Samsung’s CSR in Solving Educational Issues in India

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Abstract

This paper discusses how corporate social responsibility could help in assisting states with global issues. The globalization which is experienced by every part of the world has created new and more complex issues. These issues sometimes cannot be solved by the state solely, demanding a global governance with the hope to cope with the issues. The existence of multinational corporations (MNC) as a new rising actor, through their corporate social responsibility (CSR) is hoping to be responsible to the society they operate. The writer argues that through the Public-Private Partnership, the CSR by MNC can help the state in solving the global issues faced by them. One of the global issues that needs the attention of the community is educational issues, especially in developing states. To strengthen the writer’s argument, this paper will raise a case study on Samsung’s CSR and their impacts on India educational issues. India is one of the states who is battling with the educational issues, and Samsung as one of the biggest MNC in India is actively assisting the government regarding the issues. The success of these CSR can be seen through the response of the Indian local government.

Keywords: CSR; India; Samsung; educational issues; public-private partnership


Kata kunci: CSR; India; Samsung; isu pendidikan, kemitraan pemerintah swasta
Introduction

Economic, culture, politics, technology, ecology, social are among interdependent issues addressed by globalization on a supranational level (Baer 2013). These new forms of global problems and the emergence of new powerful actors in the international arena have led to a gap in global governance. The absence of command-and-control regulation at the international level has led to a new form of non-hierarchical rules developed (David L. Levy and Rami Kaplan 2009). One of these non-hierarchical regulations is known as corporate social responsibility, which defines by Bowen as the obligations of businesspeople to pursue their policies, to make their decisions, or to follow their actions which are desirable in terms of the objectives also the values of society (Masato Abe and Wanida Ruanglik 2013). Apart from the new form of non-hierarchical rules developed, globalization also led to new and more complex issues, for instance, educational issues.

India is one of the states with the highest density of people and the highest number of people living in poverty. According to the United Nations, education is one way that enables socioeconomic mobility upward and is a key to escaping poverty (UNDP 2022). Educational poverty is a global problem faced by almost all developing countries, including India. The absence of adequate assets and the problems with basic facilities such as drinking waters, urinals, power, furniture, and study materials become a significant problem with the low number of students (Gindra 2020). From this statement, it can be said that the government of India might not have enough capacity to solve the problems, leaving a gap to be filled by other actors. As one of the major corporations in India, Samsung crafts its CSR policy concerning the issues faced by India, especially education. Their CSR was crafted to fill in the gap left by the Indian government.

Therefore, this paper will discuss more on how corporate social responsibility could help in assisting states with global issues. The writer argues that through the Public-Private Partnership, the CSR by MNC can help the state in solving the global issues faced by them. A case study on Samsung’s CSR and their impacts on India educational issues will be analyzed in order to strengthen the writer’s argument. To explain these arguments, this paper will be divided into three parts. The first part will explain global governance and corporate social responsibility. The second part will explain more on the writer’s argument through the case study of Samsung’s CSR in India. The third part is the conclusion from the case study.
The Needs for Global Governance, and CSR as part of Public-Private Partnerships Governance

The concept of global governance began to capture the intellectual imagination in the 1990s. The term itself has become as ubiquitous as the related term globalization. According to Jean Grugel and Nicola Piper (2007), cited from Hoffmann and Ba (2006), there are at least nine distinct academic usages of global governance; (1) international regimes; (2) international society; (3) hegemonic stability; (4) dynamics of globalization; (5) the pursuit of IMF / World Bank / UN goals; (6) global change; (7) transformation in the global political economy; (8) world government; and (9) global civil society. Rosenau and Czempiel (1992) distinguished the notions of government and governance, explaining that the category of former concerns the government actions based on legislation and a state monopoly on violence, and the variety of the latter refers to forms of control of processes. In other words, the two scholars state that governance is not always associated with the activities of governments.

The privileging of capital and market mechanisms over state authority created governance gaps that have encouraged actors from private and civil society sectors to assume traditional roles previously considered the purview of the state (Jinseop et al 2016). Globalization, which contributed to the revolution in global communication, the development of networked global markets, and the increased involvement of non-state actors in global affairs, has led to the call for increased international collaboration. As the former United Nations Secretary-General, Kofi Annan (2005), mentioned, no State, however powerful, can protect itself on its own. In the current world, there is four global governance that can be identified, according to Jinseop et al. (2016), namely; “International Governmental Organizations (IGOs), Public-Private Partnerships (PPPs), Private Governance, and tripartite governance mechanisms”.

The rise of global corporations has called for these actors to demonstrate greater responsibility, transparency, and accountability, leading to the establishment of a new governance structure, covering rules, norms, codes of conduct, and standards, and at the same time constraints and shaping their behavior (Newell 2008). David L. Levy and Rami Kaplan (2009), as cited from Haufner (2001), describes corporate social responsibility (CSR) as a “potential new sources of global governance, that is, mechanisms to reach collective decisions about transnational problems with or without government participation”. In the current world, where the global corporations are sometimes more powerful than the states, CSR has become an essential tool for multinational corporations and states to work together, hand in hand.
The CSR was limited to normative and ethical concerns during the early phase. Later, the attention turned towards social and environmental issues, which eventually became a view of strategic management (Barnali Chaklader and Neeran Gautam 2013). In other words, during the initial phase of CSR, the focus would be towards identifying and pursuing socially acceptable behaviors that are compatible with business performances. As time passed, CSR emerged and focused on the social and environmental dimensions. Along with developing the CSR’s objectives and concerns, CSR itself has developed various definitions. For instance, Friedman (1970) defines CSR as Corporate social responsibility is to conduct the business following shareholders’ desires, which generally will be to make as much money as possible while conforming to the basic rules of society, both those embodied in law and those embodied in ethical custom. According to Hill et al. (2007), CSR can be defined as economic, legal, moral, and philanthropic actions of firms that influence the quality of life of relevant stakeholders.

In the old analysis of public-private partnerships, public and private sectors have a distinct institutional aim concerning the capacity of each sector in dealing with issues related to decisions and organizational behaviors. On the other hand, the current world presents a new scenario, where for national development, the public-private partnership has become a new way to raise funds from the private sectors and at the same time encourage their participation (Chunchu 2018). As the world becomes more connected and the issues become more complex, the CSR concept brings a new approach, in which they bring a new view in public-private partnerships governance. Having the private sector manage public education, for instance, is perceived to be very sensitive in the pretext that governments are abandoning its essential task, which is providing public education. Therefore, according to Vijayalakshmi (2018), the Public-Private Partnership will more effectively implement CSR activities and help achieve measurable change brought by social initiatives and long-term sustainability.

**India’s Educational Issues and Samsung’s Corporate Social Responsibility**

In the mid-1990s, education and human capital were considered essential factors for economic growth. This thought comes into the light due to the economic progress of East Asian countries such as Singapore, South Korea, and Taiwan because of their investment in education and the formation of human capital (World Bank 1993). At the same time, it is well known that the relationship between poverty and education is heavily related poor people are often unable to obtain access to a proper education. Without
formal education, people are often constrained to a life of poverty (Berg 2008). In other words, there is a universal agreement that the higher the level of education in a population, the number of poor persons will be lesser, as education improves knowledge and skills resulting in higher wages. According to Masood et al. (2011), The relations between education and poverty can be seen in two ways; (1) the investment in education helps increase skills and productivity of poor households; and (2) poverty is a significant impediment in educational attainment. However, not all states can ensure complete education to their populations, especially the developing countries.

The education system in India managed to produce millions of graduates each year, with the majority of the graduates skilled in Information Technology and Engineering (Kapur 2018). At the same time, the education system in India has undergone a remarkable development in terms of resources allocated and the number of persons involved, including teachers, students, and administrators. In India, the educational institutions can be divided into four categories; (1) government institutions; (2) government-aided receiving institutions, where the institution is funded by the government but managed by private enterprises; (3) private institutions recognized by the government; and (4) completely private institutions that are neither funded or recognized by the governments (Varghese & Jandhyala 1991). To put it in other words, the educational system in India is divided into government and private education systems. Unlike private institutions, the education received from the government school is insufficient due to the lack of teachers, weak infrastructures, and the caste reservation and paid seats, especially in the rural areas.

To overcome the education issues in India, the government introduced the Right of Children to Free and Compulsory Education Act in 2009, endorsing a role for the private sector in education, and at the same time, ensuring equitable access to marginalized children. The act also requires private schools to set aside 25% seats for children from poor and marginalized backgrounds. This 25% of schools’ spaces will subsidize the Indian government (Morgan 2017). These efforts from the Indian government positively impact the education system. United Nations Educational, Scientific and Cultural Organization (UNESCO)’s Exploratory Factor Analysis (EFA) Global Monitoring Report (2015) states that India has made substantial progress towards the six EFA goals. Especially in achieving the goal of universal access to elementary education. Morgan (2017) says that several other factors such as; (1) the government’s proactive approach in its National Policy on Education 1986; (2) its decentralization of educational governance and planning; (3) and its massive social mobilization drives,
such as the National Literacy Mission, also contributes to the progress.

The Indian government has promoted and expanded educational access to its population. However, several challenges such as improving access to education for children with special needs, improving student learning, and addressing inadequate vocational education and training facilities remain. These ‘unsolved’ problems have left a gap in not only Indian governance but also global governance, as education inequality remains a global issue until now. Therefore, the other actors’ involvement might help fill the gap left by the government. In India, the Public-Private Partnership model, especially in education, has gained popularity. The role of corporations and their Corporate Social Responsibility (CSR) is crucial in improving educational conditions, especially in the rural parts of India. As stated by Vijayalakshmi (2018).

CSR initiatives through the partnerships between public, private, and the government. Especially at the local level, and the no-for-profit sector, can play a vital role in enabling increased access to higher education through both demand-side, for instance providing scholarships, and supply-side measures. For example, making corporate staff available as resources persons, providing funding for research and contributing to the infrastructure. Supporting the statement, Mazhar Shamsi Ansary & Santosh Kumar Behera (2018), citing from the speech of Barbara Valentine also state that education is a societal duty and the responsibility not only of the government, also of civil society. The effects of our history on the fabric of our whole society, including education, have been so profound that it will take the efforts of all sectors to build a stronger education system.

The most common example of public-private partnership in education in India is the government-aided school system. There are three key areas where the Indian government is keen on developing the private-public partnership models: infrastructures, teacher training, and management of the school management. According to Kumari (2016), India has witnessed the emergence of private players in the public education sector (National Institute of Information Technology, Educomp, and Everonn), educational activities undertaken as part of corporate social responsibility (Azim Premji Foundation of Wipro Corporation). Non-Governmental Organizations (NGOs) (Akshara Foundation and Shiksha India) have started their involvement in the Indian education sector for a long time.

The bilateral consular relations between India and South Korea can be traced way back to 1962, which was then upgraded to Ambassador–level in 1973. As time passed, South Korea’s open market policies found resonance with India’s economic liberalization and Look East Policy and Act East
Policy. In July 2018, during the South Korean President Moon Jae-in’s visit to India, both India and South Korea welcomed the opening of Samsung Electronics in Noida, New Delhi, India. The opening of this factory will strengthen the trade relations between South Korea and India, at the same time boost India’s Make in India strategy (Ghoshal 2018). These relations also benefit each other, as South Korean investment will help bring India closer to becoming a manufacturing hub. At the same time, India provides a big market for South Korean smartphones. According to the Ministry of External Affairs, the trade and economic relations between India and South Korea have gathered momentum, with annual bilateral trade reaching $21.5 billion in 2018 and $16.9 billion in January – December 2020 (Aggarwal 2022).

Samsung has been in India for a long time, just when India liberalized its economy and embarked on an era of globalization. Samsung set up its research and development units in Bengaluru in 1996, hoping to create a big name in the Indian market. Due to their India-centric innovations across smartphones, televisions, refrigerators, and microwaves, they secured a top position in the Indian market. At the same time, their strong partnership and having the largest retail and distribution network in the country also help them secure their positions. Nowadays, Samsung is one of India’s largest consumer-facing companies and among the top brands regarding smartphones (Chowdhary 2020).

As one of the giant corporations in India, Samsung’s actions will bring a significant impact on Indian society. In early 2020, the world comes to a ‘stop’ after spreading pandemic covid-19. The same goes for India when the first three cases enter the state on 30th January and 3rd February. The Indian government is working intensely to minimize the number of instances and consequences daily. It takes all necessary steps to combat the challenges and threats posed by this growing invisible pandemic war involving the public, medical association, nurses, NGOs, police forces, and paramilitary (Ghosh, et al 2020). To help the government, Samsung, through their CSR initiatives, contributed International Normalized Ratio (INR) 20 crore to India’s fight against pandemics in April 2020, including a donation to the Central government and support to the local administration in Noida. Through the donation, Samsung provided hospitals with the medical equipment required, such as Preventive Masks and Personal Preventive Equipment (PPE) kits. In addition, Samsung also provides USD 2 million worth of medical supplies, including 100 Oxygen Concentrators, 3000 Oxygen Cylinders, and one million Large Disk Storage (LDS) syringes, which Samsung will offer to Uttar Pradesh and Tamil Nadu (Samsung India 2021).
In facing the new issues, Samsung has deviated from its usual approach of CSR strategy. The initiatives taken to help the Indian government is facing the pandemic Covid-19 become the additional focus for Samsung. This situation portrays that the CSR of global corporations always adopts the new issues that are happening in the world and the society they are operating in. Despite this new approach, the main issues for Samsung’s CSR approach in India remain on the Indian educational issues. Over the years, through their CSR, Samsung has partnered up with government institutions to promote education and skilling. For instance in 2017, Samsung India has collaborated with the Karnataka government for a two-day School Kit Programme. Aiming to extend support to students from government schools across Bengaluru, Doddaballapur, Kolar, and Mulbagal districts (Times of India 2017).

The program was carried out by the Samsung R&D Institute Bangalore volunteers by visiting more than 500 schools and distributing essential items to more than thirty thousand students over two days. The stationery items distributed by the volunteers included 3,000 dictionaries, 14,000 stationery pouches, 300 bags, 18,000 exam pads, and geometry boxes. In the same year, Samsung India signed a Memorandum of Understanding with the Ministry of Micro, Small, and Medium Enterprises (MSME), to open two technical training schools. At the same time, the Memorandum of Understanding (MoU) also intended to renew the partnership between both parties for ten existing schools, which run across India (Indo-Asian News Service 2017). Samsung also announced the MSME-Samsung Technical School Scholarship program for girls and differently-abled trainees to reinforce its commitment to the Indian government. Under the scholarship program, 1,000 girls and differently-abled trainees who completed the basic course will receive a scholarship up to Rs 20,000. The top student among Samsung Technical School will also be awarded Rs 20,000. The scholarship program by Samsung, as mentioned by Harsimrat Kaur Badal, Union Minister for Food Processing, is in line with the government Beti Bachao, Beti Padhao Yojana, which is trying to generate awareness about various welfare schemes for girls in India (Indo-Asian News Service 2017). Till this year, there are a total of 20 Samsung Technical Schools across India, of which ten schools are in collaboration between Samsung India and MSME, and the other ten schools are at Industrial Training Institutes (ITIs) in partnership with the State Governments of Delhi, Bihar, Kerala, Rajasthan, and Bengal.

The new CSR initiative that was done by Samsung is Samsung Digital Library. Samsung R&D Institute Bangalore, also Samsung’s largest R&D center outside South Korea, announced the launch of Samsung Digital
Library, intending to bridge the digital divide. At the same time, the initiative also aimed to help the Karnataka government fulfill its objective of equal education opportunities for all Indian people (Samsung India 2020). This new CSR initiative will focus on providing quality digital knowledge and education in government schools of Karnataka. During the early phase of the initiative, each school will receive 20 tablets distributed across 50 government schools of Tumakuru and Ramanagar. Since Tumakuru is part of ‘Smart City, the collaboration hopes to further the government’s initiatives towards digital education.

The latest from Samsung in terms of educational issues in India is, Samsung India announced an initiative to add smart classes to 80 new Jawahar Navodaya Vidyalaya (JNV) schools as part of its global Samsung Smart School CSR initiatives. The majority of these smart classes are being set up in remote rural districts such as Kupwara in Jammu and Kashmir, Dahod in Gujarat, Sukma in Chhattisgarh Darjeeling in West Bengal, and Baksa in Assam, making them spread across 17 states in India (The CSR Journal 2021). The CSR education program focuses not only on the students but also on the teachers. Until today, 8,000 teachers have been trained on how to use interactive technology, which helps teach effectively and improve the quality of teaching and the building capacity at JNV schools.

**Does Samsung’s CSR help?**

As mentioned before, many global corporations use education as part of their CSR approach. In India, most of the CSR in education mostly involved steps in promoting education among local communities or society at large by building schools, offering scholarships, sponsorships, increasing access to education, and providing higher education such as setting up or supporting higher or technical education institutes (Bala 2018). According to Bala (2018), other CSR practices common for the education sector include promoting computer illiteracy, establishing gender equity, provisions of basic facilities, psychological support to underprivileged students, libraries for a rural school, and night schools for uneducated adults for the empowerment of illiterate public.

For Samsung India, to see whether their CSR is helping the educational issues or not, it is worth seeing how far they have come. For instance, Samsung Technical School has spread all over the Indian regions, with 20 schools. The increasing number of schools shows that the Indian government and the students accept the establishment of the school very well. At the same time, over 70% of the students get jobs at electronic service centers, including Samsung, and some choose to start up their own (Samsung India 2022). Samsung Digital Library, a new initiative by
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Samsung also well accepted. Under the initiatives, more than 2,000 Galaxy Tab A and e-education content and training to nearly 25,000 students will be done. The Karnataka Ministry of Primary and Secondary Education, S. Suresh Kumar, adds, Samsung tablets will be an ideal way to engage these kids interactively, and we hope this to be a fulfilling association (Indo-Asia News Service 2020).

Samsung Smart School is also one of the initiatives greatly welcomed by the Indian government. In an interview, Vinayak Garg, Commissioner Navodaya Vidyalaya Samiti (NVS), states, NVS has had a very strong and fruitful relationship with Samsung. The Samsung Smart School project that has been running since 2013 has allowed our students and faculty to leverage technology when the world is going digital. JNV students are among the best performing in India and their access to the latest technology through this CSR programme has been a strong advantage. The success of the CSR approach by Samsung is highly due to the partnership with the Indian government. As mentioned before, education should be handled by the government, and direct involvement from a private institution might bring a negative perspective. Samsung’s CSR initiative has brought the Public-Private Partnership Governance to a whole new level. Their long–year partnership helps India in overcoming some educational issues.

Conclusion

For the conclusion that the corporate social responsibility (CSR) by multinational corporations can help assist the state with global issues. From the case study raised by the writer, the Indian government is also aware of the educational issues faced by them. Various efforts have been made by them; however, the gaps still remain. Hence, the involvement of the private institutions helps fill the government’s gap. Therefore, the needs of rigid global governance are now needed more than ever. Public-Private Partnership is one of the most popular forms of global governance, and CSR can be said as a branch of this governance. The collaboration between private institutions such as multinational corporations helps in effectively facing global issues. In the case of educational issues in India, without the collaboration with the Indian government, the CSR initiatives by Samsung might not be well – received or cannot be done thoroughly, especially related to the government schools. As mentioned before, education can be considered a sensitive issue, since it is something that is supposed to be fulfilled by the state. The Public-Private Partnership, through CSR can be considered initiatives that do not demolish the original roles of the government, which is providing education for their people.
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