest. This can only be fully understood with the warrant that Switzerland's wealth depends on foreign trade and a stable world. All this is backed-up by the idea that enabling other countries to participate more intensively in global exchange boosts foreign trade. Summing up, the basic structure that all these arguments share is that Switzerland is one of the main profiteers of the global economy, hence, supporting a strong Swiss IC is in our very own interest.

⁴⁴ **UBS_C: 1:** «Die international vernetzte Schweiz profitiert als innovativer und wettbewerbsfähiger Wirtschaftsstandort von der Globalisierung und hat ein Interesse daran, dass weitere Länder in die Lage versetzt werden, intensiver am globalen Austausch teilzunehmen und ebenfalls von diesem zu profitieren.»

⁴⁵ **SDC_F1: 28:** «Die Schweiz wird sich weiterhin dafür einsetzen, dass Entwicklungsländer das Potenzial von Handelsabkommen ausschöpfen können. Priorität haben der Aufbau moderner Handelssysteme, die Umsetzung von Regeln der Welthandelsorganisation und internationalen Arbeitsnormen sowie der Schutz des geistigen Eigentums. Solche Massnahmen stärken die Innovationsfähigkeit, Produktivität und Wettbewerbsfähigkeit von Unternehmen in Entwicklungsländern und tragen zugleich zur Umsetzung der Freihandelspolitik der Schweiz bei.»

⁴⁶ **Nationalrat_15_06b: 1:** «Das Versagen im Klimaschutz und der Biodiversitätsverlust sowie ihre Folgen sind gemäss Weltwirtschaftsforum die grössten Risiken für die Weltwirtschaft.»

THE ARGUMENT OF URGENCY: “The development successes of the last decades are considerable [...] Nevertheless, the needs are still enormous”⁴⁷

Within the arguments that try to justify the “need for development”, there are many types of argument that refer to some kind of urgency that are voiced across all sectors. In their most basic form, these arguments resemble the way the SDC frames it: “Despite the progress made in recent decades, the world still faces considerable challenges” (SDC_A2). Adding to that, “[challenges] such as climate change, epidemics, human rights violations or armed conflicts also jeopardize what has been achieved so far”⁴⁸, as also thematized in the *self-interested argument*.

Underlying the current “extra” threats that development is claimed to face today, there are three main motivations that surface from the discourse: *One*, many actors fear that, overall, our planet will only face more and not less challenges. For example, Peter Fanconi of BlueOrchard says that “falling poverty rates are often mere window dressing” (BlueOrchard_I2), new crises will arrive and stay for longer periods of time (Nationalrat_15_06a: 19; SwissRe_C: 4), water scarcity affects an increasing number of people (Nestlé_A2), there are more complex armed conflicts on the rise (SDC_A2) and the current pandemic and climate crisis leads to even more crises (Nationalrat_15_06a: 2; BlueOrchard_I2: 3). These reasons, to just name a few, are used to justify “the development project”, as without development the world world’s future would be even less bright. *Two*, it is argued that is our “virtue” or “obligation” to help others (Nationalrat_15_06b: 8). The most fundamental aspect of this motivation lies in the *raison d’être* of the Swiss IC strategy as article 54 para. 2 of the Swiss constitution, as already listed in the *win-win argument*. The SDC like to summarize poverty reduction and sustainable development as their *raison d’être*. Other wordings that appeal to a sense of virtue or solidarity refer to “giving back some dignity” (SDC_I2), “international solidarity” (Nationalrat_15_06a: 13) and “Christian values” (Staenderat_15_09: 4), “investing in a fairer world” (Nationalrat_15_06a: 14) and “it is our duty as a still disproportionately wealthy country, to support the people in the developing countries”⁴⁹, to name a few of the common motivations. And *three*, most actors argue that although we have not exactly reached our goals yet, we have done good, which is why we should continue supporting foreign aid one way or another. This is an argumentation pattern that can be seen among all sectors. For example, AllianceSud summarize the “considerable [beträchtliche]” development successes of the last decades while at the same time pointing at the “enormous needs” that currently come to a head (AllianceSud_C: 1). Also, the UBS agree that “great progress has been made globally” but at the same time “the most impoverished, marginalized and vulnerable are still being left behind” (UBS_I1).

⁴⁷ **AllianceSud_C: 1:** Die Entwicklungserfolge der letzten Jahrzehnte sind beträchtlich: Die absolute Armut ist weltweit zurückgegangen, die Kinder- und die Müttersterblichkeit konnte drastisch gesenkt, die Einschulung von Mädchen massiv erhöht werden. Nichtsdestotrotz sind die Bedürfnisse weiterhin enorm, in gewissen Bereichen spitzen sich Probleme erneut zu: So hat sich 2018 die Anzahl der Menschen, die Hunger leiden, wieder erhöht. Wasserversorgung wird zunehmend problematisch, der Biodiversitätsverlust schreitet massiv voran und der Handlungsspielraum für die Zivilgesellschaft wird in vielen Ländern eingeschränkt.»

⁴⁸ **SDC_F2: 3:** «Herausforderungen wie Klimawandel, Epidemien, Menschenrechtsverletzungen oder bewaffnete Konflikte gefährden zudem, was bisher erreicht wurde.»

⁴⁹ **Nationalrat_15_06a: 14:** «Es ist auch deshalb eine Pflicht der immer noch überdurchschnittlich reichen Schweiz, die Menschen in den Entwicklungsländern zu unterstützen und somit auch die globale wirtschaftliche Stabilität zu sichern.»

THE SELF-CRITICAL ARGUMENT: Development has done bad, but we have changed our strategy now

The *self-critical argument*, as I call it, is a minor argumentation type that acknowledges that development has done harm but at the same time does not see past failure as a reason to quit development. Rather, it expands the discourse by arguing that development needs are still enormous (*see argument of urgency*) and the strategy has now changed for the better. Confronted with a question pointing on the mixed record on development aid, Cassis explains that their strategy for development has changed, giving development new legitimization:

“[...] in the last seventy years, hundreds of billions that have come to Africa have in some way come back into the banks of the West and contributed to corruption. That's one reason why international cooperation has changed so much over these decades, and that's one reason why we've given virtually no state funding for more than twenty years. We don't give money to states. We give money to projects that we can either control ourselves, with corresponding overhead costs, which I talked about earlier, or through multilateral organizations.”⁵⁰

Unsurprisingly, this argumentation type does not appear much in the analyzed discourse, as mentioning the negative aspects of development does not necessarily make a strong case *for* development. However, actors of the private sector support this argument in a way, as they argue that “traditional” development aid has failed, and *their* way of approaching development brings better development results (BlueOrchard_V: 2). These aspects of “re-engineering” development to justify it again (i.e. doing the same through a different way), will be more critically engaged with in the next chapter as this “will to improve” (LI, 2007) is visible in various other discursive strands too.

THE REJECTING ARGUMENT: “Public funds must not be used to maintain a development aid industry”⁵¹

This aspect of the strained results of past development efforts is used quite differently by the SVP in the National Council. The SVP are the only actors within the discursive arena that voice certain “anti-development”, “anti-aid” and “anti-development NGO” stances. The SVP state that they “are against development aid out of deep conviction”⁵², as development efforts have failed in the past. While

⁵⁰ **Nationalrat_15_06a: 21:** «Tatsächlich wissen wir von Studien auf der ganzen Welt, dass seit dem Zweiten Weltkrieg, in den letzten siebzig Jahren, Hunderte von Milliarden, die nach Afrika gelangt sind, in irgendeiner Weise zurück in die Banken des Westens gekommen sind und zur Korruption beigetragen haben. Das ist ein Grund, warum sich die internationale Zusammenarbeit im Laufe dieser Jahrzehnte so stark geändert hat, und das ist ein Grund, weshalb wir seit mehr als zwanzig Jahren praktisch keine staatliche Finanzierung mehr geben. Wir geben den Staaten keine Gelder. Wir geben Gelder für Projekte, die wir entweder selber kontrollieren können, mit entsprechenden Overhead-Kosten, über die ich vorhin gesprochen habe, oder über multilaterale Organisationen.»

⁵¹ **Nationalrat_15_06a: 8:** «Öffentliche Gelder dürfen aber auch nicht zur Aufrechterhaltung einer Entwicklungshilfe-Industrie eingesetzt werden.»

⁵² **Nationalrat_15_06b: 8:** «Wir sind aber aus tiefer Überzeugung gegen die Entwicklungshilfe.»

pointing at “countries that have taken their destiny into their own hands” for poverty reduction,⁵³ the SVP tries to support their anti-development claim that development efforts are useless (Nationalrat_15_06a: 9). In their opinion, market economy is the key to all prosperity, hence we should not “send money abroad [Geld ins Ausland schicken]” (National Council_15_06b: 8). To support this claim, Köppel of the SVP refers in two sessions of the National council (Nationalrat_15_06a: 21; Nationalrat_15_06b: 8) to the Book *Dead Aid* (MOYO, 2012) saying:

“Development aid is an expression of outdated thinking. It is based on the erroneous assumption that giving money to poor countries helps them. Instead, development aid creates dependencies and corruption. Years ago, the highly respected African development economist Dambisa Moyo wrote in her international bestseller: “The idea that development aid can eliminate systemic poverty is wrong, a fairy tale. Millions of Africans are poorer today because of development aid. Misery and poverty have not been eliminated; they have worsened.” If we really want to help Africa, we should have the strength to leave Africa to its Africa to itself, so that Africa can help itself.”^{54 55}

The SVPs anti-development stance also manifests itself in their choice of words. While the whole rest of the discursive arena uses wordings that appeal to a sense of virtue or solidarity or also Christian values (*see argument of urgency*), the SVP refers to the money invested into the IC strategy simply as “shifting money [Geld verschieben]” and teasingly refer to “the *so-called* solidarity” of the development supporters (Nationalrat_15_06a: 8, italics added). The SVP want to drastically reduce the money used in international cooperation and are also in favour of NGOs receiving less money as “public funds must not be used to maintain a development aid industry”.⁵⁶

2. Arguments of *Swiss Self-Interest* Opposing Arguments of *Local Demand*

This field of controversy holds two dominant arguments, which argue that it is possible and just to pursue Swiss-self interest in development aid – opposing a minor contrasting argument that draws attention to possible win-lose situations that bring negative side-effects for local people of the global South.

⁵³ **Nationalrat_15_06a: 8- 9:** «Der Bundesrat führt diese Fortschritte auf das stetige Wachstum der Weltwirtschaft sowie auf nationale Sozialprogramme, insbesondere in Ländern mit mittleren Einkommen, zurück. Tatsache ist aber, dass, wenn man das analysiert, die grössten Fortschritte in der Armutbekämpfung weltweit in Ländern passieren, die ihr Schicksal selber in die Hände genommen haben, allen voran in Ländern wie Südkorea, Vietnam, China, Indien oder auch Brasilien.»

⁵⁴ **Nationalrat_15_06b: 8:** «Entwicklungshilfe ist Ausdruck eines überholten Denkens. Sie geht von der irrigen Annahme aus, dass man den armen Ländern hilft, wenn man ihnen Geld gibt. Stattdessen schafft Entwicklungshilfe Abhängigkeiten und Korruption. Schon vor Jahren schrieb die hochangesehene afrikanische Entwicklungsökonomin Dambisa Moyo in ihrem internationalen Bestseller: “Die Idee, dass Entwicklungshilfe systemische Armut beseitigen kann, ist falsch, ein Märchen. Millionen Afrikaner sind heute ärmer wegen Entwicklungshilfe. Elend und Armut sind nicht beseitigt, sondern haben sich verschärft.” Wenn wir Afrika wirklich helfen wollen, sollten wir die Kraft haben, Afrika sich selbst zu überlassen, damit Afrika sich selbst helfen kann.»

⁵⁵ Critics argue, that Moyo’s prescriptions simply aim to “revive the neoliberal prescriptions for Africa’s development that were promoted by the World Bank and the International Monetary Fund during the 1980s and 1990s” (HILARY, 2010, p. 71), hence, do not really present a “post-development” stance either (see e.g. SACHS, 2010).

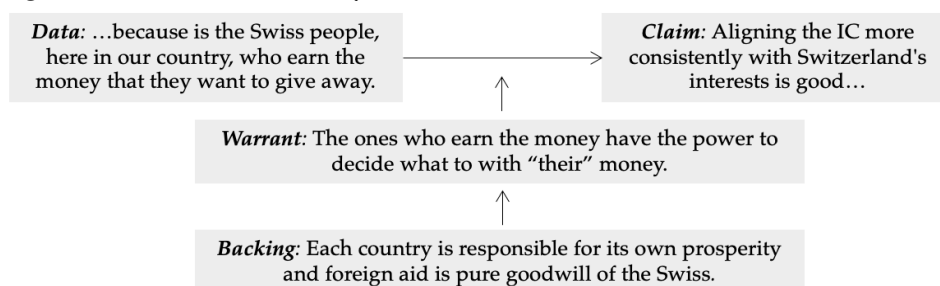
⁵⁶ **Nationalrat_15_06a: 8:** «Öffentliche Gelder dürfen aber auch nicht zur Aufrechterhaltung einer Entwicklungshilfe-Industrie eingesetzt werden.»

ARGUMENT THAT AID SHOULD WORK IN THE NATIONAL INTEREST: “Aligning the IC more consistently with Switzerland's interests is a good approach”⁵⁷

While the reviewed IC Strategy has eliminated much of the “Switzerland first” criticism, that its draft faced, the strong assertion that development efforts should work in the national interest still runs through many passages of the discourse. Self-interested discursive patterns are not only visible in the obvious “Switzerland first” (Nationalrat_15_06a: 14) statements of politicians of the SVP but also in other discursive strands such as in the arguments that try to justify development in the first place by saying that “[p]romoting development abroad ultimately means securing prosperity at home” (National Council_15_06a: 12). So, even though the *argument that aid should work in the national interest* is not explicitly linked to the discourse on the role of the private sector for sustainable development, this section briefly introduces the basic explicit argument of Swiss self-interest as a start. This, as similar self-interested discursive patterns are very diversely used and run – more or less explicitly – through many relevant parts of the discourse (*see self-interested argument, win-win argument*).

The *argument that aid should work in the national interest* is most explicitly mirrored in “Switzerland first” statements of SVP politicians during the debates of the National Council, who argue that the “Switzerland first” approach that they see in the IC strategy is justified because “it is the people of Switzerland here in our country who earn the money that they want to give away” (Nationalrat_15_06a: 14). Justifying the “Switzerland first” approach this way, hints at the warrant that IC is not our duty and foreign aid is pure goodwill of the Swiss. Hence, “[a]ligning the IC more consistently with Switzerland's interests is a good approach”, they comment (Nationalrat_15_06a: 7). This argument hints at a worldview that ignores unjust structural global dependences and the profit Switzerland makes of depriving the world of billions of dollars in taxable corporate profits, the *win-lose* or *critical argument* refer to. Accordingly, it assumes that each country is responsible for its own prosperity.

Figure 9: “Switzerland First” is justified (TMA)



Own illustration based on Toulmin (2003).

⁵⁷ Nationalrat_15_06a: 7: “[D]ie internationale Zusammenarbeit endlich konsequenter auf die Interessen der Schweiz auszurichten ist ein guter Ansatz, Herr Bundesrat.»

It is noticeable that many actors leave out the interests or benefits of the “recipients” throughout their arguments and/or texts and rather highlight the benefits for Switzerland by either naming the benefits for Switzerland first or taking up more space with self-interested arguments. Such “blank spots” within certain argumentations are certainly more difficult to pin down but are still worth noting as they may lead to the assumption that such arguments also make use of the same narrative, although not explicitly.

THE WIN-WIN ARGUMENT: “Swiss economic interests abroad don’t conflict with international solidarity and our commitments to global sustainable development”⁵⁸

The self-interested *win-win argument* is deeply anchored in Switzerland’s IC discourse. This, as the often-cited article 54, paragraph two of the Federal Constitution already refers to a mutual benefit:

“The Confederation shall ensure that the independence of Switzerland and its welfare is safeguarded; it shall in particular assist in the alleviation of need and poverty in the world and promote respect for human rights and democracy, the peaceful co-existence of peoples as well as the conservation of natural resources.” (SCHWEIZERISCHE EIDGENOSSENSCHAFT, 2021, p. 13)

The most specific justification of the *win-win argument* comes from the CCRS. In their consultation letter, the CCRS back up the economic self-interests of the Swiss private sector in the IC strategy and argue that creating new markets for Swiss companies is a justified undertaking as it is aligned with article 54. In their view, article 54 even “*implies* that the pursuit of Swiss economic interests abroad need in no way contradict the solidarity with the international community, as well as Switzerland’s commitments to global sustainable development”.⁵⁹ Furthermore, pursuing Swiss economic interests in the Global South is not only self-interested but represents a win-win situation as “in many cases [...the priorities in developing countries] consider direct investments to be more effective for the sustainable economic development of their own country than classical development cooperation” (CCRS_C: 2). The argument that pursuing Swiss economic interests abroad does not contradict our solidarity with poor people is a common trope throughout wide parts of the discourse and is taken up again in the *shared value argument* in this chapter.

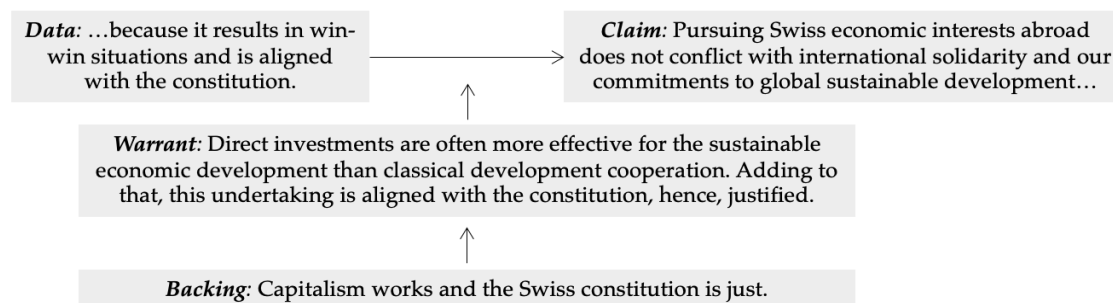
The assertion that Switzerland’s IC strategy should work in the national interest is also mirrored on the SDC’s overview-webpage that presents the key points of the new IC Strategy (SDC_A2), where one part of the website explains why development is still needed and another part answers the question “How does international cooperation benefit people in Switzerland?”. This very question mirrors the core belief of Swiss self-interest through the IC strategy. On the SDC’s website, official development assistance, as the SDC names it, is (among other goals of poverty reduction) described as a tool to stimulate demand such as the “purchases of goods and services in Switzerland”, “[help] to create new markets for Swiss companies and in turn [boost] economic growth, which creates Swiss

⁵⁸ CCRS_C: 3: «Artikel 54 impliziert nämlich, dass die Verfolgung von Schweizer Wirtschaftsinteressen im Ausland keineswegs im Widerspruch stehen muss zur Solidarität mit der internationalen Gemeinschaft, sowie zu den Verpflichtungen der Schweiz für eine globale nachhaltige Entwicklung.»

⁵⁹ CCRS_C: 3, **italics added**: «Artikel 54 impliziert nämlich, dass die Verfolgung von Schweizer Wirtschaftsinteressen im Ausland keineswegs im Widerspruch stehen muss zur Solidarität mit der internationalen Gemeinschaft, sowie zu den Verpflichtungen der Schweiz für eine globale nachhaltige Entwicklung.»

jobs". Further, the IC strategy should enable Switzerland to "[shape] global rules" and "defend its independence and interests effectively" (ibid.). Yet, regarding the private sector partners of the SDC's development projects, the statements of the SDC are twofold. On the one hand, they state that "SDC's main criteria of contributing to the SDGs is the development impact - and not the nationality of the private sector partner" (SDC_P1: 17) but also write elsewhere that they highly "valorize" Swiss competences, geographic and cultural proximity and focus on "thematic areas where Switzerland has a recognized know-how" (SDC_P1: 17), that again links back to the reoccurring trope of Swiss self-interest through supporting the Swiss private sector's market expansion.

Figure 10: Pursuing Swiss economic interests in the Global South results in win-win situations (TMA)



Own illustration based on Toulmin (2003).

WIN-LOSE ARGUMENT: "Working with private sector capital reveals enormous risks for locals"⁶⁰

In addition to the dominant positive representation of the pursuit of national self-interests in the IC strategy, minor counter discursive strands can also be observed. These arguments involve the accusation that PPDPs rather focus on such self-interested *win-win* scenarios and do not pay much attention to the possible *win-lose* scenarios. Although I show in the next chapter that the overarching discourse appears to be more concerned with the *financial* risks of the investors than with the *social* risks of locals a PPDP may reveal, the latter type of risk is still mentioned to varying degrees by most of the discursive positions. However, an interesting observation here is that the same "data" (i.e. there are risks for locals) need not lead to the same claim, as shown in this section and illustrated at the end of this section.

The SDC, referring to the experience they have gained so far in increasing the involvement of the private sector through new financing instruments, does admit having learnt that "on the one hand such instruments have a great potential for development potential, but they must also be used with a sense of proportion, as they are often associated with greater risks due to the context".⁶¹ The social risk that the SDC mention are related to the effects of market distortion and crowding-out effects, which they write should be "avoided" and have to be kept in mind for the long-term perspectives of each EPS (SDC_P1: 13). While the SDC try to avoid these possible risks through individual analyses with the Federal Department of Finance (SDC_F1: 21), *economiesuisse* present a rather "extreme"

⁶⁰ **AllianceSud_A3:** "The Federal Council plans to work much more with private sector capital for development cooperation in the future. A closer look reveals enormous risks. The case study of a Swiss agricultural company in Ghana."

⁶¹ **SDC_A3: 1:** «Erste Erfahrungen mit solchen – für die DEZA neuen – Finanzierungsinstrumenten wurden bereits gemacht. Die Erkenntnis daraus ist, dass solche Instrumente einerseits ein großes Entwicklungspotential haben, andererseits aber auch mit Augenmass eingesetzt werden müssen, sind sie kontextbedingt doch oft mit größeren Risiken verbunden.»

view. In fact, they argue that temporarily destroying the local private sector as a consequence of increased foreign competition is justified as it helps the local private sector develop in the long run:

“The specialization of countries means that certain areas of the economy are increasingly exposed to stronger - also foreign - competition. Individual domestic suppliers may be crowded out of the market as a result. Still, the long-term consequences of increased competition are positive overall. Companies are forced to undergo a constant process of renewal. [...] As a result, particularly innovative domestic suppliers are successful and are able to assert themselves in the market thanks to technological and methodological advances, thereby increasing their productivity.”⁶²

Opposing this view, that embraces the conventional image of the idea of “creative destruction” (HARVEY, 2007; SCHUBERT, 2013 & further discussed in part two of chapter D), the greatest resistance to the new IC strategy’s aim to involve the private sector through new financing instruments in development comes from actors within the independent sector, such as AllianceSud and politicians of the SP in the National Council. Most of these discursive actors express that expectations of joint public-private “blended finance” are greatly exaggerated. The “glowing talk of a win-win-win scenario that will benefit investors, governments of developing countries and their people alike” (AllianceSud_A3), ignores the major social risks blended finance brings to people in the global South, Laurent Matile argues (AllianceSud_A7). AllianceSud frequently write that new financial instruments such as blended finance cause local market distortions as they pose a debt risk for developing countries (AllianceSud_A4), increase the risk of tied aid (AllianceSud_P2: 23), may result in the unjustified preference for private investors (AllianceSud_P2: 24) and include the risk of over-subsidizing the private sector of donor countries, correspondingly crowding out the private sector in the Global South that suddenly needs to compete against Swiss companies (AllianceSud_A5; AllianceSud_A4).

But instead of seeing these possible risks as a chance for long-term improvement, as *economiesuisse* does, the critical voices pledge for truthfully recognizing the possible win-lose scenarios. In their view, the private sector’s engagement in development can bring unethical consequences as they can destroy livelihoods, are not justified if they were not developed with the consent of the local people (AllianceSud_A3; AllianceSud_A7) and generally tend to not profit the poorest (AllianceSud_P2: 18; PublicEye_A1). Supporting their argument, some of them bring in examples of PPDPs that already have ended in such win-lose scenarios that did not benefit the poor and did not represent local demand. In an article, Krista Lanz covers the negative effects of an agriculture PPDP in Ghana with

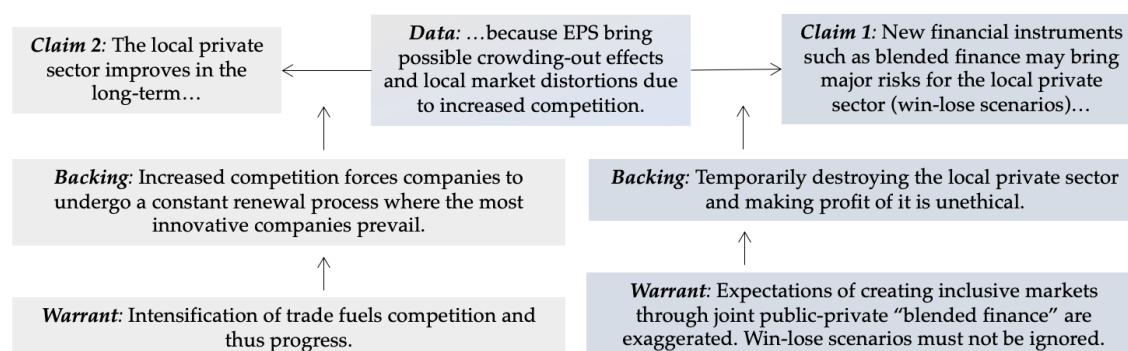
⁶² **Economiesuisse_P: 6 - 7:** «Die Spezialisierung der Länder führt dazu, dass bestimmte Bereiche der Wirtschaft zunehmend einem stärkeren – auch ausländischen – Wettbewerb ausgesetzt sind. Einzelne inländische Anbieter können dadurch zwar vom Markt verdrängt werden. Dennoch sind die langfristigen Folgen eines erhöhten Wettbewerbs insgesamt positiv. Unternehmen werden gezwungen, sich einem ständigen Erneuerungsprozess zu unterziehen. Die daraus resultierenden Verbesserungen der Produktionsverfahren lösen aber nicht nur bestehende Strukturen auf, sondern treiben auch den wirtschaftlichen und technischen Fortschritt im Markt voran. Folglich sind besonders innovative inländische Anbieter erfolgreich und können sich dank technologischer und methodischer Fortschritte im Markt durchsetzen und dadurch ihre Produktivität erhöhen.»

GADCO,⁶³ as revealed by a study at the University of Berne (AllianceSud_A3). Doing so she enriches the discourse with voices of the local people that bear the unethical consequences of a failed PPPDP. Local people claim that, this specific PPDP has destroyed livelihoods and was not focused on their local needs. Furthermore, local voices raise awareness on the importance of consent in a PPDP:

“We were not informed [about the project]. We were actually on the farm when company representatives arrived and told us that they were now going to plough up our land. We begged them to wait at least until after the harvest” (ibid.).

Highlighting the win-lose outcomes of PPDPs this way, Lanz shows that using blended finance instruments in development can very well end in win-lose situations and pledges for strict monitoring of the private sector partner (ibid.). HELVETAS, collaborating with the private sector themselves, do highlight many positive aspects and outcomes of working with the private sector but also tie in with Lanz that win-lose scenarios are a reality: “In addition to the win-win benefits, there are also potential pitfalls. It’s unrealistic to always expect happy alliances. Who takes credit and who takes the blame if things go wrong?” (HELVETAS_A5). Hence, they generally argue that the partnership must be based on a clear risk strategy and clear criteria (ibid.). In summary, critical discursive actors, who use the *win-lose argument*, show that it is important to take such risks into account and possibly destroying the local private sector and making profit of it is unethical. Hence, when engaging in PPDPs, the project must be strictly monitored.

Figure 11: Opposing argument types on the risks of blended finance in development (TMA)



Own illustration based on Toulmin (2003).

3. The Nuances of Welcoming the Private Sector to the Development Landscape

While there is a strong consensus amongst all analyzed Swiss IC stakeholders that partnerships and private sector involvement are needed to reach the SDGs in time, the private sector is not always welcomed as warmly to the development landscape as, for example, the SDC does. However, even the most critical actors acknowledge the added value of the private sector in development to some degree. The next few patterns of argument present the most common tropes within the discursive

⁶³ This PPDP was between GADCO and governmental development players such as the UK’s Department for International Development (DfID), the German Federal Ministry for Economic Cooperation and Development (BMZ), USAID and others.

strand on “welcoming” the private sector to the development landscape and show how nuanced this field of controversy is.

THE CRITICAL ARGUMENT: “Switzerland must first and foremost overcome the business model of its financial and corporate center”⁶⁴

The common *critical argument*, as I name it, is based on accusations of a lack of Swiss policy coherence and is mainly voiced by actors of the independent sector such as Alliance Sud, HELVETAS, Swisscontact and Public Eye as well as politicians of the SP. In their very essence, such arguments criticize that giving the private sector more room in development instead of improving “our own” tax and fiscal policy issues and unsustainable investments, supports the claim that strengthening the partnerships with the private sector is all about money and market expansion and not about true aid.

At the base of the *critical argument* lays the realization that Switzerland, as a “leading offshore financial center” is co-responsible for our unequal world (HELVETAS_P1: 19). Nussbaumer of the National Council, for example, also explicitly refers to the co-responsibility of Switzerland, as they recognize that “Switzerland’s independence is not preserved by sharing responsibility for inequality in the world and withdrawing one’s own co-responsibility”.⁶⁵ Molina summarizes the faulty behavior of Switzerland as follows: “It is our companies that realize their profits even in the poorest countries. It is our low-tax policy that destroys income for the poorest countries. It is our investments in oil, coal and gas, that are raising sea levels”.⁶⁶ Hence, to really achieve the goals, all policy areas should pull in the same direction (*Politikkohärenz*), they argue. Just as discursive actors of the National Council, Public Eye argues in their consultation letter:

“It must not be the case that with the left hand, development cooperation has to curb negative impacts, which the right hand has encouraged in the first place with unsustainable trade, tax, environmental and agricultural policies in the producing countries”.⁶⁷

While many different policy areas are mentioned in this context; trade, financial and tax issues are mentioned most prominently throughout the discursive documents. Particularly the tax avoidance of multinational concerns and illicit financial flows are often named as bad examples. This way, Switzerland is guilty of depriving the world of billions of dollars in taxable corporate profits (AllianceSud_A5; Nationalrat_15_06a: 9), which would play an extremely important role for ensuring

⁶⁴ **AllianceSud_A5:** «Will die Schweiz in ihren Partnerländern die lokale Wirtschaft fördern und Bemühungen um eine friedliche und demokratische Gesellschaft stärken, so muss sie zu allererst bei sich selbst ansetzen: Sie muss das Geschäftsmodell ihres Finanz- und Konzernplatzes überwinden, das auf der Aneignung von Wohlstand basiert, der anderswo erarbeitet wurde. Sie muss also eine Politik entwickeln, die den gesellschaftlichen Schaden reduziert, den die Schaffung unseres Wohlstands in anderen Ländern produziert.»

⁶⁵ **National Council_15_06b: 9:** «Die Unabhängigkeit der Schweiz wird nicht bewahrt, indem man in der Welt die Ungleichheit mitverantwortet und die eigene Mitverantwortung zurücknimmt.»

⁶⁶ **National Council_15_06a: 9 - 10:** «Es sind unsere Unternehmen, die ihre Gewinne auch in den ärmsten Ländern realisieren. Es ist unsere Tiefsteuerpolitik, die den ärmsten Ländern Einnahmen vernichtet. Es sind unsere Investitionen in Öl, Kohle und Gas, die den Meeresspiegel ansteigen lassen. Wir sind eine Welt, konfrontiert mit gewaltigen Krisen, die die ganze Menschheit betreffen.»

⁶⁷ **PublicEye_C: 1 - 2:** Es darf nicht sein, dass die Entwicklungszusammenarbeit mit der linken Hand negative Auswirkungen eindämmen muss, welche die rechte Hand mit einer nicht nachhaltigen Handels-, Steuer-, Umwelt- und Agrarpolitik in den Förderländern überhaupt erst begünstigt hat.»

basic public services and investments in infrastructure in developing countries as many infrastructure investments simply cannot be profitable (AllianceSud_A5). Adding to that “[i]n foreign trade, Switzerland still pursues a free trade strategy driven by its own interests, but insists on import and customs restrictions, especially for agricultural products”.⁶⁸

The *critical argument* brings these realizations into the “private sector in development discourse” as it sees the discourse on the privatization of development financing dangerously overshadowing the crucial tax and financial policy issues (AllianceSud_A5), which they tirelessly mention. In fact, HELVETAS and others argue that for sustainable financing of development, “we need to look at what happens around the demand-supply relations; this is what we call the “financial ecosystem” (which includes services as well as rules and regulations)” (HELVETAS_A5). Hence, ignoring these systemic issues hinders real sustainable transformation in the Global South and Switzerland’s implementation of the 2030 Agenda “will be dead in terms of development policy”.⁶⁹ By ignoring these issues and instead giving the private sector more room in development, Switzerland is hypocritical which supports the claim that it is all about money and market expansion and not about true aid (e.g. Nussbaumer, Nationalrat_15_06b: 9). Playing along with this thread of argument, in a document of HELVETAS, it reads that the SDGs should not be treated like “a self-service store for sustainable development”, arguing that Switzerland should not simply pick and choose the goals that are most beneficial to oneself and ignoring other goals.⁷⁰ Although this type of argument advocates for “starting first and foremost with itself” and “overcoming the business model of its financial and corporate center, which is based on the appropriation of wealth created elsewhere”⁷¹, it acknowledges the momentum the privatization of development financing has already gained in the discourse. Consequently, some of the actors point out that when cooperating with the private sector, it is important to ensure that the returns from blended finance must not be invested unsustainably (AllianceSud_P2: 26).

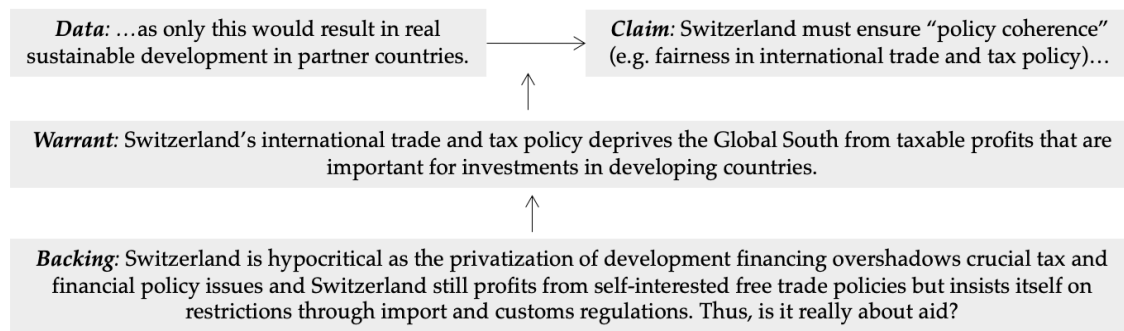
⁶⁸ **HELVETAS_P1: 19:** «Im Aussenhandel verfolgt die Schweiz noch immer eine von Eigeninteressen gesteuerte Freihandelsstrategie, beharrt aber selber bei Bedarf auf Einschränkungen mittels Einfuhr- und Zollbestimmungen speziell bei Agrarprodukten.»

⁶⁹ **AllianceSud_A5:** «Mit der Privatisierung der Entwicklungsfinanzierung drohen entscheidende Steuer- und Finanzpolitische Fragen ausgeblendet zu werden. Bleibt es dabei, ist die Umsetzung der Agenda 2030 hierzulande entwicklungspolitisch tot.»

⁷⁰ **HELVETAS_A4:** «Ein Selbstbedienungsladen für nachhaltige Entwicklung».

⁷¹ **AllianceSud_A5:** «Will die Schweiz in ihren Partnerländern die lokale Wirtschaft fördern und Bemühungen um eine friedliche und demokratische Gesellschaft stärken, so muss sie zu allererst bei sich selbst ansetzen: Sie muss das Geschäftsmodell ihres Finanz- und Konzernplatzes überwinden, das auf der Aneignung von Wohlstand basiert, der anderswo erarbeitet wurde. Sie muss also eine Politik entwickeln, die den gesellschaftlichen Schaden reduziert, den die Schaffung unseres Wohlstands in anderen Ländern produziert.»

Figure 12: Intensifying blended finance, Switzerland must first and foremost ensure fair international trade and tax policy (TMA)



Own illustration based on Toulmin (2003).

THE ENTHUSIASTIC ARGUMENT: “Its innovative strength, expertise, distribution channels, investment capabilities and potential are indispensable”⁷²

Except for some actors of the independent sector and politicians of the SP in the National Council, the private sector is largely welcomed with a rather enthusiastic tone to it. The general enthusiasm mainly manifests itself in the reoccurring listing of “indispensable [unverzichtbare]” positive attitudes of the private sector, mainly by the SDC (SDC_I2), and in highlighting the good experiences there have been made so far with the private sector in development. The finding, mainly raised in the National Council and the private sector themselves, that “classic” development cooperation is “under scrutiny” and needs “fundamental reform” supports these arguments.⁷³ The enthusiastic discursive patterns generally answer the search for this reformed development cooperation with their unquestioned trust in the re-engineered strategy with private sector.

Throughout their statements, the SDC frequently describe the *why* of engaging with the private sector along three main attributes of the private sector for sustainable development: The private sector is more *innovative*, has more *expertise*, brings higher *impact* and bears a lot of *potential*. Passages such as the following, read like hymns of praise:

“Its innovative strength, its expertise, its distribution channels, its investment opportunities and its potential in the vocational training sector are indispensable for the implementation of ICA. Switzerland intends to diversify and diversify and strengthen collaboration with the private sector, including with Social enterprises and impact-oriented investors.” (SDC_F1: 20)

Elsewhere, it reads: “The enormous resources and innovative power of companies are increasingly seen as an opportunity to involve the private sector in its diversity to solve the global challenges of our time” (SDC_I1) and “the new IC Strategy sees much potential in cooperation with the private sector. [...] The innovative power, expertise and resources of the private sector are necessary for the implementation of IC” (SDC_A3). The SDC “relies” on these qualities to achieve its goals (SDC_A6).

⁷² **SDC_F1: 20:** «Seine Innovationskraft, seine Fachkenntnisse, seine Vertriebskanäle, seine Investitionsmöglichkeiten und sein Potenzial im Berufsbildungsbereich sind zur Umsetzung der IZA unverzichtbar.»

⁷³ **Nationalrat_15_06a: 11:** «Die internationale Zusammenarbeit steht vor neuen Herausforderungen. Die klassische Entwicklungszusammenarbeit ist auf dem Prüfstand. Deshalb braucht es für die Mitte-Fraktion eine grundlegende Reform der internationalen Zusammenarbeit.»

This, as the private sector delivers one of the central elements for development, as mentioned frequently in the discursive arena: Jobs (e.g., SDC_A3).

Adding to that, the SDC often support their will to increase their engagement with the private sector by highlighting the good experiences they have made so far and that they have already learnt from experiences during the last years. For example, the SDC write in a position paper, that their Competence Center for the Engagement with the Private Sector has already completed the learning processes that they started in 2017 and present initial successes of the learning processes in highlighted textboxes throughout the paper (SDC_P1: 6). Legitimizing their future undertakings with the private sector in development, the SDC write that their assessments show that developing EPS and staff training are important to reach the goals and will therefore be implemented (SDC_A6, *see also next chapter*). On the SDC's website, they present their engagement with the private sector under two main headings: "Initial Success [Erste Erfolge]" and "Focused Cooperation [Gezielte Zusammenarbeit]". Both present EPS solely positively and focus on highlighting the innovative attribute of the private sector and their initial successes they have had so far:

"After initial successes and numerous experiences, Switzerland continues to develop these partnerships and refine the criteria for cooperation. Together with private actors, the SDC is developing innovative solutions to provide companies with access to financing and investors with new investment opportunities."⁷⁴

Elsewhere, in one of the most recent flyers that the SDC has released, they also justify their undertakings by highlighting the recent successes they have had and at the same time uncritically mention that EPS is still in the "testing" and "learning" phase as the criteria for engaging with the private sector are still not fully established and processes not systematized: "After initial successes with such partnerships, these efforts *will be* systematized and expanded, and the criteria for collaboration refined."⁷⁵ In one of their position papers, the SDC mention the "testing-out" attitude, which the enthusiastic argument appears to take into account, more explicitly: "Therefore, the approaches developed by private sector actors, *if successful*, will provide longer-lasting solutions, in economic, social and ecological terms to development challenges" (SDC_P1: 9, italics added). Since the SDC mentions these uncertain circumstances only so loosely in their documents, dodge the *if not successful* and instead almost exclusively focus on the positive aspects of the private sector in development, this discursive pattern is interpreted as "enthusiastic".

The *enthusiastic argument* of blended finance's high potential goes hand-in hand with Switzerland's own interests of promoting itself within the global financial market: "Financial-market-oriented formats bear a high potential, Switzerland is globally one of the most important financial markets with a very high volume of assets under management and specialized, professional staff" (SDC_P1: 16 - 17). This ties in with the enthusiastic voices of the private sector that try to "[put] Switzerland at the heart of SDG financing", aim for "financial center promotion" (BlueOrchard_A1: 1) and to underline Switzerland's strengths (SwissRe_C: 2) in order "to keep its edge, and eventually become the lasting

⁷⁴ SDC_A4: «Nach ersten Erfolgen und zahlreichen Erfahrungen entwickelt die Schweiz diese Partnerschaften weiter und verfeinert die Kriterien für die Zusammenarbeit. Zusammen mit privaten Akteuren entwickelt sie innovative Lösungen, um Unternehmen Zugang zu Finanzierung und Investoren neue Investitionsmöglichkeiten zu eröffnen.»

⁷⁵ SDC_F1: 33, italics added: «Nach ersten Erfolgen mit solchen Partnerschaften *werden* diese Anstrengungen systematisiert und ausgedehnt sowie die Kriterien für die Zusammenarbeit verfeinert.»

reference place for SDG financing” (BlueOrchard_A1: 6). This aspect of the private sector’s attempts to deepen financialization in development (see also Mawdsley, 2018) is discussed separately in the next chapter on the current dispositive of “re-engineering” Switzerland’s foreign aid and the discussion in *chapter E*.

All these “enthusiastic” patterns are supported by the finding, that “classic” development cooperation is under scrutiny [“auf dem Prüfstand”] (Nationalrat_15_06a: 11). “Enthusiastic” arguments are often based to their observation, that foreign aid is in a time of change: “In the SDC, a time of structural reform begins”.⁷⁶ The private sector actor BlueOrchard even talks about a “revolution” of the private sector: “In short, we are only at the beginning of the blended finance industry and Blended Finance 2.0 is expected to be a revolution where commercial capital leads the way” (BlueOrchard_P: 29; *see also next chapter*). The enthusiastic discursive patterns answer the search for such a “reformed” development cooperation with their unquestioned trust in the “re-engineered” strategy with intensified private sector engagement in development, which is visible in statements like: “Here [cooperation with the private sector], the presented IC message effectively breaks new ground in the eyes of the Commission, which is very welcome.”⁷⁷ To break new ground [“Neuland beschreiten”] is uncritically seen as a positive development, while, again, possible negative side effects of testing out new approaches, are not thematized. Reacting to the critical voices of the National Council, the majority of the Foreign Policy Commission of the National Council do not see any need for regulating by law, that Switzerland does not offer a hand with development cooperation funds for the privatization of essential goods such as water (i.e. “the right of the public cause”) in the name of development, as Badran would have proposed (*see argument of mistrust*). Instead, they simply “assume” that foreign authorities would not tolerate such behavior of the private sector:

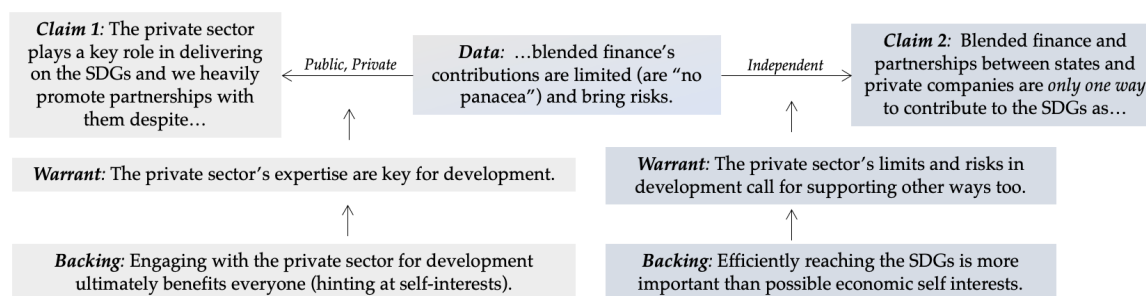
“A minority Badran Jacqueline would like it to be stated in the federal decisions that the right of public cause is guaranteed in the case of cooperation with the private sector. For the majority of the APK, this is a matter of course. It *assumes* that foreign authorities would not approve development projects that violate public law.”⁷⁸

⁷⁶ **Economiesuisse_C: 7:** «[...] wenn bei der DEZA nun eine Phase der Strukturreform beginnt und Führungs- sowie Entscheidungsprozesse hinsichtlich Effizienz, Stringenz und Transparenz verbessert werden.»

⁷⁷ **Staenderat_15_09: 1 - 2:** “Schliesslich möchte ich einen Punkt in dieser Neuformulierung der Strategie nicht unerwähnt lassen, nämlich die Zusammenarbeit mit dem Privatsektor. Hier beschreitet die vorliegende IZA-Botschaft in den Augen der Kommission effektiv Neuland, was sehr begrüsst wird.”

⁷⁸ **Nationalrat_15_06a: 2 – 3, italics added:** «Eine Minderheit Badran Jacqueline möchte in den Bundesbeschlüssen festgehalten haben, dass bei einer Zusammenarbeit mit dem Privatsektor das Recht der öffentlichen Sache garantiert ist. Für die Mehrheit der APK ist dies eine Selbstverständlichkeit. Sie *geht davon aus*, dass ausländische Behörden keine Entwicklungsprojekte bewilligen würden, welche gegen öffentliches Recht verstossen.»

Figure 13: Enthusiastically promoting the private sector in development (TMA)



Own illustration based on Toulmin (2003). This illustration, for once, does not illustrate an actual claim made but tries to summarize the general discursive pattern through an argumentation analysis.

THE REALIST ARGUMENT: "Sustainable development would not be possible without business"⁷⁹

"Can we get out of the private sector bad, public sector good trap? [...] quite frankly, I'm bored."
(Doane, 2016)

The "realist" argumentation type acknowledges that despite either Switzerland's own faulty behavior and/or the "scandals" of the private sector (*see argument of mistrust*), the private sector is still needed in development to reach the development goals. The view that the private sector is needed for sustainable development, to a greater or smaller extent, is shared among *all* actors within the discursive arena, even the ones that express distrust towards the private sector. The *realist argument* largely agrees with the SDC's paradigm that "Sustainable development would not be possible without business" (SDC_I2) but is rather used when reacting to actors or comments that criticize the privatization of development financing in some form. Within the *realist argument*, two notable discursive patterns emerge: First, a certain "it is just the way it is attitude" voiced by actors of the private and public sector surfaces in the discourse and second, the "pro private sector" paradigm shift within the Swiss development NGO HELVETAS.

THE "IT IS JUST THE WAY IT IS" ATTITUDE

The public and private sector heavily discuss the potential they see in public-private partnerships for development. This, as the broad discourse largely labels the private sector as "innovative", "flexible", full of "resources", "expertise", "new opportunities" etc. (*see enthusiastic argument*). Tying in with the enthusiastic argument, Patricia Danzi of the SDC, refers to the critics of engaging with the private sector by saying that fragile contexts and contexts of severe poverty "often [call] for unconventional approaches and new mechanisms, which can in some cases only be implemented in cooperation with private sector actors" (SDC_I1). In another Interview, Danzi again highlights that the "hugely ambitious development goals" would simply not be reachable without the private sector as the public sector simply lacks the money to do so alone, hence, there is just no other way to solve the problem (SDC_I2). Ignazio Cassis – confronted with a question on whether he understands the discomfort

⁷⁹ SDC_I2

critics have expressed on the role of business for development – appears to not share the critics' discomfort as he does not respond to the criticism at all but only repeats the credo that, either way, development only be achieved with the private sector:

“[...] decent jobs are Goal A of the strategy. Without the private sector, jobs will not be created. Thus, the private sector is a key element for IC. Moreover, the goals of the 2030 Agenda cannot be achieved without the private sector. Sustainable economic development is critical for a more peaceful world.”⁸⁰

Similarly, Peter Fanconi of BlueOrchard – reacting to the comment that as in a world with so much wealth, there must be financial incentives for the wealthy to redistribute their money in this way, was simply an indictment – says that such criticism is very well justified. However, Fanconi argues that despite these unjust circumstances, we must put these moral considerations aside and continue towards private-sector led development as Fanconi is “convinced that a non-commercial development aid would lead back to the concepts that have failed in the majority of cases in the past. In the fight against poverty and climate change, it must be in our interest to mobilize more private capital”.⁸¹ This statement is also an example of the unquestioned trust in the “re-engineered” development strategy with the private sector as a central actor, which can be seen in several discursive strands (*see enthusiastic argument*).

Cassis, Danzi and Fanconi are all clearly referring to the common trope of the unique qualities of the private sector, for which we need to take the private sector's possible negative aspects into account if we want to reach the development goals. In this spirit, speaking to the critics of the intensified collaboration with the private sector in development (especially in regard to the engagement with multinational cooperations like Nestlé), Federal Councilor Ignazio Cassis takes the above arguments to a new level as he reveals a clear “it is just the way it is” attitude:

“In multilateral organizations [...], corruption is also always a danger. There, too, people are at work, just like everywhere else. Every now and then there is a scandal here and there. But the nice thing is that such scandals can be discovered, and the abuses can then be corrected accordingly. Where there's so much money, there's certainly always corruption, so of course we always have to take that into account.”⁸²

⁸⁰ **SDC_A1: 11:** «Damit junge Menschen Perspektiven haben und aus der Armut finden, brauchen sie einen Job. Deshalb sind menschenwürdige Arbeitsplätze das Ziel A der Strategie. Ohne Privatsektor werden keine Arbeitsstellen geschaffen. Somit ist der Privatsektor für die IZA ein Schlüsselement. Zudem sind die Ziele der Agenda 2030 ohne die Privaten nicht zu erreichen. Für eine friedlichere Welt ist eine nachhaltige Wirtschaftsentwicklung entscheidend.»

⁸¹ **BlueOrchard_I2:** «Mikrofinanz-Anlageprodukte sind nicht darauf ausgelegt, ihre Investoren reich zu machen. Zudem bin ich davon überzeugt, dass eine nicht-kommerzielle Entwicklungshilfe wieder zu den Konzepten zurückführen würde, die in der Vergangenheit mehrheitlich gescheitert sind. Es muss in der Bekämpfung von Armut und Klimawandel von Interesse sein, mehr privates Kapital zu mobilisieren.»

⁸² **Nationalrat_15_06a: 21- 21:** «Bei den multilateralen Organisationen, Sie lesen es auch immer wieder, und es gab auch hier im Parlament einige Vorstöße, ist die Korruption auch immer eine Gefahr. Auch dort sind Menschen am Werk, genau wie überall. Ab und zu gibt es hier und da einen Skandal. Doch das Schöne ist, dass solche Skandale entdeckt und die Missstände dann auch entsprechend korrigiert werden können. Wo so viel Geld ist, ist sicher auch immer Korruption, das müssen wir natürlich immer in Betracht ziehen.»

INTERNAL PARADIGM CHANGE OF THE SWISS DEVELOPMENT NGO HELVETAS

Despite Swiss NGOs having critiqued the extent to which engaging with the private sector is prioritized by the SDC (HELVETAS_C: 8) and feel under additional pressure competing for development mandates against foreign companies (Swisscontact_A1), the analyzed discourse also hints at an internal paradigm change of the Swiss development NGO HELVETAS. This paradigm change involves a shift from a more hesitant stance towards a “pro private sector attitude”. While the NGO Swisscontact was already founded on the premise that the private sector should contribute to economic development in the Global South (Swisscontact_A2), HELVETAS mention how the organization has undergone a mental “shift” in working with the private sector and often cooperate with the private sector themselves. This, as “businesses have played an enormous part in reducing extreme poverty. [...] The role of the private sector, some claim, is even more than that of development organizations and donors combined!” (HELVETAS_A5). Uraguchi recalls a conversation with a co-worker at HELVETAS saying: “Working with multinationals like Coca Cola? It was unthinkable two decades ago” (HELVETAS_A5). While in the past, “we [HELVETAS] mainly worked in bilateral partnerships, with like-minded NGOs or with government institutions; our partnerships nowadays are a mix of government actors, private companies and civil society organizations” (HELVETAS_I), that ensure “long-term (sustainable) and large-scale (scalable) impacts” (ibid.). Furthermore, HELVETAS state that corporate intentions have successfully changed for the better over the last years. This, as consumers pressure the private sector to work in a sustainable way, which is also why many companies have started to engage in development (HELVETAS_A2). Elsewhere they summarize their paradigm change as follows:

“The drivers behind that [private sector engagement in development] may have been primarily reputation enhancement *in the past*, creating an image of a company that cares about social and environmental issue. But *this is changing*; an increasing number of companies want to conduct their business in a socially responsible manner and create more “shared value”, business growth coupled with positive social and environmental impact. One contributor to this development is certainly an increased awareness of consumers and a more intense monitoring of the performance of companies of their supply chains.” (HELVETAS_P2: 4, italics added)

Expanding the “public sector bad, private sector good” discourse, which a former NGO employee from the U.K rather refers to as a “trap” (DOANE, 2016), Uraguchi acknowledges: “To work or not to work with the private sector, that isn’t the question...” (HELVETAS_A5). HELVETAS and Swisscontact agree that it’s not about *if* NGOs should partner with the private sector but rather about *how*. Yet, finding out *how* to partner with the private sector “is easier said than done” as they locate the core difficulty in the fact that a partnership is never neutral: “It [a partnership] disguises complex relationships of power and inequality, often expressed through the control of one ‘partner’ over the other” (HELVETAS_I). Moreover, there are attempts of the NGO side to legitimize cooperate wrongdoing by saying that not all NGOs are doing good either. As a HELVETAS employee writes:

“Often, it’s multinational companies that are the target of fierce criticism. To be frank, I saw small businesses at the local or national levels doing (equally) worse things which are often not reported” (HELVETAS_A5).

Adding to that, they claim that “not all development organizations are credible and effective. [...] This “may hurt businesses through losing resources and time and worsen reputational risks” (ibid. see also DOLŠAK & PRAKASH, 2016).

SEARCHING FOR MIDDLE GROUND: “The use of blended finance and partnerships between states and private companies is *only one way* to contribute to the achievement of the SDGs”⁸³

Although the *middle ground argument* is not often explicitly raised, it is a central argument as its aspects are found within the private, public and independent sector. In most general terms, it argues that blended finance and PPPs *are not the only way* for sustainable development and *can only be a supplement* to other “traditional” modalities. This, as blended finance and sustainable investment approaches cannot solve all development goals on their own. This section covers the basic discursive patterns that search for “middle ground”.

The SP and a variety of actors of the independent sector use this argument in order to dampen “the current emphasis on the idea of integrating private profit interests into development financing”⁸⁴ and to put it into perspective. In their view, “it is an illusion to think that the private sector can replace the state as the main driver of development” (AllianceSud_A5). This, as they mainly highlight the private sector’s limits in development, its potential risks (*see win-lose argument*) and the additional measures needed for sustainable development (*see critical argument*). Building up on the *win-lose argument* that refers to the direct unethical consequences of public sector involvement in development such as local market distortions and crowding-out effects, where “the poorest are the losers” (AllianceSud_A3), AllianceSud highlight the private sector’s limits in development and mention two main points: *First*, they show that private capital, mobilized through blended finance, is only seldom used in poor countries but rather in middle income countries as it is still not as often used in fragile contexts due to the financial risks the private sector would face (AllianceSud_P2: 19, see also IATF, 2018).⁸⁵ *Second*, citing a series of studies of the UNCDF, IATF and OECD, Alliance Sud mention that blended finance does not target all SDCs equally (AllianceSud_P2: 20) as private capital is unfortunately only invested into “investable” and “productive” sectors that bring returns (AllianceSud_P2: 18). Supporting this argument, the OECD show that SDG 14 “Conserve and sustainably use the oceans, seas and marine resources for sustainable development”, 15 “Protect, restore and promote sustainable use of terrestrial ecosystems” and 16 “Promote peaceful and inclusive societies for sustainable development” are seldom the target of blended finance projects (AllianceSud_P2: 20). For such goals that target nature conservation and peacebuilding, AllianceSud argue that the private sector would simply not be effective but public financing is needed instead (AllianceSud_P2: 19). Therefore, AllianceSud classify the contribution of blended finance as being “limited [begrenzt]” and reinforce the argument that

⁸³ **AllianceSud_A7, italics added:** «...der Einsatz von Mischfinanzierungen und Partnerschaften zwischen Staaten und privaten Unternehmen nur eine Möglichkeit ist, um zur Erreichung der SDG beizutragen.»

⁸⁴ **AllianceSud_A5:** «Der gegenwärtige Nachdruck für die Idee, private Profitinteressen in die Entwicklungsfinanzierung zu integrieren, verdrängt auch systemische Fragen zu den wirtschaftspolitischen Voraussetzungen für nachhaltige Entwicklung.»

⁸⁵ Regarding this problem, the private sector actors demand that the Swiss and local public sector should either take more risks (BlueOrchard_P2: 26) or create better frameworks to solve this problem (Economiesuisse_C: 3). These requests are more thoroughly discussed in the next chapter.

blended finance is very much needed but brings potential risks and, due to its limits, will not solve all development challenges (AllianceSud_P2: 17). Hence, they argue that “[b]lended finance can [...] only serve as one of several financing instruments for implementing the 2030 Agenda” (AllianceSud_A4).

Unsurprisingly, actors of the independent sector often connect the *middle ground argument* to the *critical argument* as they recall that sustainable development is beyond access to finance but depend on the improvement of tax and fiscal policy issues and avoiding unsustainable investments (*see critical argument*). As HELVETAS state:

“As a matter of fact, the private sector isn’t the only way to addressing the gap for development financing. I think development financing needs mobilization of different domestic (improved tax system, better fiscal policy) and international resources (foreign direct investment, diaspora engagement, and development cooperation despite its decline in volume)” (HELVETAS_A5).

Similarly, AllianceSud thematize throughout several documents, that “[i]t seems to be forgotten that the private sector is only one of several instruments of development financing among several others [...] Equally important as private investments are the mobilization of taxpayers’ money for strong public services and the resources of the government development cooperation”.⁸⁶ Elsewhere they write that “mobilizing private capital through blended finance will not replace tax revenues, “traditional” development aid and the urgently needed implementation of the principles of responsible entrepreneurial activity, but only a supplement to these measures”.⁸⁷

Jaqueline Bardan of the SP in the National Council also ties in with this statement on “responsible entrepreneurial activity” as she argues that it must be regulated by law, that Switzerland does not offer a hand with development cooperation funds for the privatization of essential goods such as water. If these requirements are not met, there should be no cooperation with the private sector. Badran openly criticizes the ongoing cooperation of the SDC with Nestlé in the water sector as such projects, that lead to the privatization of water, should not be supported (Nationalrat_15_06b: 6). Badran says that “[t]he private sector can but does not have to be part of the solution.”⁸⁸ Similarly, Alliance Sud argue, “blended finance can serve as only one of several financing instruments to implement the 2030 Agenda”.⁸⁹ Except for the requests of the *critical argument*, the critiques of blended finance do not go into detail about the alternatives, most of them mention that there should rather be a focus on supporting *local* SMEs, which can be achieved through several other – also “traditional” – modalities, they write.

⁸⁶ **AllianceSud_A5:** «Dabei scheint vergessen zu gehen, dass der Privatsektor nur ein Instrument der Entwicklungsfinanzierung unter mehreren ist. So jedenfalls war es 2015 an der dritten UNO-Konferenz zur Entwicklungsfinanzierung von den UNO-Mitgliedsstaaten in der Addis Abeba Action Agenda (AAAA) beschlossen worden. Mindestens genau so zentral sind die Mobilisierung von Steuergeldern für starke öffentliche Dienste und die Mittel der staatlichen Entwicklungszusammenarbeit.»

⁸⁷ **AllianceSud_P2: 26:** «Die Mobilisierung privater Investitionen für eine nachhaltige Entwicklung ist daher kein Ersatz für die Erhöhung der Steuereinnahmen, für die «klassische» Entwicklungszusammenarbeit und für die notwendige und dringende Umsetzung der Grundsätze verantwortungsvollen unternehmerischen Tätigkeiten, sondern nur eine Ergänzung dieser Massnahmen.»

⁸⁸ **Nationalrat_15_06b: 6:** «Die SP hat nichts gegen den Einbezug des privaten Sektors in die Entwicklungszusammenarbeit. Der private Sektor kann, muss aber nicht Teil der Lösung sein.»

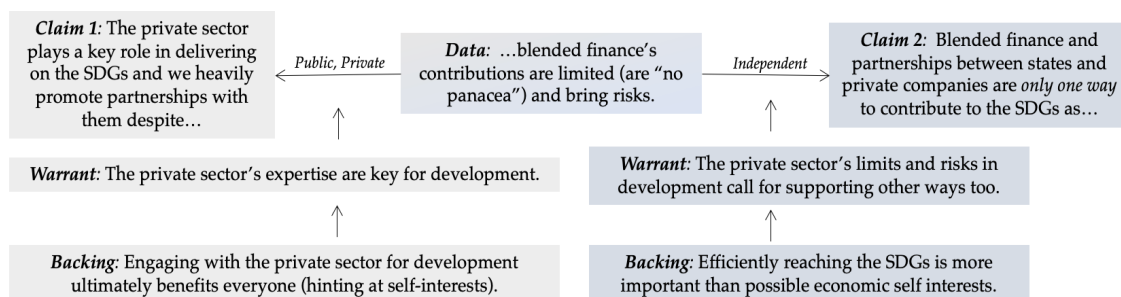
⁸⁹ **AllianceSud_A4**

The public and private sector's discursive fragments also show parts of the *middle ground argument* – although less prominently and often less explicitly. While the independent sector largely uses the *middle ground argument* when criticizing the global “financial ecosystem” (HELVETAS_A5) and generally highlights the limits of blended finance (AllianceSud_P2), the public and private sector's use of *middle ground arguments* still lie in their emphasis on promoting partnerships as the means for sustainable development. As the SDC focus on promoting EPS, it is not surprising that they do not often thematize the limits of blended finance and its alternatives. Still, answering the question whether with the private sector we've now solved all the problems, Patricia Danzi says that engaging with the private sector is “no panacea” but instead highlights the importance of partnerships:

“Neither state institutions, nor the private sector nor NGOs can end global poverty. If we want to deliver on the ambitious [SDGs], all development partners need to work together. Business cannot lift everyone out of poverty; while jobs are important, they are no panacea. We also see this in economically developed countries, such as here in Switzerland, where not everyone has a job and where other institutional safety nets are needed to help people. [...] However, one thing is clear: the private sector plays a key role in delivering on the SDGs [...]. Ultimately, everyone benefits if there is greater awareness of sustainable development in the private sector and businesses can contribute their expertise to this development.” (SDC_I2: 1)

Even though the private sector does seek to intensify their involvement in development and present themselves as the new development finance leaders (BlueOrchard_A1; UBS_I1) and “game changers” (BlueOrchad_P: 26), they tie in with the independent and public sector and describe the new financing tools such as blended finance and impact investing as “complementary [tools]” (UBS_A1) that can “*supplement* traditional development aid and help mobilize public-private investment for the benefit of local development” (UBS_C: 2, italics added). SwissRe also presents the private sector as a supporting development actor. This as the public sector should be concerned about creating good frameworks for the private sector and “[t]he private sector and civil society can *support them* [governments] by fostering innovation to meet the healthcare needs of the most vulnerable and boost efficiency in health systems management” (SwissRe_P1: 26, italics added).

Figure 14: Two ways of searching for “middle ground” (TMA)



Own illustration based on Toulmin (2003).

4. Arguments of *Shared Value* Contra the Accusation of *Private Profit Maximisation*

THE SHARED VALUE ARGUMENT: Private sector investments aim to “[create] both sound financial return and positive development”⁹⁰

The discursive strand on creating shared value (CSV) runs through the whole of the greater discourse on the role of the private sector for sustainable development as framed by Swiss IC stakeholders. Shared value is often brought up in connection with the expression of the triple-bottom-line (TBL). As the SDC define it, TBL refers to a development investment that “*if successful, will provide longer-lasting solutions, in economic, social and ecological terms to development challenges*” (SDC_P1: 9, italics added). The SDC’s and Cassis’ arguments refer to shared value or “the triple-bottom-line” in order to justify their undertakings in intensifying EPS. For example, in the National Council, Cassis repeatedly refers to the shared values of the partners: “We work with actors who have the same visions or aspirations for reform as we do. Cooperation always takes place with the goals of poverty reduction and sustainable development”.⁹¹

In contrast to the SDC, the private sector rather uses the terms “shared value” or “triple-bottom-line” in order to stand out from “traditional” investments and promote themselves: “Development finance investments stand out from mainstream investments by the fact that they pursue a double bottom line, with a development impact promise [...] centered either on social or environmental objectives they seek to achieve” (BlueOrchard_A1: 4). BlueOrchard see impact investing as “investing through private debt and equity instruments into the real economy in emerging and frontier markets, with a view to creating *both sound financial return and positive development impact*” (BlueOrchard_A1: 1, italics added). UBS similarly refer to their new focus on impact investing through the shared value that lies their customer’s power to “invest for returns and drive change” (UBS_A3) and present themselves as *the partner for sustainable investments* (UBS_C; see also next chapter). However, of all the private sector actors, Nestlé is by far the most vocal about creating shared value. Nestlé publishes yearly “Shared Value Progress Reports”, where they argue that they have met their commitments to a sustainable future for all (Nestlé_A2). In their documents, they repeatedly state that “Creating Shared Value lies at the very heart of how we do business at Nestlé. Our approach is built on the conviction that business can be a force for good, by simultaneously creating value for shareholders and for society at large” (Nestlé_P: 2), which presents a completely different self-image as other discursive actors would see Nestlé (see *argument of mistrust*).

From the independent sector’s actors, HELVETAS is the only organization that actively uses the term “triple-bottom-line”. Similar to the SDC, development NGOs who work with private sector partners themselves, need to make sure the partner shares the same values. For HELVETAS, a partner “[needs to] recognize the importance of the triple bottom line: [...] consists of three Ps: profit, people and planet. [...] Only a company that produces a TBL is taking account of the full cost involved in doing

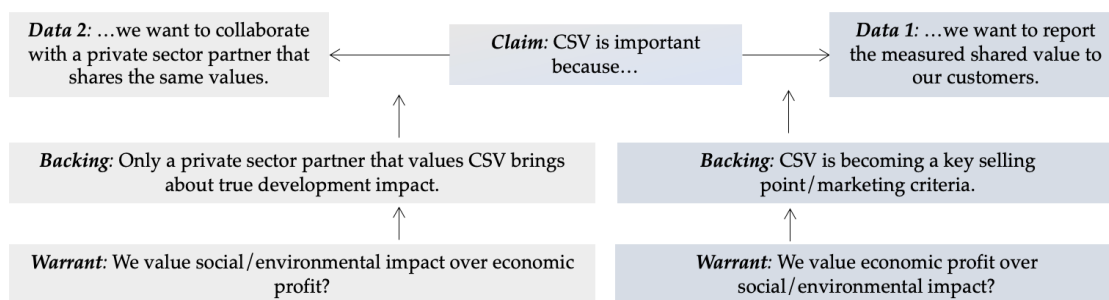
⁹⁰ **BlueOrchard_A1: 1:** “For the purpose of this declaration, we define it [private sector investments in development finance] distinctively as investing through private debt and equity instruments into the real economy in emerging and frontier markets, with a view to creating both sound financial return and positive development impact.”

⁹¹ **Nationalrat_15_06a: 20:** «Wir arbeiten mit Akteuren zusammen, die die gleichen Visionen haben bzw. Reformen anstreben wie wir. Die Zusammenarbeit erfolgt immer mit den Zielen der Armutsreduktion und der nachhaltigen Entwicklung.»

business” (HELVETAS_P2: 17). HELVETAS and Swisscontact both thematize the importance that lies in the process of negotiating values and expectations in a partnership (HELVETAS_I; Swisscontact_A2).

For all sectors, measuring shared value is of great importance. Yet, here are again differences in how the topic is approached. As for the public and independent sector, measuring shared value is all about justifying working with a specific private sector partner and entering a “trusting” partnership, while for the private sector, satisfying and building trust with stakeholders or customers is of great importance too. For example, UBS tries to attract customers with “100% sustainable portfolios” (UBS_A2) and Nestlé writes: “We continue to explore ways to better measure our impact and the shared value we create. Our goal is to invest with greater confidence and continue to build trust with stakeholders by demonstrating tangible results” (Nestlé_P: 3).

Figure 15: Creating Shared Value (TMA)



Own illustration based on Toulmin (2003).

ARGUMENT OF MISTRUST: Corporations “masked as development aid workers [...] pursue the goal of conquering new sales markets”⁹²

The dominant strand of discourse, saying that the private sector brings “win-win” situations for both financial interests and global development, is countered by diverse statements of mistrust by critical discursive actors that are exclusively raised by discursive actors of the independent sector and few politicians of the National Council. The analyzed discourse hints at two possible origins of “mistrust”: Firstly, past corporate wrongdoings, especially of Nestlé, that still accompany the current discourse. Secondly, private sector partners who see SDG compliance solely as a growth and PR strategy. The second “origin” is way less concrete and raises the question whether there will simply always be debate on the true intentions of the private sector due to its nature (see also LAMBERT, 2020). Yet, it is important to keep in mind that, as in every type of argument, there are nuances. Actors such as Public Eye see working with the private sector way more critically than, for example, HELVETAS, another Swiss NGO (see *realist argument*). Hence, this section solely intends to line out the general discursive patterns that have surfaced within distrusting strands of discourse.

PAST CORPORATE WRONGDOING MANIFESTS ITSELF IN GENERAL MISTRUST

Many distrusting arguments refer to failed outcomes of the private sector’s engagement in development in order to support their distrusting arguments. Referring to the case of a failed blended

⁹² PublicEye_A1: 3

finance development project in Ghana (*see win-lose argument*), Krista Lanz introduces the purported intentions of the private sector companies as “*glowing promises of sustainability*”, writes that “they insist that their investments in the particular regions of the South are *a blessing*” and that private and local interests “will go *hand-in-hand*” (AllianceSud_A3, italics added). However, as Lanz and other discursive actors try to show, these promises have not always been implemented truthfully and private companies have denied responsibility of their wrongdoing in the past (*ibid.*). Such hypocritical behavior is also addressed from the private sector actor BlueOrchard as they briefly critique the “Greenwashing” of other financial institutes (BlueOrchard_I2: 4). The NGO Public Eye’s mistrust in the private sector is also rooted in past corporate wrongdoing as they frequently write about “corporations with dubious reputations”⁹³ and see in the new IC Strategy “a clear and partly undesirable paradigm shift”.⁹⁴

Private sector wrongdoing in the past has resulted in a rather distrusting basic attitude of actors of the independent sector, which is expressed in similar statements such as of Alliance Sud that see blended finance and its idea of CSV as overrated: The private sector is a “dazzler [blender]” (AllianceSud_A5) and write that “*a phantasm* is circulating in the international development community. It is about the idea of being able to serve the profit interests of investors and those of the general public at the same time.”⁹⁵ Elsewhere they write that “[*some circles* even see this [blended finance] as the silver bullet to cover the financing gap”⁹⁶, in order to clearly distance themselves from the enthusiasts within the discursive arena (*see enthusiastic argument*). In an article, Public Eye comment on the SDC’s private sector partnerships under the title “privatisation as a Swiss export hit [Privatisierung als Schweizer Exportschlager]” (PublicEye_A2) and write that Nestlé and the SDC have “forged [geschmiedet]” strategic alliances, that has a “secretive” touch to it (PublicEye_A2: 24) Elsewhere, they mirror their distrust rather visually as they describe the private sector *masked* as ominous development aid workers:

“For the cozy course with large corporations, which, masked as development aid workers ultimately pursue the goal of conquering new sales markets and gaining access to cheap raw materials and cheap labor, especially in particularly fragile contexts, is extremely dangerous and fails to achieve one thing guaranteed: socially and ecologically sustainable development for those people who suffer most from the unequal distribution of resources and the consequences of climate change.”⁹⁷

⁹³ **PublicEye_A1: 1:** «Die Direktion für Entwicklung und Zusammenarbeit (Deza), die schon heute mit Konzernen mit zweifelhaftem Ruf zusammenarbeitet, will die Kooperationen mit der Privatwirtschaft massiv ausbauen.»

⁹⁴ **PublicEye_C: 2:** Davon abgesehen ist jedoch aus der Zielformulierung ein klarer und teilweise nicht wünschenswerter Paradigmenwechsel zu erkennen.

⁹⁵ **AllianceSud_A5, italics added:** “Ein Phantasma geht um in der internationalen Entwicklungsgemeinschaft. Es geht um die Idee, gleichzeitig den Renditeinteressen von KapitalgeberInnen und jenen der Allgemeinheit dienen zu können.”

⁹⁶ **AllianceSud_A4, italics added:** “Zusätzlich zu öffentlichen Geldern gelten private – nationale und internationale – Finanzierungsquellen als unabdingbar. *Gewisse Kreise* sehen darin sogar den Königsweg zur Deckung der Finanzierungslücke.»

⁹⁷ **PublicEye_A1: 3:** “Denn der Kuschelkurs mit Grosskonzernen, die auch maskiert als Entwicklungshelfer letztlich das Ziel verfolgen, neue Absatzmärkte zu erobern und sich gerade in besonders fragilen Kontexten Zugang zu günstigen Rohstoffen und billigen Arbeitskräften zu verschaffen, ist brandgefährlich und verfehlt eines garantiert: eine sozial und ökologisch nachhaltige Entwicklung für jene Menschen, die am meisten an der ungleichen Verteilung der Ressourcen und den Folgen des Klimawandels leiden.»

The polarizing private sector partner of the SDC, which is frequently used in the distrusting argument, is *Nestlé* – presented as the figurehead of the big bad multinationals. Arslan of the National Council expresses a distrusting attitude towards the cooperation with Swiss multinational companies and expects clearer criteria for working with the private sector: “We think the SECO's programmes to promote local companies are good. But it does not make sense to us why the SDC wants to engage in international development cooperation with Swiss multinationals. At the very least, we expect clear and binding rules and principles.”⁹⁸ Jaqueline Badran raises the most “mistrusting” comments within the National Council. As already introduced in the chapter on the *searching for middle ground argument*, Badran submitted a motion, that got turned down, to regulate by law that “[i]n the case of cooperation with other organizations in the area of basic goods and services, the right of public good is to be guaranteed”.⁹⁹ This motion is motivated by the fear or mistrust that blended finance, under the name of “shared value”, will equal subsidized investments for market expansion and privatization, which, in the end, only profits the western private sector and not the local private sector, who should profit of it. This, Badran argues, is rather “development aid for Nestlé”, with whom the SDC already collaborates in the water-sector:

“The SDC has signed a memorandum of understanding with Nestlé that the APK has never seen. For twelve years, the new SDC deputy director worked as Nestlé's chief lobbyist. With the participation of the multinationals Nestlé, Pepsico and Coca-Cola, the 2030 Water Resource Group is actively lobbying at the WEF for the WEF Water Initiative, with the aim of privatizing the public goods sector. This is the opposite of development cooperation. This is a step towards anti-bourgeois neo-feudalization. Just imagine if we had a water privatization initiative in Switzerland. From now on, we would have to pay a contribution to the modern water guards every time we turn on the tap. Such an initiative would be rejected by 80 percent. And now we want to impose the same on Africa? [...] *This is development aid for Nestlé and not for the people there.* This is a piece of exploitation more instead of less. That can never be the goal of our development cooperation. What sounds good at first glance turns into its opposite.”¹⁰⁰

⁹⁸ **Nationalrat_15_06a: 14:** «Wir finden die Programme des SECO zur Förderung lokaler Unternehmen gut. Doch es leuchtet uns nicht ein, wieso die DEZA mit Schweizer Multis internationale Entwicklungszusammenarbeit betreiben will. Zumindest erwarten wir auch im Moment klare und verbindliche Regeln und Grundsätze.»

⁹⁹ **Nationalrat_15_06b: 12:** «Bei der Zusammenarbeit mit anderen Organisationen im Bereich von Gütern und Dienstleistungen der Grundversorgung ist das Recht der öffentlichen Sache zu garantieren.»

¹⁰⁰ **Badran Jaqueline, Nationalrat_15_06b: 6,** italics added: «Mit Nestlé hat die DEZA ein Memorandum of Understanding unterschrieben, das die APK nie zu Gesicht bekommen hat. Zwölf Jahre lang hat der neue Vizedirektor der DEZA als Cheflobbyist von Nestlé gearbeitet. Unter Beteiligung der Multis Nestlé, Pepsico und Coca-Cola lobbyiert die 2030 Water Resource Group beim WEF aktiv für die WEF Water Initiative; dies mit dem Ziel, den Sektor öffentlicher Güter zu privatisieren. Das ist das Gegenteil von Entwicklungszusammenarbeit. Das ist ein Schritt hin zu einer antibürgerlichen Neofeudalisierung. Stellen Sie sich einmal vor, wir hätten in der Schweiz eine Wasserprivatisierungs-Initiative. Fortan müssten wir den modernen Wasservögten jedes Mal, wenn wir den Wasserhahn aufdrehen, einen Zehnten abgeben. So eine Initiative würde mit 80 Prozent abgelehnt. Und nun wollen wir das Gleiche Afrika zumuten? [...] *Das ist Entwicklungshilfe für Nestlé und nicht für die dortige Bevölkerung.* Das ist ein Stück Ausbeutung mehr statt weniger. Das kann niemals das Ziel unserer Entwicklungszusammenarbeit sein. Was auf den ersten Blick gut klingt, verkehrt sich in sein Gegenteil.»

Luginbühl and Classen of Public Eye express even more explicit mistrust towards working with big cooperations for development, especially with Nestlé. In their view, Nestlé is a “no-go”, when it comes to sustainability and “ethical investments”:

“The SDC has defined a list of exclusion criteria. According to this list, companies involved in human rights violations, illegal logging or forced labor should not become EPS partners. But this requirement is obviously not effective. The SDC has maintained close contacts with Nestlé for years, even though this company fulfils a large number of exclusion criteria: The media and NGOs repeatedly report on forced and child labor on cocoa plantations or on palm oil from deforested rainforest areas that the company sources. Even for the Schwyzer Kantonalbank, Nestlé is now a “no-go”. At least for all those who want to make “ethical investments.”¹⁰¹

ASSUMPTION THAT THE PRIVATE SECTOR NEEDS EPS SOLELY FOR NEW SALES MARKETS

The second origin of distrusting arguments stems from the fear that blended finance, under the name of “shared value”, equals subsidized investments for market expansion, which, in the end, only profits the western private sector and not the local private sector, which should profit of it. The finding that the private sector uses PPDPs for market expansion is of course not new or surprising. Yet, discursive actors use this argumentative “data” in various ways. While actors such as AllianceSud see blended finance rather “mistrustingly” as subsidizing the private sector for market expansion, that only profits the corporates, the SDC does not deny these intentions of the private sector but aim for highlighting the long-term improvement genuine CSR commitment brings. Other actors of the independent sector such as HELVETAS and Swisscontact may be located somewhere in-between of AllianceSud’s and the SDC’s discursive positions as they express “mistrusting” concerns but also see positive effects of *true* CSR commitment.

“There is no doubt that the private sector has an important contribution to make to sustainable development. However, it must also be clear: The goal is less poverty and more equality, not greater profits for Swiss corporations.”¹⁰² This statement by Molina very well captions the general stance of the actors who see *market expansion through blended finance* in a critical light. Molina is not the only politician who raises their concerns in the National Council. Along with Badran and Arslan, Crottaz insists “that this should not open the door to an increase in investment by the Swiss private sector [...]”

¹⁰¹ **PublicEye_A1: 23:** «Zwar hat die Deza eine Liste mit Ausschlusskriterien definiert. In Menschenrechtsverstöße, illegale Abholzung oder Zwangsarbeit involvierte Unternehmen sollen demnach keine EPS-Partner werden. Doch die Vorgabe greift offensichtlich nicht. Die Deza unterhält seit Jahren schon engste Kontakte mit Nestlé, obwohl dieser Konzern gleich eine Vielzahl an Ausschlusskriterien erfüllt: Medien und NGOs berichten etwa immer wieder über Zwangs- und Kinderarbeit auf Kakaoplantagen oder von Palmöl aus abgeholzten Regenwaldgebieten, das der Konzern bezieht. Sogar für die Schwyzer Kantonalbank ist Nestlé inzwischen ein «No-Go». Zumindest für all jene, die «ethische Investitionen» tätigen wollen.»

¹⁰² **National Council_15_06a: 10:** “Der Privatsektor hat ohne jeden Zweifel einen wichtigen Beitrag zu einer nachhaltigen Entwicklung zu leisten. Dabei muss aber auch klar sein: Das Ziel heisst weniger Armut und mehr Gleichheit und nicht grössere Profite für Schweizer Konzerne.”

but that it should be the private sector of the countries supported by international cooperation that participates in the development of projects in these countries.”¹⁰³

The Swiss development NGOs HELVETAS and Swisscontact express similar concerns but also see positive effects of *true* CSR commitment in cooperating with the private sector for development. In their consultation letters, HELVETAS and Swisscontact, both clearly highlight the importance of not “misappropriating”¹⁰⁴ the IC’s cooperation with the private sector as the promotion of Switzerland’s own economic interests and “that the consideration of Switzerland’s interests in the development of new markets must be carefully coordinated with the objectives of IC”.¹⁰⁵ Hence, Swisscontact welcome cooperation with the private sector but at the same time advocate for ensuring that “IC funds are used *exclusively* for IC goals” and “operational purposes” in order to not subsidize commercial interests of the private partner. The SDC must ensure that “companies link their interests with social responsibility”.¹⁰⁶ Here, HELVETAS goes into more detail in one of their position papers. While HELVETAS do acknowledge the balancing act between “subsidized investment for market expansion” versus “effective public private partnership”, they also highlight the power that lies within creating good corporate reputation. This, as “[true CSR commitment] can reconcile different interests between private companies and development organizations” (HELVETAS_P2: 17). If, however, a private sector partner, as there have been in the past, “[does not] take transparency and quality criteria regarding sustainable development very seriously” and rather “want to use PPDPs to open up new sales markets and fields of investment or aim to present themselves as more sustainable and environmentally friendly than they actually are through targeted marketing measures, [...] PPDPs serve less the fight against poverty and sustainable development than corporate PR.”¹⁰⁷

AllianceSud, another independent sector’s actor, largely joins these threads of argument but is more vocal and explicit about their doubts on “market expansion through blended finance”. As can already be assumed, AllianceSud see blended finance as “synonymous to subsidizing a private company (or a

¹⁰³ **Nationalrat_15_06a: 11:** “Nous insistons pour que cela ne soit pas la porte ouverte à une augmentation des investissements d’un secteur privé suisse qui en retirerait des bénéfices plus élevés que les moyens investis, mais bien pour que ce soit le secteur privé des pays soutenus par la coopération internationale qui participe à l’élaboration de projets dans ces pays.”

¹⁰⁴ **HELVETAS_C: 8:** «Partnerschaften zwischen Akteuren der internationalen Zusammenarbeit und der Privatwirtschaft dürfen nicht als Förderung wirtschaftlicher Eigeninteressen der Schweiz zweckentfremdet werden, sondern müssen der benachteiligten Bevölkerung der Partnerländer zugutekommen.»

¹⁰⁵ **Swisscontact_C: 2:** «Beispielhaft kommt hier bereits ein erstes Mal zum Ausdruck, dass die Berücksichtigung der Interessen der Schweiz an der Erschliessung neuer Märkte sorgfältig mit den Zielen der IZA abzustimmen ist.»

¹⁰⁶ **Swisscontact_C: 5, italics added:** Geht es jedoch darum, für die Erreichung der IZA-Ziele operativ mit Unternehmen aus der Schweiz und aus anderen Industrieländern zusammenarbeiten, setzt dies voraus, dass diese Unternehmen ihre Interessen mit gesellschaftlicher Verantwortung verknüpfen. [...] Darüber hinaus muss die IZA sicherstellen, dass sie nicht kommerzielle und damit IZA-fremde Interessen mitfinanziert (additionality). Die IZA soll bei der Zusammenarbeit mit dem Privatsektor strikte darauf achten, dass IZA-Gelder ausschliesslich für IZA-Ziele eingesetzt werden.»

¹⁰⁷ **HELVETAS_A2:** «Die Kritik seitens Entwicklungsorganisationen an PPDPs und ähnlichen Modellen betrifft vor allem das nicht immer selbstlose Engagement global tätiger Konzerne, die es mit Transparenz- und Qualitätskriterien hinsichtlich nachhaltiger Entwicklung nicht immer so genau nehmen. Konzerne, die mit den PPDPs in erster Linie neue Absatzmärkte und Investitionsfelder erschliessen möchten oder durch gezielte Marketing-Massnahmen darauf abzielen, sich nachhaltiger und umweltfreundlicher darzustellen, als sie tatsächlich sind. In solchen Fällen dienen PPDPs dann weniger der Armutsbekämpfung und der nachhaltigen Entwicklung als vielmehr der Unternehmens-PR.»

private investor)”,¹⁰⁸ as both blended finance approaches, risk reduction as well as the increase in earnings equal subsidizing the private partner through official development assistance funds (AllianceSud_A4). This is very problematic, as Dominik Gross of AllianceSud writes:

“Should development financing by Switzerland be reduced to the most efficient mobilization of foreign direct investment possible, the UN Sustainable Development Goals (SDGs) of the 2030 Agenda will remain unattainable. For firstly, *it diverts funds from Swiss public development cooperation and puts them into the private sector*. And secondly, local companies in the countries of the South run the risk of being competed by Swiss companies.”¹⁰⁹

In addition, AllianceSud criticize Switzerland’s intentions to “ensure that the economic framework conditions in developing countries are “right”, which in many cases is accompanied by land and seed privatization, tax advantages for foreign companies and restrictions on protecting the domestic economy”, they argue.¹¹⁰ With this criticism, it is not surprising that AllianceSud is the only actor that uses the critical term “neoliberal” within the whole text corpus (AllianceSud_A5). As such arguments already hint at the discursive structures of the financialization of aid, these aspects will again be taken up in more detail in the next chapter.

Answering the question whether private sector enter PPDPs with the SDC mainly for market expansion, Danzi of the SDC focuses on expressing the positive side effects of letting the private sector participate in development, which instantly links back to the *shared value argument*:

“For the private sector, this is far from being just about market expansion, it's also about customers at home. The demand for sustainable products is growing – from coffee and chocolate to clothes – so when companies improve their sustainability credentials by committing to the SDGs, their reputations also get a boost. Sustainability is becoming a key selling point.” (SDC_I2)

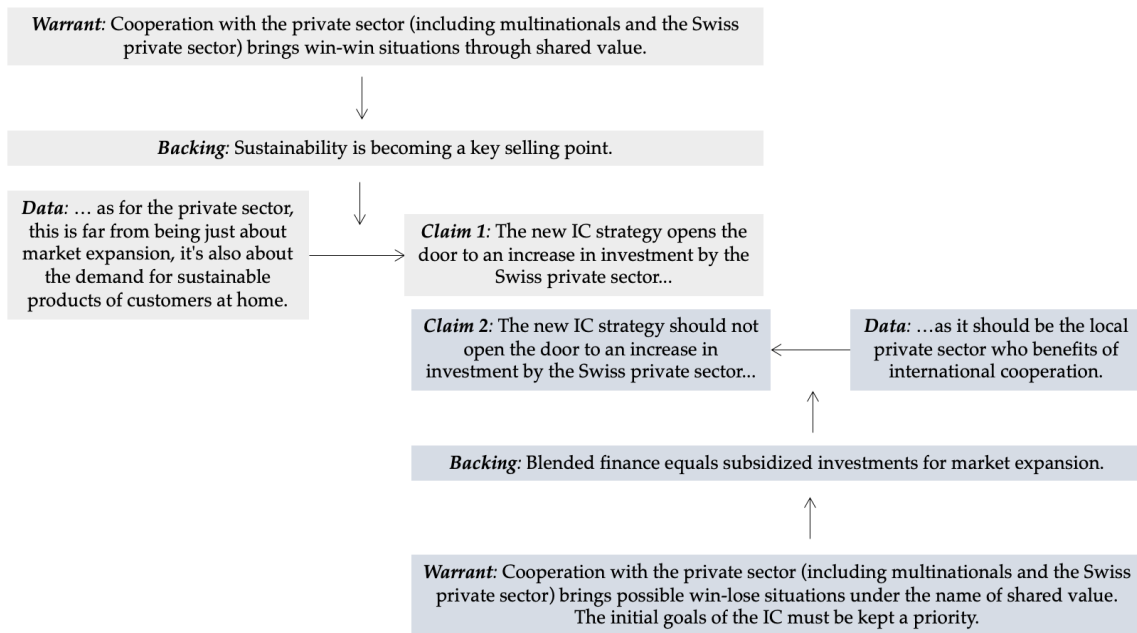
As illustrated in figure below, the statements of the independent sector and few politicians of the National Council suggest that they all see the private sector’s intention to expand their market not as fundamentally unacceptable, but the initial goals of the IC must be kept a priority. The SDC, on the other hand, does not voice any explicitly mistrusting arguments against the private sector’s intention for market expansion but rather elaborates on the shared value private sector engagement in development can bring (*see enthusiastic argument; shared value argument*). In general, this discursive pattern may be summarized along the figure below, where the blue argument shows this aspect of the *argument of mistrust* and the grey argument the views of the SDC.

¹⁰⁸ **AllianceSud_P2: 6:** “Wie dieses Papier aufzeigt, kommt Blended Finance der Subventionierung eines privaten Unternehmens (oder eines privaten Investors) gleich.”

¹⁰⁹ **AllianceSud_A5, italics added:** “Sollte die Entwicklungsfinanzierung durch die Schweiz auf die möglichst effiziente Mobilisierung ausländischer Direktinvestitionen reduziert werden, werden die Uno-Ziele für nachhaltige Entwicklung (SDGs) der Agenda 2030 unerreichbar bleiben. Denn erstens *werden so Mittel aus der öffentlichen Schweizer Entwicklungszusammenarbeit abgezogen und in den Privatsektor gesteckt*. Und zweitens laufen lokale Unternehmen in den Ländern des Südens Gefahr, von Schweizer Unternehmen konkurrenziert zu werden.»

¹¹⁰ **AllianceSud_A2:** «Alle drei Institutionen fördern privatwirtschaftliche Grossinvestitionen in Entwicklungs- und Schwellenländern und setzen sich dafür ein, dass die wirtschaftlichen Rahmenbedingungen in Entwicklungsländern «stimmen», was in vielen Fällen mit Land- und Saatgutprivatisierung, Steuervorteilen für ausländische Unternehmen und Restriktionen beim Schutz der heimischen Wirtschaft einhergeht.»

Figure 16: Opposing claims on increasing investments of the private sector through blended finance in development (TMA)

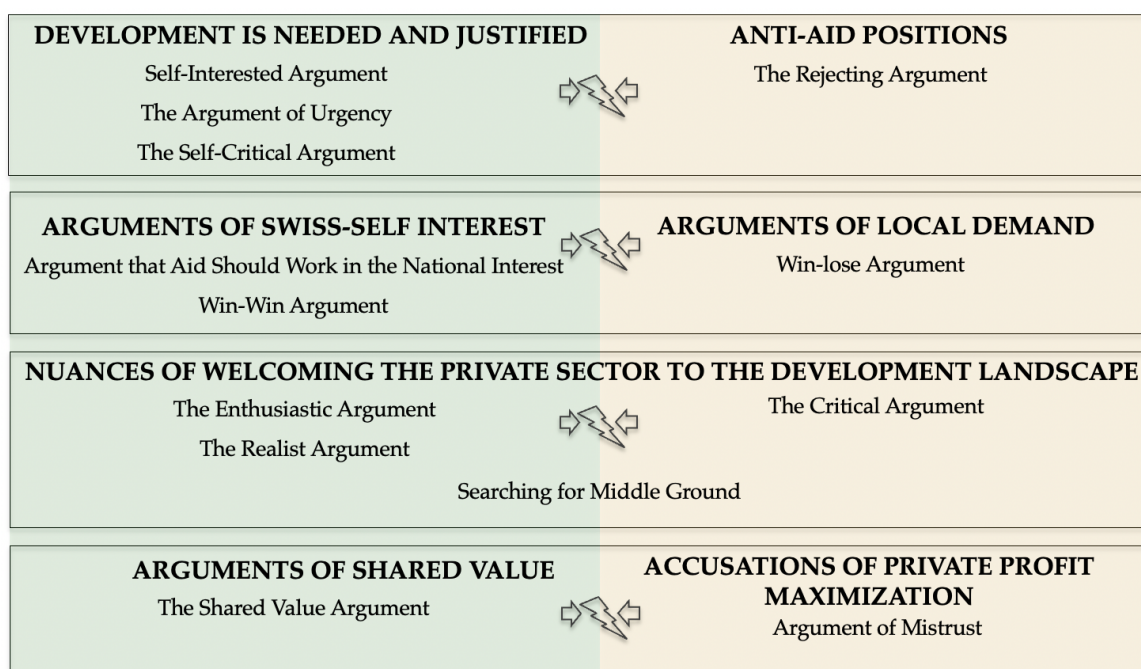


Own illustration based on Toulmin (2003).

5. Summarizing the Explicit Fields of Controversy and their Implications

This section has answered the RQ A “What explicit fields of controversy characterize the Swiss discourse on the role of the private sector for sustainable development and what patterns of argumentation underlie these tensions?”. In general, the findings in this chapter suggest that that except for the critical views that mostly stem from actors of the independent sector and a few politicians of the Swiss parliament¹¹¹, Swiss IC stakeholders predominantly support the new IC strategy and are well disposed towards the various ways an aspects of private sector engagement in development cooperation. In this chapter, I have identified four fields of controversy that include thirteen different “argument-types”, which either support the dominant strands of discourse (*highlighted in green in the illustration below*) or criticize (*highlighted in orange*) aspects of private sector engagement for sustainable development. The sheer number of arguments in favour of the private sector’s intensified engagement for sustainable development shows that there is widespread support for it.

Figure 17: Simplified illustration of the fields of controversy and their “argument-types” that characterize the Swiss discourse on the role of the private sector for sustainable development



Own illustration.

Yet, while the controversial issues present themselves quite naturally in the discourse, the extracted threads of argument are not as easy to clearly delineate from each other as many of their individual discursive patterns can be detected in several arguments. Just like Deleuze and Guattari imagine discourses as the complex structure of a rhizome (1992, p. 12), the individual discursive threads laid out in this chapter mirror this very image as every argument type is intertwined with other threads of argument. With this consideration in mind, the following compilation only summarizes the extracted

¹¹¹ Both, politicians of the SP (left-wing) and SVP (right-wing) have voiced critical arguments regarding EPS, although for different reasons. Politicians of the SP have rather used the *argument of mistrust*, *win-lose argument*, and *critical argument*, whereas SVP politicians have used the *rejecting argument*.

discursive strands to get an overview of the findings of this chapter and cannot do justice to every nuance and connection within the discourse.

The Dominant Assertion that *Development is Needed and Justified* Opposing Minor *Anti-Aid* Positions

THE REJECTING ARGUMENT: The SVP is the only discursive actor that completely rejects development aid as it has failed in the past and is not the right way anyways. Every country is responsible for their own prosperity.

THE SELF-INTERESTED ARGUMENT: Promoting development ultimately means securing prosperity at home as Switzerland profits of enabling other countries to participate more intensively in global exchange as we also to benefit from it. Thus, development is needed.

THE ARGUMENT OF URGENCY: Development is needed and justified as challenges such as climate change, epidemics, increasing armed conflicts put additional pressure to reaching the development goals and at the same time jeopardize what has been achieved so far.

THE SELF-CRITICAL ARGUMENT: Admitting that development has done harm in the past, the self-critical argument expands the discourse in order to legitimize new development undertakings. I.e., as following a new strategy and focusing on cooperating with the private sector now brings about development, development is justified again.

Arguments of *Swiss Self-Interest* Opposing Arguments of *Local Demand*

ARGUMENT THAT AID SHOULD WORK IN THE NATIONAL INTEREST: The strong assertion that development should work in the national interest runs through several passages of the discourse. Self-interested discursive patterns are not only visible in the obvious “Switzerland first” statements of politicians of the SVP but also in other discursive strands such as in the arguments that attempt to justify development such as in the *self-interested argument* or the *win-win argument*.

WIN-WIN ARGUMENT: The *win-win argument* is deeply anchored in Switzerland’s IC discourse and appears primarily in the discursive elements of the public and private sector. In its most general terms, it argues that pursuing Swiss economic interests abroad results in win-win situations and does not conflict Switzerland’s solidarity with the poor.

WIN-LOSE ARGUMENT: Contrasting the dominant *win-win argument*, critical actors of the independent sector and a few politicians of the SP draw attention to possible win-lose scenarios of engaging with the private sector in development. Referring to past win-lose situations, where local needs were not treated as a priority, they argue that such possible outcomes should be adequately acknowledged. An interesting additional feature of this discursive strand is that the same insight (i.e., the local private sector might be temporarily destroyed due to crowding-out effects) does not lead to the same conclusions. While *economiesuisse* argue that the long-term consequences of increased competition will still be positive overall, the other actors appeal to prevent such win-lose situations at all costs.

Nuances of Welcoming the Private Sector to the Development Landscape

THE CRITICAL ARGUMENT: Critical actors of the independent sector and a few politicians in the National Council argue that when intensifying blending finances with the private sector, Switzerland must first and foremost ensure policy coherence. In their very essence, such arguments criticize that giving the private sector more room in development instead of improving “our own” tax and fiscal policy issues and unsustainable investments, renders Switzerland hypocritical as it overshadows other crucial issues necessary for sustainable development.

THE ENTHUSIASTIC ARGUMENT: The “enthusiastic” way of welcoming the private sector to development, mainly of the SDC and the private sector themselves, manifests itself in the reoccurring listing of positive attitudes of the private sector and in highlighting the good experiences there have been made so far with the private sector in development. Enthusiastic discursive patterns answer the search for a “reformed” development cooperation by trusting the re-engineered strategy with private sector, in which the private sector actor BlueOrchard even sees a “revolution where commercial capital leads the way” (BlueOrchard_P: 29).

THE REALIST ARGUMENT: The *realist argument* argues that despite either Switzerland’s lack of policy coherence or the “scandals” the private sector has caused in development, the private sector is still much needed in development. There are two discursive patterns to be located within this argument type. On one hand, actors of the public and private sector actors reveal a certain “it is just the way it is” attitude. On the other hand, the Swiss development NGO HELVETAS hints at an internal paradigm change from a hesitant stance towards a “pro-private sector in development” attitude.

SEARCHING FOR MIDDLE GROUND: Although the *middle ground argument* is not often explicitly raised, it is an important argument as its aspects are found within the private, public, and independent sector. In most general terms, it argues that blended finance and partnerships between states and private companies are not the only way and can only be a supplement to other “traditional” modalities. This, as blended finance and sustainable investment approaches cannot solve all development goals on its own.

Arguments of *Shared Value* Contra the Accusation of *Private Profit Maximization*

THE SHARED VALUE ARGUMENT: The creating *shared value argument* (CSV) runs through the whole of the greater discourse on the role of the private sector for sustainable development as framed by Swiss IC stakeholders. However, the discourse surfaces two different causes for the same claim. While the public sector aims to collaborate with private sector partners that share the same values, some actors of the private sector mention how CSV is becoming a key selling criterion which is why they primarily point at their need to report shared value to their customers.

ARGUMENT OF MISTRUST: A few critical discursive actors of the independent sector and few politicians of the National Council counter the shared value argument with arguments of mistrust. The analyzed discourse hints at two possible origins of “mistrust”: Firstly, past corporate wrongdoings that still accompany the current discourse and fuel the image of the “bad” private sector. Secondly, critical actors point at private sector partners who see SDG compliance solely as a growth and PR strategy.

This part has shown the explicit fields of controversy that characterize the Swiss discourse on the role of the private sector for sustainable development. While these controversial issues involve various discursive threads and patterns of argumentation, the dominant discursive strands all pull together and welcome private sector involvement in development. This, as the previously discussed critical or even rejecting voices present a minority in the discursive arena and the dominant discursive strands all reinforce the “re-engineered” IC strategy that embraces the private sector as a central actor in development cooperation. Citing Mawdsley, it surely appears that “[t]he global development community had moved on, as it so often does, without a critical backward glance to embrace the next era, the next round of “trust us, we know what we’re doing” (2014, p. 4). The next part further focuses on these dominant views within the discourse and investigates the underlying structures of the generally accepted dispositive of “re-engineering” foreign aid within the discourse of Swiss IC stakeholders.

II. The Swiss Dispositive of Re-Engineering Foreign Aid

This second section answers RQ B “What *implicit* discursive structures underlie the current dispositive of re-engineering Switzerland’s foreign aid strategy?”. In contrast to the previous sub-chapter, where individual argument-types of *explicit* fields of controversy were set out and referred to as individual *discursive strands*, this part aims to approach the broader structures of the current *dispositive* of Switzerland’s new foreign aid strategy, that are supported by the dominant discursive actors. Investigating these implicit structures should help to unravel the “regimes of truth” that the dominant IC stakeholders draw on (FOUCAULT, 1977b). Approaching the discourse of Swiss IC stakeholders on the role of the private sector for development in terms of a *dispositive* helps to reveal the *implicit* discursive structures that underlie the current dispositive of “re-engineering” Switzerland’s foreign aid strategy by focusing on geographical imaginations, self-image, and implicit assumptions of the actors. These foci are mirrored in the three sub-questions:

- B1. To what extent do discursive structures in the dominant discourse provide information about the *financialization and marketization of development*?
- B2. What are the different dominant discursive actors’ *geographical imaginations*?
- B3. What *self-image* do discursive actors voice in the discourse and to what extent do these self-images show implications on discursive hegemony?

Continuing this part in terms of a *dispositive* fits this situation, as I have previously defined a dispositive as an assembly of discursive elements that have the power to strategically fill a “void” of discursive elements, which is caused by an *urgence* such as a shift in power-knowledge constellations (FOUCAULT, 1977b). An *urgence*, in this case, is the observation that the private sector takes over a more prominent role in global development policy. Confronted with this “re-engineering” of power-knowledge relations, Switzerland’s IC stakeholders (hegemonic forces) find themselves in a context of change and negotiating “truth” as they aim to establish and collect all the discursive elements and knowledge they find to fill the void and stop the *urgence* until a new shift in the power-knowledge complex emerges. In other words, I see the *implicit* discursive structures, which this part aims to set out, as equivalent to the forces (power-knowledge constellations) that hold the dispositive together and provide room for the discursive strands to form in the first place. Of course, a dispositive involves much more than the discursive elements of the analysed corpus in this CDA. This, as in Foucault’s understanding, a dispositive involves *all* possible non-discursive, discursive elements and their materializations that form reality in their synthesis. As in part I, this part II must start with a reminder that this CDA is limited to a set of merely 76 analyzed discursive fragments. Approaching the current debate in terms of a dispositive is still useful, as it is the goal of this part to go beyond the discourse on the role of the private sector in development as framed by the dominant Swiss IC stakeholders by revealing more implicit discursive structures. This way, I try to detect why certain actors are more dominant than others, hence the focus on the *dominant* IC stakeholders that *part I* has revealed. To do so, this part leaves the micro-level perspective of the previous part and moves on to approach the dispositive on a meso-level by already deepening the critical theoretical analysis and discussion.

Seeing Switzerland’s IC stakeholders as hegemonic forces in a context of “re-engineering” power-knowledge relations, I shall briefly explain the background of the term “re-engineering” in the context

of foreign aid. The terms “re-engineering” or “re-structuring” have previously been used by Mawdsley (2017a, p. 112, 2018c) when referring to current restructuring efforts of other governments such as e.g., Australia, Canada and the UK that are characterized by *one*, the re-centering of private sector-led economic growth for development and *two*, “an explicit insistence on the pursuit of national interests through aid contributions and programmes, accompanied by re-formulated discourses of virtue” (MAWDSLEY, 2017a, p. 112). As this CDA, within the controversies around Switzerland’s new IC strategy, has surfaced the same two characteristics in their debates on the role of the private sector for development (among many other features, *see last chapter*), I use this term in this thesis too.

1. Discursive Structures of the Financialization & Marketization of Development

This section focuses on question B1: **To what extent do discursive structures in the dominant discourse provide information about the financialization and marketization of development?**

A dominant aspect of the current discourse on the role of the private sector in development is presented by both, the Swiss private sector actors’ efforts to deepen financialization in development, as Mawdsley (2018a) already proposes, as well as the underlying basic assumptions that their undertakings only do good – whereas there is a possibility that development efforts may fail and cause harm. This aspect is mirrored in five distinctive discursive patterns within the dominant discourse, as shown in this part. Briefly summarizing, the discursive structures of the financialization and marketization of development show themselves in the discourse of Swiss IC stakeholders by, *one*, the private sector repeatedly expressing their wish to have further barriers for development investments removed (which is supported by the SDC), *two*, statements that indicate a tendency to “fetishize” sustainability and aid in order to create tradeable commodities (K. MARX, 1999), *three*, an uncritical way of “testing out” and “exploring” new financial instruments, *four*, a tendency of dominant IC stakeholders to overshadow possible social risks (of e.g., new financial development instruments) with talk on financial or reputational risk that may accompany private sector development investments, and *five*, in discussions that mirror a certain sense of “techno-optimism” – most prominently in talk on “measuring impact” through “data driven” and “evidence based” development approaches.

1.1 Removing Barriers for Private Development Investments

Many of the private sector’s documents are characterized by wordings that point at a sense of change or “positive awakening” and the importance to take the next step for development finance. The most vocal actor in this regard is the private sector actor BlueOrchard as they see the SDGs as an “effective framework and platform to push our industry to the next level”, to “scale up our industry” and to “catalyze and mainstream” private sector development finance (BlueOrchard_A1: 1-2). BlueOrchard write that “[in] Switzerland [...] most leading financial institutions are positively awaking to this new reality [of private sector development finance]” (BlueOrchard_A1: 4) and speak of “a revolution where commercial capital leads the way” (BlueOrchard_P: 29) – mirroring the increasing global trend to re-center private sector-led economic growth for development (MAWDSLEY, 2017a, p. 112). In general, they make a strong case for the neoliberal agenda aiming to push the financialization of

development to a next level by removing further barriers for private development investments and creating better framework conditions for investing:

- “If it [Switzerland] wishes to keep its edge, and eventually become the lasting reference place for SDG financing, the Swiss public authorities could work into optimizing the enabling environment and framework conditions for the private sector to continue thriving.” (BlueOrchard_A1: 6)
- “Reviewing and removing barriers to entry in order to set development finance investments on equal footing with mainstream investments is a necessary step in order to achieve scalability.” (BlueOrchard_A1: 2)
- “We believe much more is needed to achieve this objective, improving our framework conditions to create a competitive enabling environment for the private sector to thrive, which is not possible without committed financial authorities and appropriate public-private partnerships which can scale up our industry.” (BlueOrchard_A1: 1)
- “However, the potential of blended finance has yet to be fully attained. In fact, the de-risking features and crowding-in effect of the private sector into blended finance structures should result in a higher funding catalytic effect.” (BlueOrchard_P: 5)

Other discursive actors such as *economiesuisse*, SwissRe, UBS and Swiss Foundations tie in with BlueOrchard’s self-interested arguments as they use similar expressions that mirror the private sector’s wish for easier financialization (and marketization) in development. *economiesuisse* write that “[in] order to continue to exert a positive influence in the future, Swiss companies need access to world markets that is as free of obstacles as possible.”¹¹² SwissRe and UBS welcome the SDC’s engagement with the private sector and express how the SDC can help to “remove risks” for them (UBS_C: 2; SwissRe_C: 2). Not only do private sector actors call the SDC to remove barriers and improve frameworks for private sector development investments, but they even express interest in actively participating to design the framework. As *economiesuisse* write for example: “The business community has a great willingness to play an active role in shaping suitable framework conditions.”¹¹³ What the above statements also show, is that the Swiss private sector is not only motivated by the virtue of “helping the world”, but by aiming to “become the lasting reference place for SDG financing” (BlueOrchard_A1: 6), is also very much centered on self-interested reasoning to generate more profit.

The SDC’s answer to the private sector’s requests to deepen financialization and/or marketization in development resembles a resounding “yes” as they “[see] growing private sector interest in public-private partnerships to tackle development challenges” (SDC_I1; SDC_P1: 10). To meet the needs of the private sector, the SDC want to “promote a favorable normative environment for working with the private sector” (SDC_P1: 19), want to make “catalytic use” of their resources (SDC_P2: 18), promote EPS within the SDC (SDC_P2: 30), are willing to adapt new products and instruments (SDC_P2: 29) and support “innovative” private sector initiatives (SDC_F1: 42). The SDC also specifically refer to their support of developing new products with the private sector as they “support

¹¹² **Economiesuisse_P: 1:** «Um auch künftig positiv Einfluss nehmen zu können, benötigen Schweizer Firmen einen möglichst hindernisfreien Zugang zu den Weltmärkten.»

¹¹³ **Economiesuisse_C: 2:** «Die Wirtschaft hat eine grosse Bereitschaft, sich bei der Gestaltung von geeigneten Rahmenbedingungen aktiv einzubringen.»

the insurance product development, diversification and scale-up of affordable solutions to the poor” (SDC_A5: 1). Intertwined with *the enthusiastic argument*, as described in the last chapter, many similar points are repeated in the SDC’s discursive elements over and over. It seems that the SDC is fulfilling its role as a neoliberal state agency very well as it agrees to support the private sector’s wish for the removing of barriers to business and financialization for sustainable development without much hesitancy. Whether the promotion and support of “shaping suitable framework conditions” and “removing risks and barriers” for the private sector’s sustainable investments really helps the poor or whether it rather plays into today’s “neoliberalism as a hegemonic political and economic discourse” (KUMI ET AL., 2014, p. 542), remains debatable (although the Swiss dispositive points somewhat more to the latter). However, one thing is already clear by now: The Swiss dispositive is held together by forces that stem from a deep conviction in the private sector and its capability for leading development into a sustainable future.

1.2 *Commodifying Sustainability & Aid for the Marketization & Financialization Thereof*

At the base of the private sector’s much-expressed wish to remove barriers and ameliorate the framework conditions for private development investments lies the knowledge that development finance and EPS in general is (besides the apparent normative rationale of aid) a “growing market opportunity” (BlueOrchard_A1: 1). For the Swiss private sector, sustainable development involves “fantastic investments” with low “default rates”¹¹⁴, “interesting opportunities”¹¹⁵, good “business opportunities [Geschäftsmöglichkeiten]” (Economiesuisse_C: 5) and “in-demand products” for customers (UBS_A2). The private sector’s efforts to “mobilize private wealth into sustainability” (UBS_A2) again mirror the frequently reoccurring self-interested discursive thread. This, as the private sector’s efforts to create new products for sustainable development are simultaneously aimed at attracting potential customers by appealing to their specific taste in “moral capital” (see also ROSENMAN, 2019, p. 142). This whole process of commodifying aid and sustainability is motivated by the private sector’s efforts to create economic value for profit.

Seeing aid and sustainability as a growing market opportunity, goes hand in hand with the private sector’s aim to commodify development and sustainability by creating new “products” and “instruments” to satisfy their customers. UBS, for example write that “[client] appetite for such [SDG-related] instruments is rising as shown by the significant demand for our impact investment partnership” (UBS_A2).¹¹⁶ UBS, Nestlé and BlueOrchard all write that they want to be able to offer suitable products to all customers (UBS_C: 2; Nestlé_A2; BlueOrchard_P: 21). UBS even advertise with “100% sustainable portfolios” and “create tailored portfolios” for their customers interested in impact investing. Elsewhere, UBS appeals to their customers: “You have more choices than you think. Virtually your entire portfolio can be sustainable” (UBS_A3: 1). In order to meet the preferences of

¹¹⁴ The reason why the default rates of microfinance are so low lies in the “pride and dignity” of local people of the global South, as Fanconi of BlueOrchard explains: “The reason why the default rate is so low, it is all related to pride and dignity. If you are an individual and you get a once in a lifetime opportunity to get access to capital, you will make everything happen to repay that loan. So, you going to invest it in whatever cause you have been granted the money for” (BlueOrchard_V: 5: 10).

¹¹⁵ **Economiesuisse_C: 4:** «Sowohl in bereits entwickelten als auch in sich entwickelnden Volkswirtschaften gibt es für den Schweizer Privatsektor interessante Opportunitäten.»

¹¹⁶ The public sector actor SDC also see “creating new products” and “innovative business” as a positive attribute of engaging with the private sector that will help to reach the SDGs (SDC_I1).

their customers, BlueOrchard has asked them: “To which sectors is/are the PPP(s) you are invested in contributing? Or, if you are not a current PPP investor, *which target sector would be of your interest?*” (BlueOrchard_P: 22, italics added) – in a way, letting “the very wealthy become producers or architects of charity rather than simply its supporters” (HAY & MULLER, 2014, p. 638). Asking customers about their development investment preferences is not unique, also the UBS wants to provide options for their customers and see sustainability as something “personal”, that every customer sees differently (UBS_A2). Private sector actors such as UBS argue: “A “one-size-fits-all” approach to underlying giving and investing opportunities is unlikely to appeal to private individuals and their *highly personal sustainability preferences*” (UBS_A2: 1, italics added).

Here, I argue that commodifying sustainability and aid in this “individualized” way is problematic as the sense of virtue to “save the world” often comes with the belief that “they are saving it for everyone *equally*, which somehow absolves them from wider discussions of equity and justice”, as Agyeman (2008, p. 705) recognizes in the wider environmental sustainability movement. Seeing sustainability simultaneously as something “highly personal” that, at the same time, affects the whole world, raises questions about the authenticity of sustainable investment for development and reinforces the suspicion that such “capitalists rescuing capitalism from capitalism” (MITCHELL & SPARKE, 2015, p. 2) rather reinforce the contradictions that lie within sustainable development (e.g. REDCLIFT, 1993, 2005) and neoliberal growth and market rule (FERGUSON, 2015; ROY, 2012). Further, on a more theoretical level, commodifying sustainability and aid hides what Marx describes as the “connection with the physical nature of the commodity and the material relations arising therefrom” – therefore “fetishizing” sustainability and aid as tradable fictitious commodities (K. MARX, 1999, p. 48; POLANYI, 2001) that assists in further financialization/marketization and “prevents accurate analysis of the capitalist system, and the formulation of alternatives” (DAVIS, 2017).

In the above sections, I have not differentiated between private sector’s efforts to *marketize* or *financialize* sustainability and aid as this part has primarily focused on the underlying process of making sustainability and aid “ready” for the (financial) market by turning them into commodities. Nevertheless, I will briefly illustrate the additional step for these *fictitious* commodities to be *marketized* or *financialized* as shown in the analyzed dispositive. The private sector’s efforts to create and “add” newly commodified “aid” and “sustainability” to the market – i.e., marketizing development and sustainability (see also BERNDT, 2015, p. 585) – goes hand in hand with creating the so-called “growing market opportunities” within the sustainable development industry. UBS also presents a somewhat less abstract example of marketizing development as they join “luxury ethical fashion brands to raise awareness and action [for the SDGs]” (UBS_A3) and partner with a new sustainable beer product which they name a “successful example” of a “business with impact” (UBS_A2). The fact that UBS even bothers to advocate for buying luxury ethical fashion and drinking sustainable beer to reach the SDGs, also hints at how ambiguous the term sustainability is to this day and presents the oxymoron many scholars see in sustainable development very clearly (J. H. BROWN, 2015; REDCLIFT, 2005; SPAISER ET AL., 2017). This example of UBS shows their attempt to marketize development as it refers to physical goods and services (sustainability and development in the form of clothing and beer). The dispositive also involves efforts to *financialize* development. In chapter B, I have defined financialization as a phenomenon of marketization (GODECHOT, 2015) with the specific difference to marketization that it involves efforts to move the economic activity from “real” production to finance, i.e., banking, investing, insurance etc. (MAWDSLEY, 2018a, p. 265). Hence, efforts to financialize development and sustainability are seen in statements that speak about making “profit from *financial* dealings parasitic upon value production” (italics added ŽIŽEK, 2017). In this CDA, this

primarily involves IC stakeholders such as SwissRe, UBS and BlueOrchard whose main business evolves around making profit of financial trade, that nowadays also works through new sustainable development “products” with monetary values to be traded and financial instruments that should alleviate poverty. Examples for such financialization of development are shown in e.g., SwissRe’s efforts to create new insurance products for emerging markets (SwissRe_A1; SwissRe_P: 36). The attitude in which such financialization efforts are brought forward in the discourse are examined more closely in the next chapter.

1.3 “Testing out” and “Exploring” New Financial Instruments

The dominant actors welcoming the private sector’s further involvement in development cooperation (i.e., all private sector actors as well as many public sector actors and *economiesuisse*) not only write enthusiastically and positively about the qualities of the private sector (*see enthusiastic argument*) but also about the “testing out” (e.g., SDC_P2: 24; UBS_I1) and “exploring” (e.g., SDC: F1; SwissRe_P1: 26; BlueOrchard_P: 21) of new financial instruments and insurance products for the poor. This *leaning by doing attitude*, as I name it, in which such financialization efforts are brought forward, reminds of Sheppard et al.’s way of defining financialization as “how money / value is produced and marketed as a commodity for sale, frequently through the design of *exotic financial products whose functioning is ill-understood* even by the their own expert-architects but whose rationale is entirely that of profit generation” (SHEPPARD ET AL., 2012, p. 153 italics added). A recent exotic financial product has been the pandemic bonds that have already failed twice (*see chapter B*). Still the development finance community is not deterred by this and continues to test and explore new financial products and instruments for development with much enthusiasm.

Many Swiss IC stakeholders of the public and private sector like to write about their efforts to develop and test new development finance instruments. The CCRS, for example write that as the SDGs cannot be reached with traditional development cooperation, “a testing of new approaches [is] therefore not only in the interest of Switzerland, but also of the international community and especially of developing countries”¹¹⁷. Supporting the call for further financialization of development, *economiesuisse* also pledge for involving the financial industry into the development of new development financing instruments (*Economiesuisse_C*: 5). The UBS write that they already explore and test new instruments: “We are also testing impact loan instruments that lower interest rates for social enterprises delivering high social impact” (UBS_I: 1; *see also UBS_C*) as social finance “*could*” be the solution (UBS_I1, italics added). Further, they write that they are “exploring how blockchain could make impact bonds more efficient via smart contracts and by standardizing result verification” (UBS_I1). Elsewhere they also point at their development projects’ aims to do research (UBS_F) and to learn from their experiences as they aim “to drive meaningful improvement in learning outcomes at scale, while also leveraging our learnings to help government and other funders” and write, that their funders must be willing to adapt accordingly (UBS_A1). UBS generally uses the word “exploring” often, as they also speak of “exploring lessons that the UBS has learned in this field [engaging in PPDPs]” (UBS_A2). Similarly, the SDC also develop and test new development finance instrument or “EPS innovations” among others with the University of St. Gallen (SDC_P2: 20) and “explore options”

¹¹⁷ CCRS_C: 1: “Eine kritische Überprüfung der Wirksamkeit der gegenwärtigen Instrumente der IZA und ein Austesten von neuen Ansätzen sind daher nicht nur im Interesse der Schweiz, sondern auch der internationalen Gemeinschaft und insbesondere der Entwicklungsländer.»

for agriculture and livestock insurance together with, for example, Syngenta (SDC_A5). Their expressions such as “innovation labs” (SDC_P2: 4) and “lab of tomorrow” (SDC_P2: 6) that aim to co-create “impact-driven business models” with private sector partners, also play into the discursive pattern of “testing” what works for development. In general, however, the SDC write:

“In order to support the private sector on the ground, the FDFA and the EAER will explore the possibility of developing new financial instruments and forms of cooperation for private sector engagement, including in more challenging contexts, taking into account the expertise, complementarities and synergies [...]” (SDC_F1: 5).

Like the private sector actor UBS, the SDC and many other IC actors often write positively about drawing lessons from “testing” new development finance models. The “we must see ourselves as a learning organization” approach, the development NGO Swisscontact values (Swisscontact_P: 21), is shared among discursive actors of *all sectors* (even among the independent sector IC stakeholders who don’t play much into the dominant discourse). The SDC also justifies its further engagement with the private sector in development with their “first experiences” that revealed great potential but also major risks (SDC_A3) and announces “to integrate [...] new learnings, instruments and operational developments” into their new guidance in 2023 (SDC_P2: 30). *economiesuisse* and SwissFoundations tie in with the SDC and complement them on their promising initial experiences (*Economiesuisse_C*: 3) and write that Switzerland should use the opportunity and we should “prove our skills in PPPs [Mehrwert von PPPs unter Beweis zu stellen]” (*SwissFoundations_C*: 4).

This general *learning by doing* approach that is applied to solve development struggles, is not only “justified” by the IC stakeholders through acknowledging that development has done harm in the past but is now following a new strategy (*see self-critical argument*), but also as development efforts are always evaluated by experts (*Nationalrat_15_06a*: 23) who show how the “will to improve” lives on (*LI*, 2007). This is for example shown in the discourse when Cassis admits that past development efforts have failed but argues that international cooperation has changed now for the better (*Nationalrat_15_06a*: 21; *see realist argument*) or in the way Menzinger of SwissRe comments on the outcome of the pandemic bonds: “This was a first, and first always comes with learning and is never perfect. But the fundamental idea of a rules-based pre-financing instrument continues to hold” (*SwissRe_A2*). Adding to that, *economiesuisse* is convinced that by letting the private sector engage more in development also leads to a more sensitive economy (*Economiesuisse_C*: 1), which very much resembles the general image of the attempts to “[rescue] capitalism from capitalism” (*MITCHELL & SPARKE*, 2015, p. 2) or, as Rosenman (2019, p. 142) puts it: [Resolving] the unequal and often unjust results of capitalism with the application, albeit re-tooled, of more capitalism”.

The general positive attitude of “testing out” and “exploring” new financial instruments for development ties in with *one*, the broader “experimental” efforts for development that aims for creating evidence and changing individual behavior for the better (*BANERJEE & DUFLO*, 2009; *BERNDT*, 2015; *DUFLO ET AL.*, 2011 *see next chapter*), and *two*, the underlying reasoning behind *economiesuisse*’s argument that temporarily destroying the local private sector as a consequence of increased foreign competition and innovation is justified as it helps the local private sector develop in the long run (*Economiesuisse_P*: 6-7, *see win-lose argument*). This latter point strongly mirrors the idea of Joseph Schumpeter’s “creative destruction” (*see also HARVEY*, 2007), that describes the “observation that the essential fact about capitalism is to be found in the perennial gales of creative destruction” (*SCHUBERT*, 2013, p. 227). However, not even Schumpeter, who has coined this term, saw this innovation and

competition-driven development process as unproblematic as many Swiss private sector IC stakeholders do. In fact, Schumpeter himself has no easy answer to the question that arises in such situations of *creative destruction*: “Is what is *created* in a process of change necessarily ‘better’ than what is being *destroyed*?” (SCHUBERT, 2013, p. 228). Rather, Schumpeter acknowledges that creative destruction very well comes with its downsides:

“New products, modes of organisation and new technologies tend to be beneficial ‘overall’, but they also tend to make some individuals worse off, at least in the ‘short run’. People may be faced with income losses, increased uncertainty, anxiety or the devaluation of their human capital. They may lose their job, their social status and may even see the basis of their self-respect erode. These ‘vicissitudes’ are more severe the faster economic change proceeds” (Schumpeter as cited in SCHUBERT, 2013, p. 228).

In a way, this brief critique argues similarly to the *win-lose argument*, that draws attention to possible destructive win-lose scenarios¹¹⁸ of engaging with the private sector in development, which, in this case, raises the question: Is “testing out” and “learning from” “exploring” new financial instruments and insurance schemes for development really as legitimate as it is portrayed by dominant IC stakeholders?

1.4 Financial or Reputational Risks Overshadow Social Risks

The dispositive definitely shows a void in that the dominant actors all only briefly mention the possible social risks of e.g., new financial development instruments for locals but generally talk much more about all the positive initial experiences and possible opportunities new approaches may bring (minor opposing actors discuss dangers: see *win-lose argument and argument of mistrust*) or, when talking about risks, discussing risks that target the private sector investor or the SDC (e.g. *financial* or *reputational* risks) seem to dominate. In a way, this finding itself plays into the arms of critical IC stakeholders that make use of the *win-lose scenario* and supports Sheppard et al.’s claim that financialization is all about profit generation (2012, p. 153).

Private sector actors mainly discuss the *financial* risks that accompany private sector development investments. Among private sector actors, UBS is most vocal about *risks*. However, they evaluate impact investments along the lines of financial return, social and economic impact, and financial risk (UBS_A2; UBS_A4a; see *illustration 18*). However, whether or how social risks (i.e., negative impact) do find their spot in their evaluations remains unclear in the analyzed documents of this CDA. UBS generally aim at blending private capital and “cater to different risk/return profiles while guaranteeing a focus on impact” and serve “a spectrum of social investors, based on their different risk, return and impact needs” (UBS_I1), again, taking up the thread on prioritizing the satisfaction of their wealthy customers (see *last part*). To advertise their products, UBS highlight e.g., “over-achieving projects”, “impressive outcomes” and projects that “are *likely* to change the lives of over 200,000 children in India” (UBS_A1, discursive added), while not discussing possible negative social impacts of a failed project. Elsewhere, they again thematize the *financial risk of investors* as they write that “we [UBS] want to shape the future of sustainable investing [...] Because we believe these investments can deliver returns with less risk to *your* money” (UBS_A3, italics added). Again, in-between talk on

¹¹⁸ I.e., referring to past win-lose situations, where local needs were not treated as a priority and local livelihoods were destroyed, they argue that such possible outcomes should be adequately acknowledged (see *part I of this chapter*).

“[maximizing] risk-adjusted returns” or “[generating] above-market risk-adjusted returns” (UBS_A2: 1), the possible social risks that such development projects may bring remain a blank spot within this discursive strand.

Figure 18: The Dimensions of Impact Investing According to UBS



Illustration by UBS (UBS_A4a).

Further, just as Rosenman and Chiapello already problematize the risk model of SIB’s¹¹⁹, as they “do not include any possible social repercussions of the failure to achieve intended outcomes, assuming instead that services and programs can only improve or stay the same” (ROSENMAN, 2019, p. 148) and are predominantly ideological (CHIAPELLO, 2020), DIBs are uncritically promoted by the private sector actor UBS as an “extremely interesting” model:

“Compared to traditional funding, DIBs are extremely interesting for donors as they transfer the risk to investors who put in the working capital for the implementing organizations on the ground. Only if and when performance indicators are met, will outcome payers provide their contribution, including a potential bonus payment.” (UBS_A1)

The private sector actor SwissRe poses a minor exception to other private sector actors, as they prominently thematize *environmental* risks – being convinced that “sustainable development includes active, forward-looking risk management [...] to combat the negative consequences of climate change”.¹²⁰ However, they also argue along the lines of other private sector actors that there must be more risk-protection for possible private sector partners that may engage in a PPDP, as this will lead to more potential investors, which is favorable (SwissRe_C: 4).

Dominant public sector actors (SDC and National Council) primarily discuss *reputational* risks, connected to talk on the importance of exit-strategies in PPDPs. The SDC confirm this discursive pattern: “The public side is often concerned about the possible reputational risks, whereas for the

¹¹⁹ SIB’s (Social Impact Bonds) and DIB’s (Development Impact Bonds) are both results-based financing models (see chapter B). The only difference lies in the partner who pays for outcomes: “In a Social Impact Bond the outcome payer is the government, while in a Development Impact Bond the outcome payer is a donor” (INSTIGLIO, 2021).

¹²⁰ **SwissRe_C: 3:** «Zur nachhaltigen Entwicklung gehört aktives, vorausschauendes Risiko-Management. Integraler Teil der Bekämpfung negativer Folgen des Klimawandels sind zum einen das systematische Management von Grossrisiken, wie etwa Naturkatastrophen (Wirbelstürme, Fluten, Dürren) und zum anderen auch die Risiko-Vorsorge (DRR, Disaster Risk Reduction).»

the private sector “help create new products, services and technologies [...] that ultimately benefit the most vulnerable population groups” (SDC_A6). Technologies that the SDC want to use more are for example “using smartphone payment models, blockchain technology for financial services, and drones and satellite data for crop insurance purposes” (SDC_A2). Often, the power of digitalization in development is used in relation to insurance, where remote sensing and mobile payment technologies are embedded into insurance products for poor farmers (SDC_A5).

SwissRe, the only insurance company analyzed within this CDA, mirrors the SDC’s enthusiasm for using new remote sensing and smartphone solutions within their new products. In partnership with the SDC and other partners, they have engaged in a project called “RIICE” that uses commercial satellite technologies for large-scale farmer insurance (SwissRe_A1: 1). What is striking is that SwissRe often uses the term “creating resilience” when talking about their engagement for “[promoting] the innovative use of digital technologies” in development. This as “[digitization] will be a crucial enabler of Swiss Re’s and the Swiss Re Foundation’s shared vision – a world that’s resilient in every sense” (SwissRe_P1: 37). An example that stands out in this context is their Entrepreneurs for Resilience Award 2019, which their project “CarePay” was awarded with. Care Pay is “a mobile wallet that lets people save, pay for and manage healthcare using a single app” (SwissRe_P1: 30). Solving current development struggles through developing apps and smartphone or blockchain financial services can be viewed critically as not everyone shares this dominant techno-optimist view imposing neoliberal capitalist thinking on people in the global South (e.g., LANGLEY & LEYSHON, 2021).

As already hinted at, techno-optimist statements also occur in prominent talk on measuring development impact through “data driven” and “evidence based” approaches. “Building evidence” (SwissRe_P1: 37) and supporting “entrepreneurial models” (SDC_P2: 20) that are “data driven” (UBS_F; SDC_F1) and built on evidence resulting out of “testing out” new financial instruments (*see part 1.3*). Actors use all these terms to justify their efforts as they assure that their projects are *data driven* and its impact is *measurable* (UBS_A4a; SDC_A1). UBS even assures that their development impact bonds “are 100% focused on measurable impact” (UBS_A1) and that they can tell their customers “exactly where funding is going and the impact it is having” (UBS_F). Yet, this aspect presents an interesting shortcoming. In glowing talk on measuring impact with the “suitable tools” (SDC_P2: 30), *how* this “impact” is defined and measured is left overshadowed. While the SDC and all private sector actors use terms like “data driven”, “innovation”, “high-impact”, *how* “impact” is defined and measured appears less standardized. The SDC even confirm this finding: “In general, donors and the private sector have developed their own approaches to measure results” (SDC_P2: 26). Also, among the private sector actors, there are different ways to measure “impact”. UBS, for example, engages non-profit evaluation firms in some of their PPDs (UBS_A1). In fact, the global impact investment community does not follow a shared standard approach on how to measure their development projects’ results but rather “use tailored approaches according to their needs” (OECD, 2019; SDC, 2021f). The CCRS and even UBS (A4a) briefly mention that the impact measurement and financial sustainability can only be inadequately measured and that the priorities of the donor countries still do not correspond to the priorities of the recipient countries (CCRS_C: 1-2). Quite

unsurprisingly, independent actor AllianceSud¹²³ also criticizes this aspect regarding the measuring difficulties of development impact and refers to the so-called “Private Infrastructure Development Group”, which was mentioned as a good example in the new IC Strategy (SCHWEIZERISCHE EIDGENOSSENSCHAFT, 2020, p. 2649) that continues to invest heavily in oil and gas projects in developing countries. Such behavior is “incompatible with sustainable development as defined by the 2030 Agenda and the Paris Climate Agreement”, as AllianceSud argue (ibid.). Taking this minor discursive “sub-thread” on how impact is really measured into account, the dominant talk of the private sector on “over-achieving projects” and “exactly” measuring impact appears less truthful but more about promoting oneself and attracting more customers as results are measured according to own measurements.

2. Geographical Imaginations

This section focuses on question B2: **What are the different discursive actors’ geographical imaginations?**

Various discursive actors frequently point at their awareness of their geographical imaginations – whether in a more intentional or rather unconscious manner. Mirroring a pretty clear understanding of their geographical imagination, which, according to Harvey, enables people to “[...] recognize how transactions between individuals and between organizations are affected by the space that separates them” (1973, 2005b, p. 12), the SDC write that “[in] a globalized economy, economic problems in one part of the world can quickly affect other parts” (SDC_A2). Also, Sibel Arslan, representing many similar statements of many other IC stakeholders, says in one of the parliamentary debates that “[the] corona crisis reminds us that what happens far away often has a direct impact on our lives”.¹²⁴

However, when having a closer look at the geographical imaginaries of the Swiss IC stakeholders, two interesting and less obvious discursive patterns within public and private sector catch the eye. *First*, “modifying” geographical imaginations of other discursive actors appear to be used as strategic tools to deepen financialization of development. *Second*, the geographical imaginations of the “there” mirror a certain “know-it-all” attitude that Lepenies thematizes (2009, p. 41). *Third*, this “know-it-all” attitude and assuming to know the real needs and desires of people of the global South allows private and public IC stakeholders to legitimize behavioral and educational interventions that are frequently put forward in the discourse as euphemisms and/or oxymorons.

2.1 Using Geographical Imaginations as a Strategic Tool

The SwissRe Foundation as well as the SDC thematize that in order to reach the development goals, their staff needs to be properly (re)educated. This education also involves modifying the staff’s geographical imaginations by “inspiring” SwissRe employees to volunteer abroad in order to

¹²³ **AllianceSud_A2:** «Auch die Überprüfung eines tatsächlichen Entwicklungsnutzens gestaltet sich aufgrund der Vielzahl involvierter Akteure bei dieser Art von Finanzierung oftmals schwierig. So stand just die in der Botschaft als positives Beispiel erwähnte Private Infrastructure Development Group (PIDG) kürzlich in der Kritik, weil sie nach wie vor massiv in Öl- und Gasprojekte in Entwicklungsländern investiert. Dies ist mit einer nachhaltigen Entwicklung im Sinne der Agenda 2030 und des Pariser Klimaabkommens unvereinbar.»

¹²⁴ **Nationalrat_15_06a: 14:** «Die Corona-Krise ruft uns in Erinnerung, dass das, was in weiter Ferne passiert, oft direkte Auswirkungen auf unser Leben hat.»

“amplify” their impact in their partner countries of the Global South (SwissRe_P1: 32). Employees describe that experiencing the “there” or the “Other” by volunteering abroad leaves lasting memories and motivates them to create impact (ibid.). The statements of three employees show how experiencing the “there” has changed their imaginings, as their visions got more concrete:

- “My colleagues and I helped build temporary housing for people who lost their homes in an earthquake. This kind of experience feeds my soul and my mind and makes our mission of building a more resilient world feel more concrete.” (SwissRe_P1: 32)
- “I took part in several SwissRe Foundation activities this year, including a Community Day where we revitalized a daycare facility for cognitively disabled children and adults. Volunteering has made me realize more than ever that little by little, a little becomes a lot.” (SwissRe_P1: 33)
- “GEP [Global Entrepreneurs Program] has been an intense, ‘out-of-comfort-zone’ learning experience. My team and I returned with a shared vision that inspires and challenges us to help maximize the impact of CASSA¹²⁵ every day.” (SwissRe_P1: 33)

Just like Said (1978), I do not criticize the presence of the binary Self/Other but do criticize that this “othering”, which is forced to take place in such “out-of-comfort-zone learning experiences”, is accompanied with unequal power-relations that I see in the volunteer’s privileged position to leave the people and places that need help, whereas the Other is not, and in the volunteer’s ability to create “impact” (influenced by experiences that they have made “there”, which is a situated construction in itself but still has the power to form reality) and the Other cannot, as they are not an employee of SwissRe. This criticism very much ties in with Spivak who speaks of an “episteme that will “mean” (for Other) and “know” (for the Self)” (1985, p. 255), which, as Gregory argues, will only be disrupted “when subaltern figures made enough noise that they were admitted to the conversation” (1996, p. 105).

Similarly, to the private sector actor SwissRe, the SDC applies a “management attitude aimed at fostering the intrinsic motivation of SDC staff to engage in partnerships with the private sector” (SDC_P2: 23). The SDC’s “EPS 100 Workshop” is one of the SDC’s tools to “foster intrinsic motivation”, create an “empowering attitude” (SDC_P2: 23; SDC_F3) and “higher willingness” to manage EPS (SDC_P2: 22). The SDC write that this workshop is based “on the notion of paradigm shift” and each workshop starts with the question: “What if all our development challenges could be tackled in cooperation with the private sector, or if our entire portfolio consisted of EPS projects?” (SDC_P2: 23). Such events should also help to create a “sense of community” (ibid.), which can be supported by meetings of fellow “EPS Pioneers”, that have already achieved the needed EPS-skills (SDC_P2: 21). In general, EPS qualities are valued highly and “[in] view of promoting SDC capacities in EPS, related competences shall be also increasingly valued in hiring processes” (SDC_P2: 23), which indicates a general willingness to accommodate EPS projects through modifying internal structures towards a more EPS-friendly environment.

¹²⁵ CASSA is a start-up that “builds safe, affordable and environmentally sustainable housing in Guatemala” (SwissRe_P1: 30).

2.2 Transferring the “Right” Knowledge from “Here” to “There”

Geographical imaginations play an important role in how IC stakeholders legitimize the transfer of the “right” knowledges from “us” to the global South. As I will show in this section, private and public IC stakeholders legitimize their development efforts (*based on behavioral and/or educational interventions as shown in section 2.3*) by stressing that firstly, “there” simply is more to improve than “here”, *secondly*, we have the “right” kind of knowledge to improve the “Other” and *thirdly*, giving them our knowledge is the desire local people have.

Many IC stakeholders legitimize the transfer of the “right” knowledge from “us” to the people of the global South by referring to the “miserable” living conditions in these “emerging markets”, as Fanconi puts it quite bluntly (BlueOrchard_V: 1: 1783). Most often IC stakeholders simply assume that we have the “right” kind of knowledge to improve these conditions – predominantly in fields of sustainability (e.g., Economiesuisse_C: 3; SDC_F1; SDC_F2: 4; Nationalrat_15_06a: 3) and women empowerment (e.g., BlueOrchard_P: 20; UBS_A1; Nationalrat_15_06a: 14; SDC_P3: 11). The claim of *there is more to improve than here and we have the right kind of knowledge* is for example made in relation to education of girls in India (UBS_A1) or coastal regions in the global South that are more heavily affected by the effects of the climate crisis and hence need our reinsurance products (SDC_A3). This subtle overconfidence is also shown in e.g., Nestlé’s sustainability statements that claim that if all Vietnamese coffee farmers would cultivate according to Nestlé’s concept, the whole society would benefit (Nestlé_V: 2: 901).

However, justifying this knowledge transfer through assuming that *we have the right kind of knowledge* is based on personal geographical imaginations that are born out of “unequal local knowledges” (GREGORY, 1996, p. 203), and, as Hallaq (2018, p. 4) describes, “unconsciously subordinate all other discursive domains to its own imperatives”. This aspect shows clearly in a talk on impact investing, where Fanconi of BlueOrchard exemplarily lists the many things that he perceives as “disastrous”, amongst which living in a hut without heating and exposed to nature is a sign of poverty: “About poverty, we need to understand, if you are poor, you can be homeless or you actually live in huts. Without roofs, you’ve got no heating. You are exposed to nature. [...]” (BlueOrchard_V: 1: 3094). Yet, Fanconi is unaware that the way he perceives the “Other” is simply the result of comparing the *is* with his personal idea of the *should* – in other words, creating a situation of “uneven local knowledge” and giving life to his geographical imaginations (GREGORY, 1996, p. 203).

Swiss private and public sector IC stakeholders reveal a third way of justifying their development undertakings: Claiming to know the exact needs of local people. Adding to Fanconi’s way of projecting his western ideal of what a real house needs to look like, in the citation above, the way Fanconi describes how they find out the needs of local people by meeting people again presents a clear example of subordinating them to his own imperatives:

“And I spent the bulk of my time in so-called “frontier markets” or “emerging markets” where I usually don’t wear nice suit as I do today, spend my time somewhere on the road in a pretty miserable hotel usually, and trying to fight my way together with my colleagues but to meeting people.” (BlueOrchard_V: 1: 1480)

On these heroic trips, Fanconi and his colleagues claim to have found out the desires and needs of poor people: Being included to live our way of live. Fanconi says exemplarily:

“And people today who are excluded from the system, they have got one desire. They have got one hope. They want to become included. That is so important. [...] The only wish and only dream you have, and ambition, is to make that next step to become included [...] So it's all about how to make people included, how to push them into inclusion. [...]. Just imagine yourself, you know, if you were to live in a poor country” (BlueOrchard_V: 2: 1813).

I do not claim to know the real needs of people in the Global South myself as this would also play along the critique there has been to post-developmental thinkers i.e., “preaching an ethics of sufficiency from a paternalist affluent perspective, claiming to know better about the needs of the poor (and their legitimacy) than they themselves” that again prescribes a certain model of society as the right one (ZIAI, 2017, p. 2549). However, I do criticize that *how* the needs of local people are really assessed is only roughly discussed throughout the analyzed discursive elements¹²⁶ which can possibly be attributed to a generally accepted “know-it-all” attitude that Lepenies criticizes in development (2009, p. 41). One of the SDC’s three questions asked the Swiss public in the optional consultation read: “In your view, does the proposed geographical focus of bilateral development cooperation correspond to the needs of the population of developing countries, Switzerland's interests and the comparative advantages of Switzerland's international cooperation?”¹²⁷ It may be a bit of a quibble, but I see in this question the exemplary “know-it-all” attitude as it implies that the people of Switzerland already know what the local needs are. This attitude is also taken over in one of the consultation letters, where *economiesuisse* write that they support the SDC’s goals and “they are likely to correspond to the local population as well”,¹²⁸ as if everyone already knew what the local needs are, despite unclear need acquisition and prioritization that they recognize nevertheless (*Economiesuisse_C*: 4). In fact, throughout the discursive elements, it appears as no secret, that the private sector is still developing standardized measurements of measuring development “impact” (that also mirrors a certain understanding of what “needs” *are* in the first place) (UBS: A4a; UBS_A2; BlueOrchard: I2).

2.3 (Re)educating the Global South

This generally accepted “know-it-all” attitude and assuming to know the real needs and desires of people of the global South allows private and public IC stakeholders to legitimize behavioral and/or educational interventions that are frequently put forward in the discourse as euphemisms that lie within creating the “entrepreneurial farmer” (SDC_A5; see also Berndt 2015), “seeing the poorest as our customers” (CCRS_I) or “becoming a business partner of a poor person” (BlueOrchard_V: 3: 2067). These behaviorist interventions are generally thought of as “good”, as they will help to educate the person in the global South to change their behavior according to our knowledge which will lead to eradicating development challenges.

¹²⁶ This counts true when expecting more than results of a western person experiencing the “there” or talking to people as described by both SDC and private sector actors’ discursive fragments. Independent sector actors such as HELVETAS do thematize the importance of *participatory methods* to assess the real needs of people and form the IC strategy (HELVETAS_C: 4) but do present a minority in the discourse.

¹²⁷ **SwissRe_C: 5:** «Entspricht die vorgeschlagene geografische Fokussierung der bilateralen Entwicklungszusammenarbeit Ihrer Ansicht nach den Bedürfnissen der Bevölkerung der Entwicklungsländer, den Interessen der Schweiz und den komparativen Vorteilen der internationalen Zusammenarbeit der Schweiz?»

¹²⁸ **Economiesuisse_C: 2:** «Wir unterstützen die vier genannten Ziele. Sie dürften auch den Bedürfnissen der lokalen Bevölkerung entsprechen.»

Seeing local people as customers of, for example, insurance and providing them with financial literacy, as the SDC does, will “[unlock] the entrepreneurial potential of farmers” (SDC_A5) and in general lead to positive “behavioral changes with farmers investing into higher yielding crops and livestock”, the SDC argues (ibid.). Many other projects, such as the SDC describe, are targeted at “re-educating” locals. Such undertakings that aim at changing the behavior of locals through (re)educating them are twofold problematic as they not only convey a modernist and paternalistic view but also use western knowledge as the only key to decide on in- and exclusion to society. The crucial thing here is that the narrative of transforming the farmer of the global South into an “entrepreneurial farmer” creates new market subjects, which, as Sheppard and Leitner write, makes the new market subjects “responsible for their success, or failure”:

“Only the free market can provide the incentives, attentive to local context, that can unfetter the potential of the poor to succeed as capitalist entrepreneurs, who thereby become responsible for their success, or failure” (2010, p. 190).

Despite the underlying problematic aspects of shifting responsibility, measures such as providing financial literacy for “unlocking the entrepreneurial potential of farmers” are generally portrayed positively. Such passages often have a slight bitter taste to it as the locals are described as people that do not have the “right” e.g., farming knowledge, but need to switch form their farming practices to the ones prescribed by Nestlé to save water (Nestlé_A1; Nestlé_V: 1:1251).

Similarly, to the trope of creating the “entrepreneurial farmer”, passages that describe “seeing the poorest as our customers” (CCRS_I) and “business relationships” with poor people also show aspects that appeal to the psychological, behavioral, or educational aspects of certain development financing tools for poor people to learn how to use the money:

“That's a difference to impact investing where you provide money, the money needs to be paid back. [...] And it's not only about because you want to make money as an investor, but *it's psychologically totally important that the individual knows it's a business relationship* and it's an opportunity to basically develop financially and economically.” (BlueOrchard_V: 3: 3044, italics added)

While the above statement only refers to the “psychologically totally important” aspect of establishing a real business partnership with a poor person, other passages of private and public stakeholders even describe how “your business partner” needs to be observed on whether they use the money for the right cause (SDC_I2; BlueOrchard_I1) and if they do, they will be “rewarded” with more money and investors (SwissRe_C: 5; SDC: A5; BlueOrchard_I1; BlueOrchard_V) – giving advantage to the individuals that successfully learn to apply the imposed knowledge and become “capitalist entrepreneurs” (SHEPPARD & LEITNER, 2010, p. 190).

Moreover, local people are described as having no other wish than to partner with the western “partner”: “So, you provide money and accessibility to an individual who actually gets the opportunity to develop himself. You become a business partner of a poor people *who has no other opportunity in life*” (BlueOrchard_V: 3: 1179, discursive added). Here, I argue that such seemingly positive framings of helping a poor person to fulfill their wish in order to become “included” by e.g., helping them unlock their “entrepreneurial potential” (SDC_A5), “seeing the poorest as our customers” (CCRS_I), or by becoming their “business partner”, beautify the very essence of such “partnerships” that lies in exploiting unequal power relations. In fact, the “helping” partner’s

justification of (re)educating local people according to *our* knowledge (i.e., our understanding of farming, business, finance etc.) is based on the fact that they see the poor partner as inferior to them. As Andreu (2018, p. 275) has already identified within impact investors, the “helping” partner engages in a relation of assistance as well as in a relation of inequality. Economiesuisse who support such modernist and behaviorist undertakings but simultaneously say that “otherness should be respected” hence come across as somewhat insincere.¹²⁹

How, I ask, should a partnership with “a poor person *who has no other opportunity in life*” be more than a mere oxymoron? I argue that such framings very well mirror Žižek’s understanding of modern domination as reflected in the way how in today’s society, social control and domination “no longer appear as infringing on subject’s freedom” but as “the very self-experience of individuals as free” (ŽIŽEK, 2017). Žižek argues:

“But today’s late capitalism, with its “spontaneous” ideology, endeavors to obliterate the class division itself by way of qualifying us all as “self-entrepreneurs,” the differences among us being merely quantitative (a big capitalist borrows hundreds of millions for his investment; a poor worker borrows a couple of thousands for his supplementary education).”

Referring to these findings in terms of *dispositive*, leads me to argue that the power-knowledge constellations that hold the current dispositive together are not only dominated by paternalistic views of development experts and economists but also have the creative (as well as destructive) power to modify and establish new development tools and frameworks (*see part 1.1*). This all happens according to *their* will and based on *their* normative understanding of how people should behave that are brought about by their geographical imaginations of the global South that have ideas of identity, legitimacy and norms closely attached to them (GREGORY, 1996, 2010; HALLAQ, 2018; KRISTOFFERSEN & LANGHELLE, 2017). Doing so, such “ethical agents of change” (LANGLEY, 2021, p. 331) exploit unequal power relations and oversee other issues such as white-collar crime (ROSENMAN, 2019, p. 147).

3. Negotiating Roles and Identities

This section focuses on question B3: **What *self-image* do discursive actors voice in the discourse and to what extent do these self-images show implications on discursive hegemony?**

First off, it must be clearly stated that this section solely tries to extract the *broad* discursive structure behind the “renegotiating” of roles and self-images of Swiss IC stakeholders that I have identified. This, as the private, public and independent sector surface a landscape of very diverse actors as “not all private sectors are the alike”¹³⁰ and partnerships that are sometimes not easy to delineate. HELVETAS, for example, point at the “fuzzy boundaries” between e.g., companies and their foundations, such as in this thesis SwissRe and SwissRe Foundation (HELVETAS_A5). With this in mind, the following three brief parts reveal an insight into how current discourse shapes the identities of Swiss private and public IC actors as well as and development NGOs.

¹²⁹ **Economiesuisse_C: 6:** «Festzuhalten ist auch, dass IZA von Respekt geprägt sein muss. Andersartigkeit sollte akzeptiert und andere Beurteilungen von Sachverhalten und Vorgehensweisen in fremden Ländern sowie deren Souveränität respektiert werden.»

¹³⁰ **HELVETAS_A2:** «Privatsektor ist nicht gleich Privatsektor»

3.1 Finance and Business Identify as the New Leaders

This CDA reveals that business and finance see themselves as the new leaders and put themselves in a position of power in the discourse, which is reflected in explicit statements about their identity as, for example, “game changers” (BlueOrchard_P: 26) or “leaders” (UBS_A2), while at the same time criticizing other non-commercial development aid approaches (e.g., Nationalrat_15_06a: 11; BlueOrchard_V: 2: 515). These statements are supported by an underlying discursive strand (also including discursive actors of other sectors) stating that a new era of development cooperation has now begun – with the private sector taking center stage (e.g., BlueOrchard_A1: 1). After a brief description of how discursive actors see the beginning of “a new reality”, the next few paragraphs show what identity traits the analyzed private sector actors put forward in the discourse.

Compared to other discursive development actors, finance and business are most vocal about a *new reality* of development finance, with the private sector taking center stage. For example, BlueOrchard describe it as a “new reality [of private sector development finance]”, which has just begun. BlueOrchard see other actors “positively awaking” to this new reality, as they write:

“In particular, a growing number of pension funds, insurance groups, global banks and large asset managers across the globe are embracing this asset class [development finance investments]. In Switzerland in particular, most leading financial institutions are *positively awaking to this new reality.*” (BlueOrchard_A1: 4, italics added)

Elsewhere, they also write that “We [BlueOrchard] believe that it is about time for a shift in the equilibrium between public and private sector actors in blended finance structures” (BlueOrchard_P: 26) and even call it a an expected “revolution where commercial capital leads the way” (BlueOrchard_P: 29). The think-tank *economiesuisse* also hint at such a new reality as they write that for the SDC, a phase of structural reform must begin if they want to meet the SDGs in time (Economiesuisse_C: 6-7). Some politicians of the National Council support this claim of a “new reality” as a modernized and reformed IC strategy does not need the profile of the classic development aid worker anymore but rather needs economists, agronomists, and engineers.¹³¹

The most explicit statements that should manifest the private sector actor’s dominance in the discourse shows in them identifying as “leaders” and “gamechangers”. BlueOrchard write that actors such as them “could become the *gamechangers* by designing blended finance products that meet private sector investors’ requirements” (BlueOrchard_P: 26, italics added). SwissRe also see themselves as “playing an important *pioneering role* [Wegweiserfunktion einnehmen]” for helping to create attractive infrastructure investment markets and already bring relevant experience (SwissRe_C: 6, italics added). Similarly, UBS see their new products as setting “new standards that *pave the way* for more institutional investors to invest [...]” (UBS_A2, italics added) and write that, as “the world’s leading wealth manager” (ibid.), they take *a leading role* in reaching the SDGs: “We’re taking a *leading role* at UBS Optimus Foundation in driving impactful philanthropy that delivers *breakthrough solutions* to these pressing social issues” (UBS_I1, italics added). Nestlé see themselves in similar leading positions as they like to stress that they are one of the founding patrons of UN Global Compact

¹³¹ Nationalrat_15_06a: 12: «Um die internationale Zusammenarbeit zu reformieren und zu modernisieren, braucht es eine adäquate Personalplanung: mehr Agronomen, Ökonomen, Ingenieure. Für die neuen Herausforderungen der Entwicklungszusammenarbeit reicht das Profil des klassischen Entwicklungshelfers nicht mehr.»

collaborative that stands for sustainable business (Nestlé_A2) and even “helped to *shape* the 17 Sustainable Development Goals (SDGs), set “global standards” and are now “working hard to achieve them” (Nestlé_A2, italics added).

Referring to their leading positions, private sector actors like to refer to their deep-rooted motivation in *doing good*. For example, the UBS write that they “have a long tradition of giving back”, that fuels into their new motivation to work for sustainable development (UBS_A3). As all analyzed private sector actors generally describe themselves as “do-gooders”, as I call them, it is not surprising that the trope of the *social business* has even been adapted by actors of independent and public sector. This, as throughout the discursive material, companies like Nestlé and UBS both stress the new social identity trait of the private sector as they write that “for-profit businesses” merge into “businesses with impact” that help to achieve the SDGs (e.g., UBS_A2; Nestlé_P: 3). The SDC echo this identity trait as they also frequently speak of “social businesses” (e.g., SDC_P2: 9).

Further, claims of being part of *the right network* are frequent among BlueOrchard and UBS (Nestlé and SwissRe do not appear to thematize this aspect as crucial to their identity). Claiming to have the right kind of customers, BlueOrchard finds itself in a “unique capability of bringing together funders from both the private and the public sector towards the same development goals”, as they write (BlueOrchard_P: 13, italics added). UBS like to stress that they “harness the power of its network and expertise towards addressing some of the most challenging social issues” (UBS_A2) through e.g., “Align171”, an initiative that involves the UBS's Global Ultra High Net Worth Philanthropy Center, the UBS Optimus Foundation, and UBS clients to connect philanthropists to SDG solutions. (UBS_A2, italics added). Taking a leading role and having access to a network with the right kind of private clients, Sergio Ermotti (Group CEO of UBS) expresses a common statement among private sector actors that plays into the narrative of *together with our privileged customers we save the world*: “As the 2030 deadline for the SDGs approaches, we look forward to working with our clients and other financial institutions on ways of tackling the world's sustainability challenges” (UBS_A2).

Along with manifesting that a new reality has set in and classic development cooperation is under scrutiny (e.g., Nationalrat_15_06a: 11), criticizing non-commercial development aid approaches surfaces one of the private sector's discursive strategy of the establishing themselves in a discursive position of power by discrediting other approaches and actors that embrace non-commercial development approaches. BlueOrchard is the most vocal about stressing the effectiveness of their impact investing and microfinance approaches by demeaning other approaches and sees the main critique in the *unsustainability* of traditional investing or philanthropy:

“Impact investing is very different from traditional investing or from philanthropy. So, philanthropy is providing aid, right? It's great support for a couple of years. You can send your kid into school, you might receive some books, but it's not sustainable. It's not going to help a family to develop independently.” (Peter Fanconi, BlueOrchard_V: 3)

In contrast to development aid, which Fanconi refers to in a talk as “modern colonialism”, that “actually kills” (BlueOrchard_V: 2: 515; *see also* Deaton & Falk, 2016), microfinance and impact investments stand out from mainstream investments” as they accelerate an individual's fortune by providing access to capital (BlueOrchard_A1). In fact, Fanconi argues that “[if] you provide food, it will go nowhere. If you provide books, it will go nowhere. You need to provide capital in order to really develop individuals [...] (BlueOrchard_V: 4: 2130; BlueOrchard_I2). Fanconi is “convinced that non-commercial development aid would lead back to the concepts that have failed in the majority of

cases in the past”.¹³² Actors such as CCRS, UBS and politicians of the National Council join BlueOrchard’s views insofar as UBS see social finance as “[bridging] philanthropy and commercial investing”, making it “more effective by focusing on results” (UBS_I1) and CCRS also critique the traditional approaches of Swiss development projects:

“After all, the focus on protecting smallholder and traditionally informal economic structures of many Swiss development projects all too often has a structure-preserving effect, which in the long term poses a threat to [SDG 8].”¹³³

3.2 *The Private Sector Redefines the Role of Development NGOs*

Discursive structures within the current dispositive indicate that the private sector’s new dominance and virtue (see also MAWDSLEY, 2017a, p. 112) within the development discourse has redefined how NGO’s see their role for sustainable development. Their new role is commented on in discursive fragments of the two development NGOs themselves as well as the ones of public and private sector actors such as the SDC and UBS.

First off, the current discourse hints at Swiss development NGOs feeling under additional pressure to compete for IC projects of the SDC against foreign companies (Swisscontact_A1):

“An increasing number of projects are now being awarded to foreign NGOs and even profit-oriented companies from abroad. It is to be regretted that no strategy and no measures are provided in the dispatch to put a stop to this tendency. The claim of “Swissness” is thereby undermined and sold out.”¹³⁴

Adding to that, the two development NGOs have critiqued the extent to which engaging with the private sector is prioritized by the SDC (HELVETAS_C: 8, Swisscontact_C: 7). These two factors might be a reason for the development NGO’s apparent need to justify themselves, show how much they have achieved so far and what their added value is (e.g., Swisscontact_P: 22; Swisscontact_A1; HELVETAS_C: 9). Within these efforts to justify their doing, discursive fragments of the development NGO HELVETAS offer an insight in how development NGOs need to adapt to the new development landscape. An employee of HELVETAS, commenting on the negotiating of roles in development partnerships, states that “[an] international NGO like HELVETAS needs to offer added value to national partners. *Our role is shifting from ‘doing things’ to facilitating change processes*” (HELVETAS_I, italics added). This, as NGOs describe themselves as having local knowledge, of which the private and public sector partners can profit (HELVETAS_A5). Swisscontact also describe their role as one of *enabling processes* as they focus on “improving support services for people and companies” and

¹³² **BlueOrchard_I2: 2:** «Zudem bin ich davon überzeugt, dass eine nicht-kommerzielle Entwicklungshilfe wieder zu den Konzepten zurückführen würde, die in der Vergangenheit mehrheitlich gescheitert sind.»

¹³³ **CCRS_C: 3:** «Denn der Fokus auf dem Schutz von kleinbäuerlichen und traditionell informellen Wirtschaftsstrukturen in vielen Schweizer Entwicklungsprojekten wirkt allzu oft strukturertend, was langfristig eine Gefahr für das UNO Nachhaltigkeitsziel 8 (inklusive Wachstum und Schaffung von guten Arbeitsplätzen) darstellt.»

¹³⁴ **Swisscontact_C: 8:** “Eine zunehmende Anzahl Projekte werden inzwischen an ausländische NGOs und sogar gewinnorientierte Unternehmen aus dem Ausland vergeben. Es ist zu bedauern, dass in der Botschaft keine Strategie und keine Massnahmen vorgesehen sind, um dieser Tendenz Einhalt zu gebieten. Der Anspruch der «Swissness» wird dadurch ausgehöhlt und ausverkauft.»

supporting “processes of adapting and improving the regulatory environment”.¹³⁵ Since partnerships are the current name of the game and private sector partners have merged “from sponsors to partners”, as HELVETAS note, they suggest that NGOs should in the future rather assume a role of a supportive and facilitative “think-tank” for private sector partners:

“Perhaps it makes sense to move to an idea of development organizations being “think-tanks” rather than mere implementers. This means that development organizations should increasingly assume a facilitative approach by shifting from doing things by themselves to ensuring and supporting actors in a system to perform their functions in a better way.” (HELVETAS_A5)

The private sector actors have not (yet?) taken up the “development NGO as think-tank idea” but tie in with the aspect of development NGOs new role as shifting “from ‘doing things’ to facilitating change processes” (HELVETAS_I). For example, UBS ties in with the NGO’s self-image as they describe NGO’s as “[program] implementers” (UBS_I1; UBS_F), “local implementers” (UBS_A1) or “front-line partners” (UBS_F; UBS_A1) or “implementing organizations on the ground” (UBS_A1).¹³⁶ The SDC also use this wording as they write that NGOs are often involved in such [EPS] projects because of their specific expertise, for example as *implementation partners*” (SDC_I1: 1, italics added).

3.3 SDC: *Between Tradition and Active Transformation*

The SDC’s self-image is marked by “tradition of generosity”, as various actors write (e.g., Swisscontact_I; Nationalrat_15_06b: 4). The SDC themselves largely stress their good international reputation as a trustful partner (SDC_A3) and their “Swiss Quality” or Swissness” (SDC_F2). At the same time, the SDC indirectly thematize that they are currently undergoing a time of active transformation as they are capacity building for EPS through e.g., building networks and educating “EPS Pioneers” (SDC_P2: 21). SDC also write in a position paper, that they encourage their staff to appoint “an internal EPS Advisor based at the headquarter – and/or regional EPS Advisors based in Embassies” (SDC_P2: 22; see part 2.1). This part on the SDC’s self-image is intentionally kept very brief as this aspect is already largely discussed in this chapter’s part on *Geographical Imaginations* but is mentioned still to generate a more complete image on the identities of private, public, and independent actors.

4. Summarizing the Implicit Discursive Structures Within the Swiss Dispositive of Re-Engineering Foreign Aid

Uncovering and making sense of the implicit discursive structures that show up within the current dispositive of re-engineering Switzerland’s foreign aid strategy, this last section has already deepened the theoretical analysis and discussion of these results. Before critically discussing these findings in together with the findings of part one of this chapter, I briefly summarize the most important implicit

¹³⁵ **Swisscontact_P: 21:** «Bereitstellung verbesserter Unterstützungsleistungen für Menschen und Firmen [...] und die Prozesse zur Anpassung und Verbesserung des regulatorischen Umfelds, wo nötig und machbar mit den Behörden.»

¹³⁶ What is striking about the NGO’s UBS partners with, is that they mirror the “southernization of development”, Horner, (2020) and Mawdsley (2017) thematize as UBS often partner with *local* NGO’s such as the Indian NGO “Educate Girls” (UBS_A1).

discursive structures that have surfaced within the current dispositive along three overarching findings of this last part.

EFFORTS TO FINANCIALIZE AND MARKETIZE DEVELOPMENT

Answering research question B1 “to what extent are there discursive structures in the dominant discourse that provide information about the financialization and marketization of development?”, I have shown five broad discursive structures within the the Swiss dispositive on re-engineering foreign aid that either support Mawdsley’s claim of “a distinctive acceleration and deepening of the development-financialization nexus” (2018a, p. 265) and/or provide broader information about the rhetoric and processes behind the commodification and marketization of development. The first of these distinctive discursive structures presents itself within IC stakeholders of the private sector repeatedly expressing their **wish to have further barriers for development investments removed**. Responding to this appeal, the SDC agrees to support the private sector’s wish to expand financialization and marketization in development and state that they want to create a favorable environment for working with the private sector. In general, I argue that such discursive structures indicate that the dispositive is held together by forces that stem from a deep conviction in the private sector and its capability for leading development into a sustainable future. At the base of the private sector’s wish to have barriers for investments removed lies the knowledge that engaging in development involves “fantastic investments” (BlueOrchard_V: 5: 10) and “interesting opportunities” (Economiesuisse_C: 4), which directly leads to the second discursive structure that is shown frequent statements (predominantly of the private sector) that “fetishize” **development and sustainability as tradeable commodities in order to “add” them to the market** – i.e., marketize or financialize development and sustainability. The commodification of aid and sustainability even goes so far as to see sustainability (something that affects the whole planet) as something “highly personal” (UBS_A2) in order to create economic value and attract customers according to their specific taste in “moral capital” (ROSENMAN, 2019). Further, IC stakeholders of both, private and public sector, engage in rather **uncritical discussions on “testing out” and “exploring” new financial instruments** for sustainable development that ignore the possible destructive side-effects such failed *learning by doing* experiments may bring (*see win-lose argument*) but appear to assume that all change induced by their experimenting results in positive change. This general *learning by doing* approach is “justified” through acknowledging that development is now following a new strategy, arguing that letting the private sector engage more in development will lead to a more sensitive economy (Economiesuisse_C: 1), and also by having experts that show their “will to improve” (LI, 2007). Critiquing the shortcoming of discussions on social risks within current discourse, this last point is very much connected to the next distinctive discursive structure that shows itself within the tendency of dominant IC stakeholders to **overshadow possible social risks (of e.g., new financial development instruments) with talk on financial or reputational risk** that may accompany private sector development investments. Interesting here, is that for the public sector, reputational risk appears most prominently, while for the public sector financial risk is most discussed. Lastly, the search for discursive structures that provide information about the financialization and marketization of development has shown that dominant discursive strands are full of expressions that mirror a certain sense of “**techno-optimism**” – **most prominently in talk on measuring impact through “data driven” and “evidence based” approaches**. Techno-optimist statements by both private and public IC stakeholders not only serve as fuel to further justify the “development machine” but also for promoting oneself as the measurability of development impact has become a central selling point for possible investors and customers. In fact, “donors and

the private sector have developed their own approaches to measure results" (SDC_P2: 26) and rather "use tailored approaches according to their needs" to measure their development projects' results (OECD, 2019; SDC, 2021f).

GEOGRAPHICAL IMAGINATIONS SUPPORT THE FINANCIALIZATION & MARKETIZATION OF DEVELOPMENT

Research question B2 "*what are the different discursive actors' geographical imaginations?*" has revealed two central discursive structures. *First*, I have come to argue that "**modifying geographical imaginations of other discursive actors are used as strategic tools to deepen financialization and marketization of development**". This is done by either (re)educating staff in order to create "higher willingness" engaging with the private sector for development (SDC_P2: 22) or through "inspiring" employees to volunteer abroad in order to "amplify" their impact in their partner countries of the Global South (SwissRe_P1: 32). *Second*, many discursive elements show passages that **legitimize the broad knowledge transfer from "here" to "there" by referring to personal geographical imaginations**. This is best shown in how Fanconi justifies BlueOrchard's work in the Global South by arguing that the living conditions "there" are "miserable" (BlueOrchard_V: 1: 1783) – unaware that his perception is solely the result of comparing his normative understanding of how people *should* behave and live to what he experiences when visiting the global South. These situations of "unequal local knowledge" (GREGORY, 1996) involve the ideas that firstly, "there" simply is more to improve than "here", *secondly*, we have the "right" kind of knowledge to improve the "Other" and *thirdly*, giving them our knowledge is the main desire local people have. This generally accepted "know-it-all" attitude (LEPENIES, 2009) and assuming to know the real needs and desires of people of the global South allows **private and public IC stakeholders to legitimize behavioral and/or educational interventions in the global South** that are frequently put forward in the discourse as euphemisms that lie within creating the "entrepreneurial farmer" (SDC_A5; see also Berndt 2015) and "seeing the poorest as our customers" (CCRS_I).

PROMOTION OF SELF-IMAGES SHOWS IMPLICATIONS ON DISCURSIVE HEGEMONY

The last section has focused on the question B2 "*What self-image do discursive actors voice in the discourse and to what extent do these self-images show implications on discursive hegemony?*". Brief, it can be said that the way the different IC stakeholders promote their self-images within the discourse has implications on discursive hegemony. **The private sector's IC stakeholders mark their discursive dominance not only by presenting themselves as "leaders" and "game changers"** but also by referring to a new reality or "revolution where commercial capital leads the way" (BlueOrchard_P: 29) and actively discrediting other approaches and actors that follow non-commercial development approaches. These views are partly supported by actors of the public sector such as the CCRS, politicians of the National Council and the SDC. As a result of the private sector's "re-formulated discourses of virtue" (see also MAWDSLEY, 2017a, p. 112) and their dominance within the development landscape, the discourse hints at **development NGOs being forced to reframe their identity**. Swisscontact has claimed that they feel under additional pressure to compete for IC projects of the SDC against foreign companies (Swisscontact_A1) and HELVETAS says that their role "is shifting from 'doing things' to facilitating change processes" (HELVETAS_I). This newly found self-image of development NGOs is supported by public and private sector as they make use of terms such as "local implementers" (UBS_A1), "front-line partners" (UBS_F) and "implementation partners" (SDC_I1: 1) – that closes the circle of the (re)negotiating of roles within the development landscape of Swiss IC stakeholders.

E. Concluding Discussion

This last chapter summarizes and critically discusses this thesis' findings by *one*, summarizing and highlighting what connects this thesis' findings, and *two*, contextualizing these findings within the greater critical debate on the private sector's involvement for sustainable development. Doing so, the latter section finally answers RQ C: "Where can this local debate be located in the greater debate on financialization and marketization in development?", as it also discusses this thesis' key findings in regards of the global financialization trend in development practices. As the second part of the previous chapter has already deepened the theoretical analysis and has already discussed the findings presented, this chapter rather focuses on discussing the overarching findings in a brief and concise manner.

1. "Mapping Out" the Discourse and its Dispositive

The findings of this critical discourse analysis support this thesis' initial proposition that the discourse of Swiss IC stakeholders around Switzerland's new IC strategy mirrors the "deepening of the development-financialization nexus", Mawdsley has proposed (2018a, p. 265). To examine this proposition, this thesis has studied the current Swiss discourse on the role of the private sector for sustainable development for its *explicit fields of controversy* as well as the more *implicit discursive structures* of the dominant discourse. Doing so, the last few chapters have given an insight into the mechanisms of (re)creating discursive hegemony within the discourse on the role of the private sector for development of Swiss IC stakeholders and have, among other findings, revealed insights into the implications of the dominant IC stakeholder's geographical imaginations on the financialization and marketization of development. To summarize and connect the wealth of results, the following section "maps out" the individual discursive structures that govern the current discourse, into a contiguous representation of the analyzed discourse and the connections to its dispositive.

Part one has focused on setting out the explicit discursive fields of controversy of the analyzed discourse, which present themselves in four "fields of controversy" that include thirteen main "argument types" (for detailed summary see page 82). Extracting these argument types has shown that except for the critical views that mostly stem from actors of the independent sector and a few politicians of the Swiss parliament, **Swiss IC stakeholders largely support the new IC strategy's focus on engaging with the private sector for development and are well disposed toward the various ways an aspects of private sector engagement in development cooperation.** What is striking is that out of these supporting argument types, four of them are founded on *self-interested ideas*:

Self-interested argument	<i>Promoting development in the global South is needed because it is in the national interest (i.e., Switzerland benefits from it).</i>
Argument that aid should work in the national interest	<i>Aligning the IC strategy more consistently with Switzerland's interests is good because it is the Swiss People who earn the money that they want to give away.</i>
Win-win argument	<i>Pursuing Swiss economic interests abroad does not conflict with international solidarity and our commitments to global sustainable development because it results in win-win situations and it is aligned with the Swiss constitution.</i>
Shared value argument	<i>Creating shared value is important because we want to report the measured shared value to our customers (private sector) or because we want to collaborate with a private sector partner that shares the same values (public sector).</i>

So, while the *self-interested argument* and the *argument that aid should work in the national interest* present their self-interested motivation rather evidently, the *win-win argument* and the *shared value argument* show their self-interest in a positive light as their interests are said to be aligned with other interests as well (e.g., partner, customer, or development interests). These findings hint at the “explicit insistence on the pursuit of national interests through aid contributions and programmes, accompanied by re-formulated discourses of virtue” (MAWDSLEY, 2017a, p. 112), that have so far accompanied the re-engineered IC strategies of a growing number of other governments such as the U.K., Australia or Canada (GREEN, 2018; MAWDSLEY, 2015, 2017b; PARFITT ET AL., 2012; ROSEN, 2018).

Three other supporting argument types involve *discourse-expanding structures*¹³⁷ that try to legitimize these new development undertakings by either admitting some negative aspect of past and current development efforts. The first two of these discourse-expanding argument types are the *self-critical argument* and the *realist argument* that unintentionally reflect how development also lives off its own failures (KORF, 2018) and show the recurring “will to improve” of development actors (LI, 2007). Another argument that helps to expand the discursive limit (although less obviously) is seen in parts of the discursive structures that show what I have named “*searching for middle ground*”, which basically argues that increasingly engaging the private sector for development will not solve every development challenge but can only be one out of many ways. This “argument type” (or, more fittingly, discursive structure) is not only difficult to “categorize” but also belongs the most interesting ones, as the most diverse range of IC stakeholders belonging to all three sectors use parts of it.

Self-critical argument

Development has done harm in the past but as we now follow a new strategy with a focus on cooperating with the private sector, development is justified again.

Realist argument

Despite the “scandals” of the private sector, EPS is still needed to reach the SDG as “it is just the way it is” or the private sector has really changed for the better over the last years.

Searching for middle ground

Despite blended finance’s limited contributions and risks the private sector plays a key role in delivering sustainable development and we promote EPS (discourse-expanding structure as shown in public & private sector discursive fragments) or hence, blended finance can only one be one way to reach the SDGs (not discourse-expanding as shown in public, independent & private sector discursive fragments).

I argue that the *self-critical argument* and the *realist argument*, show clear rhetoric attempts to “reset” and expand the discursive limit¹³⁸ in their favor (i.e., redefine what is sayable in the discourse and what is not, which, in this case, is establishing a more substantial role for the private sector for development as the new discursive *status quo*). Theoretically, this process mirrors what Jäger & Maier (2014) see in their conceptualization of the expression *expanding the discursive limit*, which can be illustrated along examples such as “I am not racist, but...”. In this case the example may be reframed as “Development has brought negative side effects, but...”. Such rhetoric structures show a discursive position’s strategic attempts to extend (or narrow down) the limits of discourse to legitimize their

¹³⁷ For definition see chapter C.

¹³⁸ The borders from the sayable to what is not sayable are referred to as a *discursive limit* (S. JÄGER & MAIER, 2014).

position (S. JÄGER & MAIER, 2014; see also LACLAU & MOUFFE, 1985 on establishing new hegemony through “mastering” the limits to objectivity).

Two further supporting arguments again appeal to a rhetorical level of analysis as they mainly work to *increase the momentum private sector engagement in development financing has already gained in the discourse* by either stressing the need of engaging in development in the first place (*argument of urgency*) or intensively highlighting positive attributes of the private sector partners (*enthusiastic argument*). In a rather abstract way, the argument of urgency also refers to some sense of self-interest as current threats to sustainable development are also portrayed as challenging what has been achieved so far – achieved by an unspoken *we*?

Argument of urgency *Despite the progress made in recent decades, the world still faces considerable challenges whereas new additional challenges such as climate change, epidemics, human rights violations, or armed conflicts also jeopardize what has been achieved so far.*

Enthusiastic argument *The private sectors’ attributes and expertise are indispensable for development despite blended finance’s limits and risks.*

Contrasting these supporting discursive structures, every field of controversy involves one marginalized strand of discourse or argument type that challenges its dominant counterpart, which supports the *status quo*. Except for the *rejecting argument*, which is voiced by politicians of the SVP, all other three argument types are used by actors of the independent sector such as AllianceSud and Public Eye as well as politicians of the SP (*win-lose argument, critical argument, argument of mistrust*). Two of these arguments refer to *wrongdoings of the private sector in development projects* that have resulted in either a mistrusting attitude towards the private sector (*argument of mistrust*) or in raising awareness of possible win-lose scenarios of EPS (*win-lose argument*):

Win-lose argument *New financial instruments such as blended finance may bring major risks for the local private sector (win-lose scenarios) because EPS bring possible crowding-out effects, local market distortions and may destroy livelihoods due to increased competition, which must be considered, as win-lose situations are unethical.*

Argument of mistrust *Past corporate wrongdoings (especially of Nestlé) and a fear of private sector partners who may see SDG compliance solely as a growth and PR strategy feed into a mistrusting basic attitude of a minority of IC stakeholders.*

An interesting aspect of the discourse shows itself at the borders of the *win-lose argument*. In contrast to the IC stakeholders that see win-lose scenarios in development as unethical – hence want to avoid them – economiesuisse see win-lose situations in a positive light. This, as they embrace a “creative destructionist” view (HARVEY, 2007; SCHUBERT, 2013) and argue that the local private sector improves in the long-term due to the increased competition of foreign companies, whereas short-term win-lose situations must be taken into account.

Also, contrasting the dominant enthusiastic attitude of engaging with the private sector for development, the critical argument takes the view that before engaging in “glowing talk” on private sector engagement for sustainable development, *Switzerland must first and foremost ensure policy coherence*:

Critical argument

Switzerland must ensure policy coherence [Politikkohärenz] (e.g., fairness in international trade and tax policy as only this would result in real sustainable development in the global South.

Another interesting aspect of the analyzed discourse is that the discourse does not feature any discursive strands that critique development in general or refer to post-development or post-colonial debates. The only “anti-development” stances come from a few right wing SVP politicians, who do not argue along the lines of post-development ideas (SACHS, 2010) but rather out of *self-interest* (i.e. saving money by not spending money on IC):

Rejecting argument

Public funds must not be used to maintain a development aid industry, as the market economy alone is key to all prosperity anyways.

“Mapping out” the explicit fields of controversy so far has revealed five main findings. *One*, the few critical arguments are put forward by independent sector IC stakeholders while the dominant discourse is mainly supported by public- and private sector stakeholders whose arguments outnumber the challenging arguments. *Two*, despite these few arguments that challenge the dominant discourse, Swiss IC stakeholders largely support the new IC strategy’s focus on engaging with the private sector for development and are well disposed toward the various ways and aspects of private sector engagement in development cooperation. *Three*, the explicit fields of controversy have revealed that self-interested motivations accompany large parts of the discourse (whether supporting *or* opposing the dominant discourse). *Four*, negative aspects of past and current development efforts are both used to critique current development trends but also to justify new endeavours (as the new strategy are said to be better than old ones). *Five*, development as such is not put into question and the discourse does not engage with post-colonial or post-development discourses, a finding that clearly refers to a “blank spot” within the discourse. I expect that this “void” in the discourse either stems from the IC stakeholders’ underlying self-interest of keeping the “development apparatus” (FERGUSON, 1994) alive and/or simply because post-developmental critique has so-far not provided concrete alternatives.

Still, this “blank spot” within the discourse is not as easy to make sense of. I have come across one discursive fragment that very briefly addresses the “moral limits” to development finance. In an interview, Fanconi of BlueOrchard *agrees* with critics of impact investing that say that it is a sign of poverty that in a world with so much wealth, financial incentives must be set for the wealthy to redistribute their money in this way. However, Fanconi still justifies the company’s practices, as it is still the best thing to do, as he explains elsewhere (e.g., BlueOrchard_V).¹³⁹ In the same interview he also states a bit hopelessly: “Of course, it would be nice if the market for microfinance slowly dried up. That is unfortunately not the case. [...] I don’t think that the inequality between rich and poor will decrease significantly.”¹⁴⁰ The statement of Fanconi in a way mirrors what Korf has named an “ironic

¹³⁹ **BlueOrchard_I2: 2, italics added:** «[Hody:] Kritiker sagen, es sei ein Armutszeugnis, dass in einer Welt mit so viel Reichtum finanzielle Anreize für Vermögende gesetzt werden müssen, ihr Geld auf diese Weise umzuverteilen. [Fanconi:] Diese Kritik ist berechtigt – insbesondere mit Blick auf die steigende Ungleichheit. BlueOrchard bewegt sich genau in diesem Umfeld. In Afrika beispielsweise wird das soziale Gefälle in den nächsten 20 Jahren massiv weiter ansteigen. Dies wird namentlich für Europa Konsequenzen haben, die man sich derzeit noch nicht ausmalen kann.»

¹⁴⁰ **BlueOrchard_I2: 3:** «Es wäre natürlich schön, wenn der Markt für Mikrofinanz langsam austrocknen würde. Das ist leider nicht der Fall. Einerseits denke ich nicht, dass die Ungleichheit von arm und reich deutlich zurückgehen wird [...]»

contradiction [ironischer Widerspruch]” within the development machine along the lines of “we can't do nothing after all” (KORF, 2018, p. 153). Rauch has used the term “development cynicism [Entwicklungspolitischer Zynismus]” describing the cynical attitude towards one's own ambivalent actions or “resigned doubts [resignative Zweifel]” about the meaning of it all (RAUCH, 1993, pp. 250, 263).

Diving further into the more implicit discursive structures of the dominant discourse that part one has revealed, discursive structures that stress self-interested motivations of engaging in development prevail. Conceptually, part two of the last chapter has aimed to uncover the “regimes of truth” (FOUCAULT, 1977b) that the dominant IC stakeholders and their arguments draw on. As these rather *implicit discursive structures* are situated within a context of change (a shift in power-knowledge constellations), I have aimed to refer to the *dispositive*, that underlies the whole discourse. Referring to a dispositive in this context is useful as I see the implicit discursive structures as equivalent to the forces (power-knowledge constellations) that hold the dispositive together and provide room for the discursive strands to form in the first place. In fact, knowledge is not only limited by its episteme, as already stated in chapter C, but is also limited by a superordinate net of knowledge only in which discourses can even form: The dispositive.¹⁴¹

To anticipate one thing already: If “sustainable development” is seen as something worth striving for at all, then **dominant discursive actors of the private sector seem to be missing the mark, as the analyzed discourse gives off the impression that it is primarily about their interests and not about true sustainable development.** Examining the implicit discursive structures of the dominant discourse more closely has shown that private sector stakeholders, largely supported by SDC, strive for more engagement in development – an engagement which is not entirely altruistic, as I have shown over the last chapter. Of course, “creating shared value” and “win-win partnerships” are the buzzwords of the hour, yet these words obscure important issues that seem to be missing in the current discourse and would need to be addressed more prominently. As these findings have already been largely discussed in the last chapter, I focus on summarizing how the power-knowledge constellations manifest themselves in the discursive structures. Further, as already hinted at in examining the explicit discursive structures, the more implicit discursive structures again hint at the dominant IC stakeholders self-interested motivations of engaging in sustainable development:

Discursive Structures of the Financialization and Marketization of Development

IC stakeholders of the private sector wish to have further barriers for development investments removed as they know that **engaging in development involves good business opportunities** for them. This discursive structure ties in with the private sector's tendency to marketize or financialize development and sustainability as tradeable commodities for profit.

⇒ *Creating & adding new tradable commodities to the market creates profit.*

¹⁴¹ Therefore, I speak of the discourse and *its* dispositive.

Attempting to financialize development, private sector companies advertise with **personalized sustainable development investments** as sustainability is seen as something “highly personal” (UBS_A2).

- ⇒ *How can sustainable development be something personal?*
- ⇒ *Appealing to each individual investor’s specific taste in “moral capital” (ROSENMAN, 2019) attracts customers.*

The discourse shows a **shortcoming of discussions on navigating the possible social risks new financial instruments may bring.**

- ⇒ *Dominant talk on financial (public sector) or reputational risk (private sector) hint at the self-interested motivations of engaging in sustainable development.*
- ⇒ *The possible social destruction of “testing” new development instruments is not critically engaged with.*

“Data driven” and “evidence based” **development measuring approaches help to promote oneself as the measurability of development impact has become a central selling point** for possible investors and customers. Further, “donors and the private sector have developed their own approaches to measure results” (SDC_P2: 26) and rather “use tailored approaches according to their needs” to measure their development projects’ results (OECD, 2019; SDC, 2021f).

- ⇒ *Impact measuring appears to support the performativity of investors and institutions instead of real sustainable development (i.e., showing with their measurements that they are doing good) that, again, reinforce new hegemony.*

Geographical Imaginations

Assuming to know the real needs and desires of people of the global South allows private and public IC stakeholders to legitimize behavioral and/or educational interventions in the global South that are frequently put forward in the discourse as euphemisms that lie within creating the entrepreneurial farmer (SDC_A5), “seeing the poorest as our customers” (CCRS_I) or “becoming a business partner of a poor person with no other opportunity in life” (BlueOrchard_V: 3: 2067).

- ⇒ *Such statements ignore the partnership’s underlying “relation of inequality”. Thus, how are expressions such as “seeing the poorest as our customers” and “[becoming] a business partner of a poor person with no other opportunity in life” more than a mere oxymoron?*
- ⇒ *To “[unlock] the entrepreneurial potential of farmers” (SDC_A5) creates new market subjects, which is desirable (see also BERNDT, 2015).*
- ⇒ *Geographical imaginations of the dominant IC stakeholders are coined by modernist ideas.*

Companies like SwissRe (SwissRe_P1: 32) attempt to **modify the geographical imaginations** of their staff through “inspiring” employees to volunteer abroad in order to “amplify” their impact in their partner countries of the Global South.

- ⇒ *Geographical imaginations are used as strategic tools to influence the discourse and help deepen financialization and marketization of development.*

Negotiating Roles and Identities

The private sector's IC stakeholders mark their discursive dominance not only by presenting themselves as "leaders" and "game changers" but also by referring to a new reality or "revolution where commercial capital leads the way" (BlueOrchard_P: 29) and actively discrediting other approaches and actors that follow non-commercial development approaches.

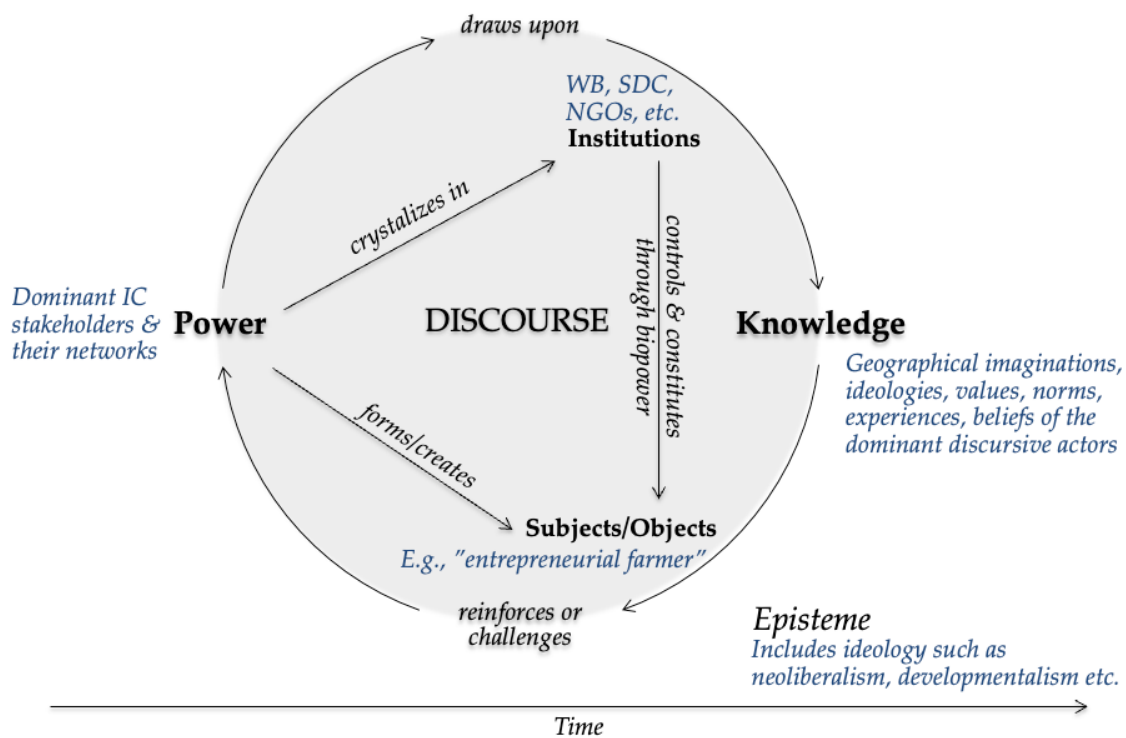
⇒ *Through actively positioning themselves in a leading position, private sector IC stakeholders pursue the political intention to gain influence.*

As briefly summarized above, uncovering the more implicit discursive structures of the dominant discourse has revealed a variety of discursive structures. Yet, all these structures show, that the power-knowledge constellations, which help to hold the dispositive of the dominant discourse together, are dominated by paternalistic views of a range of mainly private- (and public) sector IC stakeholders that claim to know the exact desires of poor people, giving them the legitimization to modify and establish new development tools and frameworks according to *their* will and based on *their* normative understanding of how people *should* behave.

Such norms and ideals are put forward in their geographical imaginations that are born in situations of "uneven local knowledge" (GREGORY, 1996) and have brought about behaviorist development interventions of e.g., "unlocking the entrepreneurial potential of farmers" (SDC_A5). Behaviorist development interventions like this example are accompanied by *first*, the "helping" partner's justification of (re)educating local people according to *our* knowledge (i.e., our understanding of farming, business, finance etc.) which appears to be based on the fact that they see their knowledge as "better". And *second*, the knowledge that this creates new market subjects, which is profitable to the dominant actors of the discourse (see also *self-interested argument*).

In general, engaging in development is often discussed as involving good business opportunities while at the same time shifting the attention towards seemingly positive framings of "seeing the poorest as our customers" (CCRS_I) and helping "a poor person who has no other opportunity in life" (BlueOrchard_V: 3: 2067) fulfill their wish to become "included" by entering a "partnership". Such euphemisms obscure not only the performativity of investors and institutions (i.e., showing with *their* measurements that *where* and *what* project they are engaging in is good) but also the unequal power-knowledge relations (i.e. "relation of inequality" (ANDREU, 2018, p. 275)) they are situated in. Recalling the illustration of Foucault's power-knowledge complex as shown in chapter C, I have completed the complex with concrete additions of the analyzed dominant discourse (*marked in blue*) that show the network of the dominant discursive forces (re)creating the faith in the private sector and its capability for leading development into a sustainable future.

Figure 19: Foucault's Power-Knowledge Complex with Additions of the Analyzed Discourse



Adapted illustration based on Foucault - *The Media, Power and Politics* (2017).

I suspect the reasons of the dominant IC stakeholders' self-interested and paternalistic motivations to engage in development in three possible reasons that would need to be addressed more prominently. *One*, a lack of clarity about what sustainable development is: Is it rather a matter of personal investment preference or a matter of global virtue and solidarity? This part of the discourse appears to mirror the often-discussed ambiguity behind the term sustainability (see e.g., REDCLIFT, 1993, 2005). *Two*, a self-interested motivation (*showing the strategic nature of the dispositive?*) to engage in the "development apparatus" as they either see development as a business opportunity for profit or as there simply seems to be no alternative to development (*as already discussed above*). And *three*, being unconsciously trapped in own geographical imaginations that prevents access other relevant discursive elements (such as to intimate knowledge of the *there* and adding this knowledge to the discourse instead of (re)educating the poor). What I mean with that is aiming to create a dispositive that will "know" for *everyone* instead of one that "that will "mean" (for Other) and "know" (for the Self)" (SPIVAK, 1985, p. 225).

Here, this discussion needs a brief critical insertion: I have started this CDA among other things with the intention of not only setting out on which ideas the discursive positions build their arguments but also with the ambitious goal to dismantle why some meanings of development and/or the private sector are more dominant than others. This *why*, which I have mainly sought to set out in uncovering the dispositive, has only been answered for the little insight that this case study's selection of discursive fragments has given. Hence, I suggest that asking *why* some meanings of development and/or the private sector are more dominant than others must be asked and analyzed on a global scale for a better expressiveness. For example, I wonder: Is the dominantly shared conviction in the private sector and its capability for leading development into a sustainable future shared globally or does the discourse elsewhere make use of other elements of the dispositive (i.e., other basic

postulations and knowledge)? Further, as I have already clarified in earlier chapters, this thesis' selection of discursive fragments can only provide limited information about the dispositive as the dispositive involves every possible discursive and non-discursive element. This has led me to assume that asking *why* (cause) some meanings of development and/or the private sector are more dominant than others will not be as insightful as asking *how* (process) some meanings of development and/or the private sector are made dominant. I expect asking about the process (i.e., *how*) to reveal more insights. This as a discourse "as such" is difficult to grasp as it is always in a constant state of renegotiating truth (within its "net of knowledge" provided by the dispositive) – even on a global scale.

2. Contextualizing this Local Discourse Within the Broader Debate

Throughout the last chapters, the results have already been discussed and connected to scientific literature. However, to conclude, this last section briefly contextualizes this thesis' main findings within the broader scientific debate and finally answers RQ C: **"Where can this local debate be located in the greater debate on financialization and marketization in development?"** in a more coherent and brief manner. To say one thing in advance, both, the implicit and explicit discursive structures of this CDA have revealed that *self-interested discursive structures* accompany large parts of the discourse and are founded on a variety of motivations. Underlying motivations may be for example, national interests, marketing strategies, business opportunities, etc. Throughout this CDA, I have also extracted self-interested motivations that try to push financialization and marketization of development in the Swiss discourse on the role of the private sector for sustainable development. Many of these "self-interested" findings are not unique to the Swiss discourse, as I show below.

The underlying self-interested argument of aligning "*national interest*" with their foreign aid strategies¹⁴², which this CDA has revealed, is also seen in other countries as "protectionism and national interests are increasingly setting the tone in many countries" (DOTTERUD-FLAA, 2018, p. 392). For example, this is already the case in the foreign aid strategies of the Netherlands (REALITY OF AID, 2018, p. 12), Australia (PARFITT ET AL., 2012), France (SIEGEL, 2018, p. 350) and the U.K., where the governments take an "increasingly explicit stance that aid serves 'the national interest'" (GREEN, 2018; MAWDSLEY, 2017b, p. 223). Hence, the argument that pursuing Swiss economic interests abroad does not contradict our solidarity with poor people (e.g., *shared value argument, self-interested argument*) but mirrors broader trends within the just mentioned countries' foreign aid strategies. In fact, "charity" and "moral obligation" appear to have merged into "opportunity", "mutual benefit" and "development partnerships" Mawdsley (2018c, p. 28) summarizes. Elsewhere, Mawdsley (2018b, p. 178) writes:

"Northern donors are increasingly adopting a language of development partnership that invokes Southern claims to 'win-win' development, including the unapologetic, explicit claim that aid is and should be 'mutually beneficial'."

This shift towards an allegedly mutually beneficial national self-interest of Northern donors is the result of an array of factors such as "the election of conservative governments in many countries [...]"

¹⁴² This argument type can be summarized along the lines of „Promoting development in the global South is needed because it is in the national interest (i.e., Switzerland benefits from it)".

to the (supposed) universality of the Sustainable Development Goals to the growing levels of poverty and precarity in high income countries [...] the stronger desire to justify aid in terms of domestic benefits. [...]" (MAWDSLEY, 2018b, pp. 178–179).

Diving further into the more implicit discursive structures of the dominant discourse, this CDA has again shown passages that stress self-interested motivations of engaging in development, which, for a large part, are shown in five broad discursive structures that provide information about *Swiss private sector IC stakeholders' rhetoric and efforts to commodify and marketize development* (which is partly supported by the SDC). These self-interested discursive structures stand in more direct relation to mainstream development's current change from "foreign aid" to "development finance" and the greater debate on financialization and marketization in development – especially in regard to Mawdsley's observation of intensified efforts of the private sector to expand and accelerate "financialization" under the pretext of development and her claim of "a distinctive acceleration and deepening of the development-financialization nexus" (2018a, p. 265).

Mawdsley bases this exact claim on the observation that "donors are currently seeking to accelerate and deepen financialization in the name of 'development'" (2018a, p. 264). Further, she writes:

"Foreign aid is being used to de-risk investment, 'escort' capital to 'frontier' markets, and carry out the mundane work of transforming objects into assets available to speculative capital flows. Financialization both permeates and goes beyond the more commonly referenced private sector-led development. Donors are pursuing these strategies and programmes with little or no reference to the threats posed by greater financialization." (ibid.)

This very observation is particularly mirrored in this thesis' finding that Swiss private sector IC stakeholders show *efforts to remove further barriers for private development investments*, that are met with great enthusiasm and support of the SDC, as shown on pages 87-89. At the base of the private sector's much-expressed wish to remove barriers and ameliorate the framework conditions for private development investments lies in the knowledge that development finance and EPS in general have become a "growing market opportunity" (BlueOrchard_A1: 1). This consideration is especially well shown in how Swiss private sector IC stakeholders *commodify sustainability and aid in a very "individualized" way* to be able to financialize sustainable development for the social finance marketplace (see pages 89-91). Among other things, I have argued here that Swiss private sector IC stakeholders who ask customers about their development investment preferences and their individual taste in "moral capital" (ROSENMAN, 2019) allow "the very wealthy [to] become producers or architects of charity rather than simply its supporters", as Hay & Muller already criticize (2014, p. 638). This thesis' findings on how sustainable development is seen as a good opportunity for profit, connect well to research of for example, Bracking (2012, 2020), Mader (2018), Rosenman (2019) and Langley (2021). Rosenman (2019, pp. 141–142) gets to the point of it as she argues that in the end "social finance represents a convergence of contemporary financial, neoliberal, and market processes that together regulate poverty and social reproduction under capitalism":

"In this marketplace, the poor people and disinvested localities at the losing end of capitalism's uneven geographies are to be converted into an investment opportunity, with profit reframed as a force for – rather than disruptor of – social good. Actors central to the reproduction of the capitalist system, from investment banks and governments to philanthropic foundations, the World Bank, and the Vatican, are embracing this ideology of promised prosperity for rich and poor alike." (ibid.)

Discussions on the tools developed (and being developed) for financializing sustainable development involve two further main discursive structures, which this CDA has extracted. In fact, just as Mawdsley states above, the dominant Swiss discourse on the private sector's role for sustainable development also shows that *financial or reputational risks overshadow social risks* (of course, except for marginalized views of Independent IC stakeholders and a few politicians), as shown on pages 93-95. This becomes especially visible in how public and private IC stakeholders speak of *“testing out” and “exploring” new financial instruments*, as the possible social destruction of “testing” new development instruments is not critically engaged with (see pages 91-93). This “leaning by doing attitude”, as I have named it, in which such financialization efforts are brought forward, reminds of Sheppard et al.'s way of defining financialization as “how money / value is produced and marketed as a commodity for sale, frequently through the design of *exotic financial products whose functioning is ill-understood even by the their own expert-architects but whose rationale is entirely that of profit generation*” (SHEPPARD ET AL., 2012, p. 153 italics added).

Another closely related finding is shown in private and public sector's *techno-optimist way of measuring development impact*. As I have shown on pages 95-97, “data driven” and “evidence based” development impact measuring helps to support the *performativity* of investors and institutions instead of real sustainable development. This finding not only also mirrors the general trend in development to “create evidence” (e.g. in BANERJEE & DUFLO, 2009) but also connects to research of, for example, Barman (2015), Rosenman (2019) and Bracking (2012, 2020) that, among other things, discuss the performativity of new market devices of social investments. Performativity, in this context means that possible partners of the SDC, that include impact investors (SDC, 2021c, p. 9), present themselves as “ethical agent[s] of change” (LANGLEY, 2021, p. 331) and show with their own, tailored measurement approaches (SDC_P2: 26)¹⁴³ that they are doing good. This way, certain IC stakeholders get an ideal marketing-tool, as the measurability of development impact has become a central selling point for possible investors and customers. At the same time, other issues get overseen or seen as less relevant for solving current development struggles. For example, as Rosenman states, “there are, for example, no SIBs devoted to reducing white-collar crime”. This, as these investors target “the problems and perceived pathologies of the poor, not the rich” and rather “mine geographies of poverty for profitable opportunities” (ROSENMAN, 2019, p. 147).

Where this thesis brings particular added value to the debate, lies in the findings on the variety of discursive structures and arguments that support the financialization and marketization of development. The most prominent and interesting supporting structure, that I want to highlight again, is presented in the workings of *individual geographical imaginations* within the Swiss discourse. I have argued that geographical imaginations of dominant IC stakeholders of the Swiss private and public sector help to justify behaviorist development interventions such as, for example, “unlocking the entrepreneurial potential of farmers” (SDC_A5). This finding is supported by Berndt who has identified similar “*entrepreneurial farmer rhetoric*” in marketization efforts of anti-poverty policy in the global South:

“The behavioural and experimental turn in development is driven by a desire to transform poor risk-averse smallholders, trapped in traditional agricultural practices, into ‘responsibilized’ entrepreneurial farmers who readily take risks and never shy away from adopting the latest technology” (2015, p. 584).

¹⁴³ See also OECD (2019), SDC (2021e).

Behavioralist thinking of certain “know-it-all” (LEPENIES, 2009, p. 41) Swiss IC stakeholders and their personal geographical imaginations (that include values and norms), like I have presented throughout pages 99-102, enables the development industry to “add” new people and places to global value chains, in other words, marketize and/or financialize development (BERNDT, 2015, p. 585), I have argued. Adding to that, Swiss IC stakeholders like SwissRe and the SDC even show strategic attempts to “modify” geographical imaginations of other discursive actors to deepen financialization of development through for example, motivating their staff to volunteer in the global South to experience the “*there/Other*” (see pages 97-99).

In general, the effects of the current dominant discourse on the role of the private sector for sustainable development must be considered in the context of unequal power-knowledge relations. Relations, which not only include uneven capacities of different actors to shape discursive realities and alternatives but are also put forward in current buzzwords such as “creating shared value” and “win-win partnerships”, which obscure the “relation of inequality” but rather stress the “relation of assistance” (ANDREU, 2018, p. 275) that both underlie various efforts for sustainable development, as I argue. In a way, the geographical imaginations of especially private sector IC stakeholders involve an image of being “ethical agents of change” (LANGLEY, 2021, p. 331), while at the same time promoting oxymorons such as “[becoming] a business partner of a poor people who has no other opportunity in life” (BlueOrchard_V: 3: 1179), which exploit overarching structures of unequal knowledge-power relations within the current dispositive/discourse and oversee other issues that relate to unsustainable problems of the rich and not the poor (see also ROSENMAN, 2019, p. 147).

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Annex

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2. Personal Statement

Personal declaration: I hereby declare that the submitted thesis is the result of my own, independent work. All external sources are explicitly acknowledged in the thesis.



Lara Landolt, June 2021