
More than just money:

**The political consequences of corporate
contributions for policy coherence, equity, and
state capacity**

Dissertation submitted by

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in partial fulfillment of the requirements for the degree of

Erasmus Mundus Master In Public Policy

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Submitted on: 30 July, 2020

Number of words: 13167

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Abstract

International organizations have been calling for businesses to increase their funding towards education in order to fill the funding gap for achieving the Sustainable Development Goals. However, there are fears that business contributions to education might not be in line with the interests of the international community calling for an increase in these contributions. Through the question “How do multinational corporations contribute to education development and is that compatible with the global education agenda?” this thesis examines the consequences of corporate contributions on society. For this thesis a dataset containing all education contributions of fifty multinational corporations was constructed and analyzed using an analytical framework based on Cammett & MacLean’s (2014) theory on the political consequences of non-state welfare provision extended with theory on motivations behind corporate contributions. The thesis finds that corporate contributions to education mostly focus on skills, mostly go to higher-middle-and high-income countries and non-marginalized groups, and that there is little public-private cooperation. The thesis concludes that corporate contributions indeed have consequences for policy coherence, equitable access and state capacity and that there is thus a mismatch between corporate contributions to education and global education needs. However, the thesis also finds some nuances in this mismatch, which suggest room for successful collaboration between public actors and corporate actors to meet common education goals.

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1. Introduction

Business can and should play a much greater role in improving education access and learning quality in the both the developing and said developed world, said Varkey Foundation CEO Vikas Pota at the launch of the Business Backs Education campaign in 2014 (UNESCO, 2014). The Business Backs Education campaign is a collaboration between UNESCO, UNICEF, the UN Global Compact and the UN Special Envoy for Global Education (Kalra et al., 2013) and is set up to promote more private sector investment in education. It urges companies to invest at least twenty percent of their corporate social responsibility (CSR) budgets in education. Next to UNESCO and UNICEF, another important player in the global education field, the World Bank, has also called for more private sector investment in education and is a member of public private partnership Global Partnership for Education (The World Bank Group, 2018).

Large players in education such as UNESCO, UNICEF and the World Bank are calling for increased private sector funding towards education, because there is currently a large funding gap to achieve SDG4: *Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all*. According to the Global Education Monitoring Report by UNESCO, there is a funding gap in achieving SD4 of 39 billion euros per year between 2015-2030 (UNESCO, 2018). At the same time, aid flows directed at education have steadily decreasing since 2010 (UNESCO, 2013).

Education is not a priority for the private sector, which spends an estimated 5 to 16 times more money on health care than on education (Varkey Foundation, 2018). However, a well-trained and skilled work force is particularly important for the private sector, which is recognized by international organizations and the private sector alike (Kalra et al., 2013). Former UN Secretary-General Ban Ki Moon perfectly expressed it in his speech at the launch of the Global Business Coalition for Education: “Business needs a creative, skilled, innovative workforce and investing in education creates a generation of skilled people who will have rising incomes and demands for products and services – creating new markets and new opportunities for growth” (United Nations Secretary-General, 2012). Businesses also recognize the need and importance of investing in education. In a report by the UN Global Compact business representatives indicate that they see education as the most urgent sustainability challenge and one of the areas in which businesses can have positive impact (second only to employment) (United Nations Global Compact, 2013).

Private sector involvement in education development thus has a large potential. On the other hand, there are also many critiques on how businesses engage in development and there is a fear that their contributions align with their business interests more than community needs (Education for all, 2013). However, little research has been done about what exactly businesses do when they engage in (education) development: what themes they are addressing, which regions they are focusing on or how their projects are structured.

This thesis aims to describe how businesses contribute to education development, analyze whether this matches the global education agenda and identify possible mismatches by looking at the following research question:

How do multinational corporations contribute to education development and is that compatible with the global education agenda?

Through an analysis of the contributions to education of fifty multinational corporations, this thesis finds that there is indeed a mismatch between what is needed in education and these contributions. Using a framework based on a theory on non-state service provision (Cammett & MacLean, 2014) and documents by international organizations, this thesis shows that corporate contributions can have political consequences for policy coherence, organizational coherence, equitable access and state capacity, depending on the interests of the company.

The structure of this thesis is as follows: it starts with a literature review in which existing literature related to the question is explored and a gap in the literature is identified (section 2.1). Subsequently, the concept of “corporate contributions” is explored (2.2). Next, a theoretical framework is developed on which the hypothesis is based (3.1) and a education needs framework is formulated (3.2). After describing the methodology (4), the results are described and analyzed (5). The thesis closes with a conclusion (6).

2. Background and concepts

2.1 Business and education: What is being done?

The body of literature on the topic of business contributions to global education is small. However, a few studies have been carried out in the years prior to the deadline of the millennial goals in 2015.

The most recent report on the topic is one by Dattani, Still, & Pota (2015) for the UNESCO campaign Business Backs Education. In the report a baseline is created for corporate spending on education. By analyzing companies' CSR reports and surveying CSR officers they find that of the Fortune Global 500 companies, 218 companies have education-related expenditures, this equates to US\$ 2.6 billion annually. This is much a much smaller amount than is spent on health care. They found differences between sectors, with the technology sector spending most on education. Dattani, Still, & Pota (2015) also found that of this US\$2.6 billion only US\$1 billion is spend in priority areas. In their report, "priority areas" is quite broadly defined: it includes all spending in Africa, South America and Asia-Pacific and spending on primary and secondary education in all other countries. It is unclear why these regions and topics are defined as priority areas. There has also not been a follow up report after this initial baseline report.

Two more studies on the topic are carried out by Justin van Fleet. Van Fleet (2011) analyzed contributions by US based companies to education in developing countries in the fiscal years 2009 and 2010. He analyzed CSR reports of all companies on the Fortune 500 and identified 89 companies which made contributions to education in developing countries and subsequently carried out interviews with 15 CSR officers. He found that most of those companies give less than 1 million annually to education in developing countries and that the money is mostly directed to just a few countries which are emerging economies, namely India, China and Brazil, and that within these countries those most in need are not reached. He also found that most contributions were small in scale, not coordinated with external entities and not evaluated. When he interviewed the CSR officers about why they were giving to education, they mostly identified the motivation to improve their image and increasing customer loyalty and employee morale.

The other study by van Fleet (2012) has a similar approach but focuses not only on the US but on the whole world. He also does not limit his study to corporate spending, but includes all private spending, such as foundation and billionaire spending. Just as in his other study he used data from 2009 and 2010. In his section on corporations, van Fleet has similar findings to his previous study: little cohesiveness between projects, a lack of coordination between different actors and lack of transparency. As the corporate contributions are not held accountable to public reporting, companies only report about them in corporate communications and tend to describe them as success stories. There were few impact- or outcome-based measures for success, but descriptions

about how many people were “reached.” Additionally, van Fleet finds that corporate contributions are not often aligned with the global education agenda, which at the time consisted of the Education for All (EFA) goals which were a part of the millennium goals.

In the nearly ten years that have passed since Justin van Fleet’s studies, a lot has changed regarding business and its contributions to education. The deadline for the millennium goals passed and the sustainable development goals (SDGs) were introduced on the 1st of January 2016. Not only did this broaden the global education agenda, but unlike in the millennium goals, business and industry were explicitly named as a major stakeholder in the new goals. In the document that established the SDGs, *The 2030 Agenda for Sustainable Development*, the following is mentioned in the section about business and industry as a stakeholder: “We acknowledge that the implementation of sustainable development will depend on the active engagement of both the public and the private sectors. We recognize that the active participation of the private sector can contribute to the achievement of sustainable development, including through the important tool of public-private partnerships” (United Nations, 2016: section 47). Additionally it says, “We call upon all businesses to apply their creativity and innovation to solving sustainable development challenges” (United Nations, 2016: section 67). UNESCO has also repeatedly called for more business involvement in education. According to their document *The Smartest Investment: A Framework for Business Engagement in Education* (written in collaboration with UNICEF, UN Global Compact and UN Special Envoy for Global Education), it is smart for businesses to invest in education because it builds sustainable, conflict free, societies, which “improves the ease of doing business” (Kalra, Mackle, & Kimura, 2013, p. 8). It also saves lives, promotes economic growth, strengthens the local work force and increases a customer base, all of which are good for business. In the document they also provide guidelines for engagement.

Additionally, several public-private partnerships encouraging corporate spending towards education were founded or improved. Firstly, the Education for All Fast Track Initiative, which was focused on promoting the EFA goals, was renamed Global Partnership for Education (GPE). The GPE is a partnership of governments, multilateral organizations, civil society and private foundations and corporations. In the transformation from the Fast Track Initiative to the GPE businesses got a seat in the GPE Steering Committee (Menashy, 2016). Although businesses now have a say in the GPE, they are not included in GPE’s donor model and according to Menashy

(2016) no corporation had made a funding commitments in 2016. According to GPE's overview of pledges this had not changed in 2018 (Global Partnership for Education, 2018). However, GPE does provide guidelines for business contributions to education, for example in their document *Avoiding conflicts of Interest: Guidelines for Business engagement* (Global Partnership for Education, 2017).

Next to that, the Global Business Coalition for Education (GBCE) was founded in 2012 by education charity TheirWorld, of which aforementioned author Justin van Fleet is the chair. According to their own website, the GBCE is “a movement of businesses committed to ending the global education crisis and unleashing the potential of the next generation” (Global Business Coalition for Education, 2019). They serve as a social impact advisor for businesses and identify investments and other opportunities. They aim to align the corporate contributions with SDG4, the SDG on education. The GBCE has 34 member companies and foundations that “provided significant resources, thought leadership and efforts to establish the Global Business Coalition for Education in 2012” (Global Business Coalition for Education, 2012). Which companies provided what resources is unclear and neither is it clear what happened after 2012. Until now there have been no evaluations of the GBCE.

The Business Backs Education campaign mentioned in the introduction is another initiative encouraging more business involvement in education development. It was launched by UNESCO and the Varkey Foundation on the Global Education Skills Forum in 2014 and has very ambitious goals such as encouraging companies to doubling their education spending, in line with UNESCO guidelines (UNESCO, 2014). It developed a kitemark for companies that signed up to the campaign and adopted certain standards, such as spending 20% of their CSR budgets on education. The press release of the launch also includes a list of documents that will be published in the following year (UNESCO, 2014). However, these documents are nowhere to be found on the internet and neither the UNESCO website nor the Varkey Foundation website refers to them and there is also no list of companies that received a kitemark. Apart from one web page on the Varkey Foundation website (Varkey Foundation, 2018) and the aforementioned report in which a corporate spending baseline was established (Dattani, Still, & Pota, 2015) there is also no additional information to be found about the campaign.

In the SDGs, businesses have been involved much more than in the MDGs, which might have changed the way they contribute to development. However, since the introduction of the SDGs, there has been no systematic study on the topic of business contributions to education, nor any evaluation of one of the new public-private partnerships. It is this unknown what the current situation is and whether progress has been made or mismatches persist, despite the increased attention to the topic. This is the gap in knowledge that this research project aims to fill.

2.2 Corporate contributions to education: What does it mean?

In order to do effective research, it is important to create a further understanding of knowledge and theories around the broader theme of businesses as development actors. Many different names and concepts are used in both academia and reporting by corporations when discussing the social contributions of corporations, such as “corporate social responsibility” (CSR), “corporate philanthropy” (CP), “corporate citizenship” and “sustainability”.

In academia, the most two common concepts are CSR and CP. There are many different theories that aim to conceptualize and distinguish between these two concepts, based on whether a social contribution addresses the business’ own supply chain or not (Carroll, 1991), the difference between doing no harm and doing good (Leisinger & Schmitt, 2011), or the profitability of the social involvement (Hopkins, 2012). There are also distinctions being made based on the motivation behind the social contribution, whether it is strategic on the short term, strategic on the long term or pure philanthropy (Leisinger & Schmitt, 2011). An example of a short-term strategic contribution is Microsoft donating computers to public libraries and providing computer courses for local youth, directly increasing demand for their own products (Bishop & Green, 2010). A long term strategic contribution is corporate giving that aims to develop for market expansion, by increasing demand in a certain target region or strengthening the labour force. An example of this is a pharmaceutical company providing health care education, increasing future demand for their own medicine.

However, many of these distinctions are blurry and many companies practice different kinds of corporate social involvement at the same time, within the same projects (Leisinger & Schmitt, 2011). In reporting on these contributions, companies do not use clear distinctions either. All social involvement, whether directed at their own supply chain or not, and whether voluntary or legally obliged, is most often grouped together in one report. These reports mostly go by the names of

“Sustainability Report,” or “Corporate Social Responsibility Report” or have been integrated with the financial data of the firm in an “Integrated Report.” In this research, not one of the considered firms explicitly mentioned corporate philanthropy in their reporting. If a distinction is made based on whether or not the social contribution addresses their own supply chain and operations or goes beyond that, the part that goes beyond the supply chain is often called “community involvement” or “community engagement.”

In the research question of this thesis it says *contribute to education development* and does not mention corporate social responsibility or corporate philanthropy, because of the aforementioned blurriness of these concepts and the sparse use in practice. However, this thesis does not consider all types of social involvement. Because in this thesis, the information and statements provided by international organizations is taken as a frame of reference to compare business contributions to, what constitutes a contribution can also be derived from information contained in reports. In line with those organizations and reports published by them (such as Dattani et al., 2015 and Kalra et al., 2013), this thesis looks at all projects, programs and donations towards education that go beyond the company’s own current supply chain, no matter what the motivation behind them is. For example, a project in which the company trains the skills of its own workers is not considered, as this is part of their own current supply chain, but an education project in the communities of these workers will be considered. This is mostly in line with what academics would call corporate philanthropy, but because companies do not use this term in reporting, CSR and CP will be used interchangeably in this report.

3. Framework for analysis

This thesis aims to analyze if social contributions of businesses to education match with the global education needs. In order to do that, two things are important: to look at what it is companies do when they contribute to society and what consequences that has and subsequently to assess that against a framework of education needs, which needs to be defined. In this section, first theory will be used to frame how businesses contribute to society and subsequently an framework of education needs will be form formulated.

3.1 Theory: Consequences of companies as non-state service providers

Unfortunately, there is very little knowledge about what impact and consequences CSR (and related social contributions) has on beneficiaries and what it contributes to society (Blowfield, 2005). Most research on CSR impact focuses on the impact on the firm itself, for example on its financial gains. How much, how and where firms spend on social contributions is also quite unknown: Cammett & MacLean (2014) observe that data on social welfare spending by companies is unavailable on a local, regional and global level.

However, these same authors do offer a theory that can offer insights on the topic of this thesis. In their book on non-state providers (NSPs) of social welfare (Cammett & MacLean, 2014), they pose that this form of welfare provision is rising all around the world and many people depend on non-state actors for the provision of their basic services. The authors define non-state providers as all providers outside of the public sector, both local and foreign, and explicitly include multinational corporations and their CSR programs. Social welfare is defined as the services and programs that promote well-being and social security (Cammett & MacLean, 2014). A company contributing to education development thus fits inside their framework¹.

Non-state service provision is often looked at through a technocratic lens, emphasizing efficiency gains or technical advantages. However, Cammett & MacLean argue that non-state service provision is not neutral and has profound political consequences. There are two main differences between state and non-state service provision. Firstly, there is a difference in capacity. NSPs are often small in size and only operate in limited geographical and policy areas. Next to that, NSPs have a different relationship to their beneficiaries than a state (ideally) has. Other than a democratic state, their role is not to aggregate private interests in a way that best represents the interests of a society as a whole (Edwards & Zadek, 2003). Instead they are able and allowed to represent their own interests.

The issues of capacity and the relationship between the service provider and the service receiver, have several possible consequences², which are all interrelated. A first potential consequence is a

¹ The theory is relevant on an international scale as well, as certain chapters in the book look at international providers (such as international NGOs or multinationals).

² The framework by Cammett and MacLean has been slightly adapted to fit the purpose of this thesis. In the introduction to their book, Cammett & MacLean explicitly name three things as political consequences: equitable access, state capacity and accountability. Accountability is left out in this thesis, because it was not named as an important aspect of education contributions in the guidelines provided (see section 3.2) and it is very difficult to test,

lack of coherence, both in the welfare services offered (organizational coherence) and the related policy agenda (policy coherence). Because of the small capacity of many welfare providers, there are many that operate in the same geographical and policy areas. This leads to fragmentation. In the case of fragmentation (lack of organizational coherence), there is less possibility for accountability for beneficiaries. Smaller providers often have fewer accountability mechanisms and next to that, it is hard for people to identify which provider should be providing them a service and thus be held accountable. Because of the provider-receiver relation, NSPs' interests are not necessarily aligned with that of the society, the state, or even other non-state actors (Cammatt & MacLean, 2014). This can lead to a lack of policy coherence. There is a danger that there is a fragmented field of NSPs that all have different interests and contribute to different policy goals, which are not necessarily in the best interest of society.

Next to that, equitable access to welfare is an important policy goal that non-state welfare providers often do not achieve (Cammatt & MacLean, 2014). Unlike the state, NSPs are not mandated to provide their services universally and inclusively. Whether they will, is thus dependent on their own interests. Also limited capacity has a negative effect on equitable access as many NSPs lack the resources and capacity to serve a broad population. Inclusion in this case is not only dependent on the explicit exclusion of certain groups based on eligibility criteria. Because of the small size of many NSP services, the lack of active inclusion of certain groups has the same results as active exclusion (Kushner & MacLean, 2015). Cammatt and MacLean argue that there is variation between NSPs when it comes to equity.

A third political consequence of non-state welfare provision Cammatt & MacLean consider is state capacity. This is not directly related to the capacity of the NSPs or the different provider-beneficiary relationship, but purely to the fact that in case of non-state service provision, it is not the state providing the service. This can have both positive and negative outcomes. If there is coordination between the provider and the state, it can increase the quantity of welfare services that are offered, because there is more money available. However, if this is not the case, non-state welfare provision can erode the state's capacity and the citizens' trust in the state. According to

as companies do not report on accountability mechanisms in their CSR reports. On the other hand, organizational coherence and policy coherence have been added as political consequences. Both these consequences were (implicitly) discussed in the book.

(Rose, 2010), it is therefore important to pay attention to public-private partnerships, which can help enhance state capacity.

Figure 1: Political consequences of non-state service providers

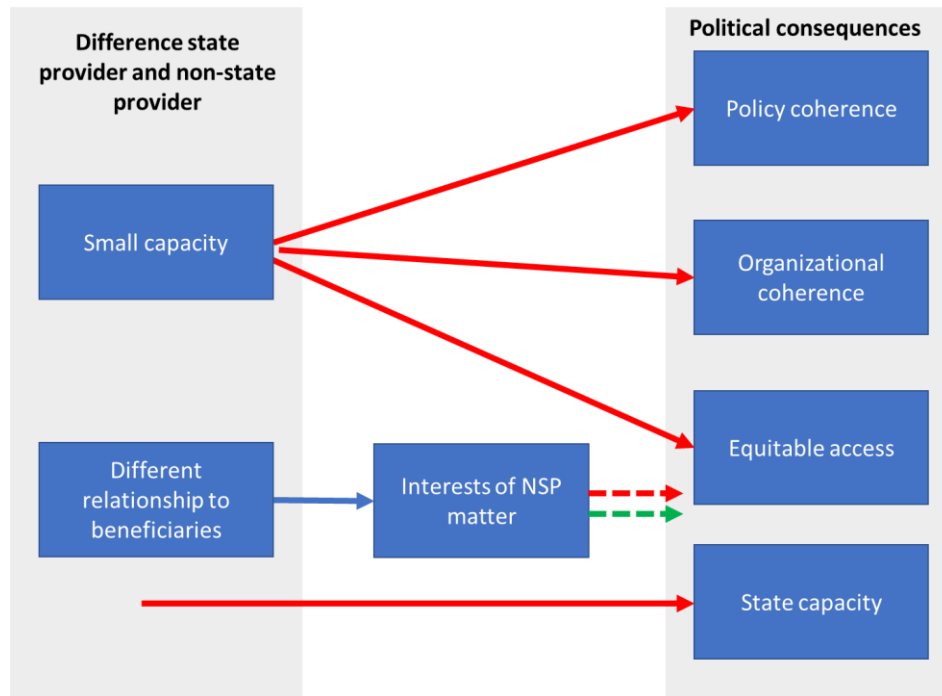
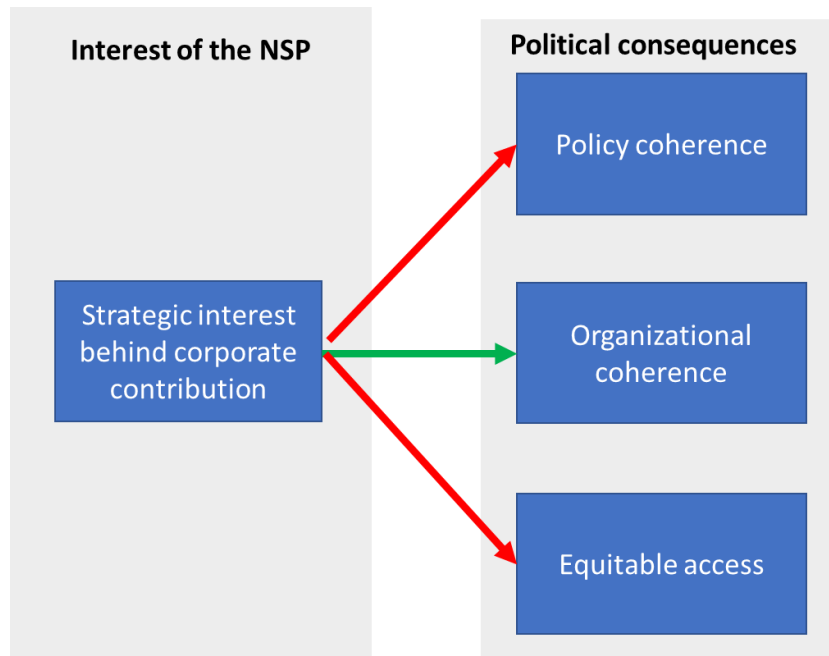


Figure 1 expresses the theory described above in a visual manner, the red lines represent a negative effect and the green ones a positive effect. Dotted lines represent a possible effect (in this case the interest of the NSP can have a positive or a negative effect on the political consequences)

The interests of the NSP, and whether they align with the interest of society and the state, are important for the political consequences, it is valuable to look at what the interests are of the specific NSPs this thesis looks at. Theories on motivations behind corporate contributions can give insight on the interests of multinational corporations when they contribute to society. There is a consensus in literature that corporate philanthropy or CSR often serve a company's interest (Gautier & Pache, 2015). However, there are different ways in which a contribution to society can serve the company's interest. As mentioned before, corporate contributions can be strategic (on the short or long term) and for those contributions the motivations are clear: increasing more (future) demand for the company's products or services or strengthening the (future) labour force. If the company is strategically motivated, it is important that the contribution is effective and fulfills its

purpose (Bishop & Green, 2010), not whether the contribution is aligned with the interests of the society or the state, which can lead to less policy coherence. If the aim of a contribution is to improve the quality of the future labour force (for example by providing training), the company will likely make sure it offers quality training (assuming it can). If effectiveness is a goal, working together with other organizations with expertise makes sense, which means there could be a positive effect on organizational coherence. It will also very likely contribute in geographical regions that are strategically interesting, where production takes place or in existing or potential markets (Leisinger & Schmitt, 2011). Within these markets, strategic orientation might lead to socially discriminating results, as people who are most in need are usually not strategically attractive.

Figure 2: Political consequences of strategic motivations

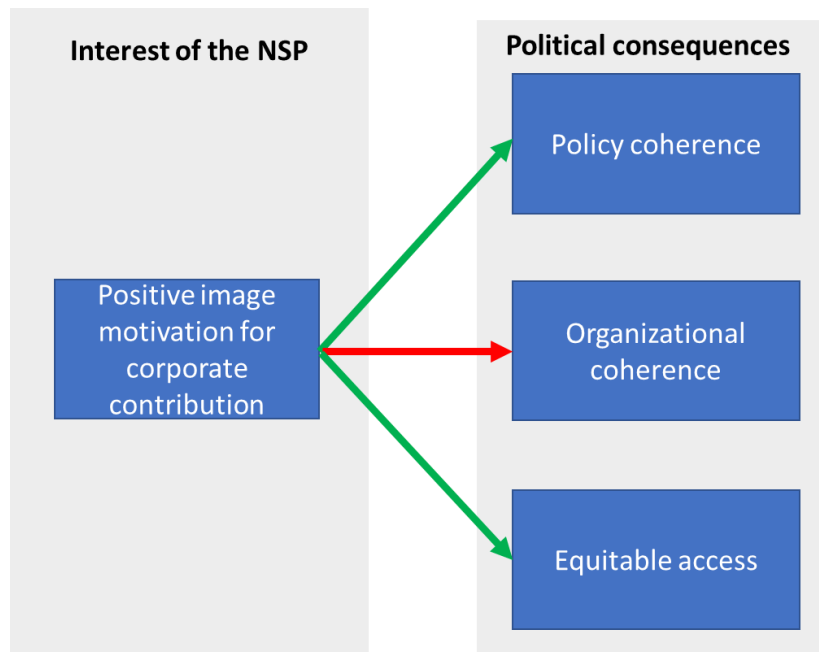


Next to strategic contributions, there are also the contributions by firms that are seen as “pure philanthropy.” An often-named motivation behind philanthropy or “doing good” is altruism. However, according to Schnurbein, Seele, & Lock (2016), this motivation does not apply to corporations and there must thus be another motivation. Wang, Choi, & Li (2008) find that reason using a large regression analysis: corporate giving has a positive effect on the financial performance of a firm. Lev, Petrovits, & Radhakrishnan (2010) offer an explanation as to why there is a positive relationship between giving and revenue, namely the positive image of the company. Social

contributions contribute to the positive image of the company in a number of ways. Firstly, customers care about how “good” companies they buy from are, so doing good has advertisement value and increases customer loyalty. They find that this effect is larger for companies which produce consumer goods and that are thus more sensitive to consumer perception. Next, employee morale is raised if employees believe they are working for a company that does good. Godfrey, Merrill, & Hansen (2009) add that a good company reputation acquired through philanthropy can serve as insurance against future mistakes. Goodwill from the public and regulators can limit damage in case of mismanagement or another type of risk. Additionally, Koehn & Ueng (2009) go a step further and argue that some firms use philanthropy to cover up their wrongdoings, for example suspicious earnings. All these motivations suggest that the perception of how good the firm is doing matters more than how good they are actually doing.

If the motivation is to create a positive image for the company, the effectiveness of the contribution does not matter very much. What matters more is whether the contribution can attract attention. This directs corporate funds to causes that do well with the public and are relatively easy to address (Edwards, 2008). Because of the importance of the public opinion, the interest will thus be more aligned with society, than in the case of strategic motivations. Also, these positive image driven motivations might have a positive effect on equity and inclusion of certain vulnerable groups, as poverty tends to sell well (Jefferess, 2002). On the other hand, working together with other actors, especially other companies, is less attractive as then the positive attention has to be shared (Peloza & Falkenberg, 2009), which has a negative effect on organizational coherence.

Figure 3: Political consequences of positive image motivation



Cammett & MacLean (2014) argue that because of capacity issues and the different relationship of the provider to the beneficiary than in traditional state provision, there are potential interrelated political consequences. These consequences are a lack of coherence, a lack of equitable access and limitations in state capacity. As non-state providers can act on behalf of their own interests, rather than the society's interests, it is important to know what these interests are and what the motivations behind them are. These interests can dictate what kind of political consequences the NSP will have and, vice versa, the consequences can give information about the company's interest. Education as a topic is very suitable for strategic contributions, as is recognized by many studies from the business field (e.g. Porter & Kramer, 2002; Ricks & Williams, 2005) and by the international organizations that are calling for an increase in corporate contributions. Recall, for example, Ban Ki Moon that emphasized the importance of a strong future workforce when urging businesses to contribute more to education (see introduction). As explained before a strategic motivation has expected adverse effects on policy coherence and equitable access. However, it has a positive effect on organizational coherence. The effect on state capacity depends on whether there are public-private partnerships. The hypothesis of this thesis is thus: there will be a mismatch between corporate contributions to education and global education needs in policy coherence and equitable access. There will not be a mismatch on organizational coherence. For state capacity, there is no expected outcome. However, to complicate matters further, it is very well possible that next to a

strategic motivation, companies also try to create a positive image and thus have mixed motivations (Gautier & Pache, 2015). It is thus possible that the outcomes on the political consequences are mixed.

3.2 Education needs framework

In order to compare whether corporate contributions match global education needs, it is necessary to define those needs, which could be an entire research project in itself. However, this thesis is not aimed at uncovering what exactly is needed in the education sector, but instead will rely on what the international community has identified as global education needs. The framework resulting from this section will be used to assess and analyze the data gathered for this thesis. This framework will be structured using the potential political consequences outlined in the previous section.

First, the coherence of the policy agenda. Arguably, the most important common agenda of the international community is the SDG framework, as the goals were agreed upon by all UN member states and can thus be seen as a global agenda (United Nations, 2016). There are two SDGs that are relevant for this thesis, which are SDG4, on education, and SDG17, on partnerships. SDG4 consists of ten targets, that together cover the theme of education very broadly. SDG17 is about increasing the means for implementation of the SDGs through a global partnership and one of its targets specifically talks about the need for partnerships, both between and within the public and private sectors.

However, the SDGs are so broad that any contribution to education would most likely fall within them. It is thus good to further specify the policy agenda. UNESCO can offer more insights with its report *Meeting commitments: are countries on track to achieve SDG4* (UNESCO Institute for Statistics, 2019) that provides a short answer to the question it poses in its own title: no. Countries are not at all on track and at this pace none of the goals of SDG4 will be achieved. This means that all contributions which are in line with the target defined in SDG4 (see appendix 2) can be seen as ‘aligned with international priorities.’ However, the report dedicates special attention to primary and secondary education (SDG4.1), early childhood education (SDG4.2), because progress has been stagnating for these two targets, and the supply of qualified teachers (SDG4.C), because a backward trend has been signaled for this target (UNESCO Institute for Statistics, 2019).

In terms of the political consequence of equitable access, the same report can also offer us insights as to which groups and regions deserve attention. According to *Meeting commitments* (UNESCO

Institute for Statistics, 2019), the funding gap in education is by far the largest in low and lower middle income countries which is where more funds should be directed towards. According to the 2018 Global Education Monitoring report (UNESCO, 2018), it is marginalized groups who are left behind: girls, ethnic minorities, indigenous groups and low-income students.

Another two useful documents for this education needs framework are the guideline document that UNESCO formulated for business actors and the guidelines by GPE (2016). Both documents communicate similar messages and emphasize the importance of contributing to national education systems and partnering with governments to improve education. They also stress the importance of partnering with experts and other actors for policy coherence. These criteria affect both state capacity and organizational coherence, which will be grouped together in the framework. The education needs framework that will be used in this thesis for analysis is as follows:

Table 1: Education Needs Framework

Political consequence	Criteria
Coherence of policy agenda	Contributions should be directed to the targets of SDG4 and to targets SDG4.1, SDG4.2 and SDG4.C specifically
Equitable access	Contributions should be directed to low- and lower-middle-income countries Contributions should be directed to marginalized groups
Organizational coherence	Contributions should be made in collaboration with other actors
State capacity	Contributions should be directed towards education systems Contributions should be made as public-private collaborations

4. Research Design

4.1 Methodology

This research project a mapping exercise in which education contributions of the selected companies are identified and categorized. In order to do this, document analysis was carried out. Companies disclose their CSR and CP activities in separate reports or as an integral part of the financial report of the company. The most recent version of the global report was identified and was used to identify the projects. These projects were identified by searching for education related words in the documents, such as “education,” “learn,” and all relevant nouns from the SDG4 targets. After a project was identified it was documented in an excel file and described in a separate document. The indicators in the excel dataset do not correspond directly with the framework from section 3.2 but include all the information to evaluate it accordingly in a next step. If necessary, additional company sources, such as the website, older documentation, existing interviews or external sources will be used to fill in gaps.

In the excel file there are the following indicators: on company level, the name of the company, the country of origin and the sector were identified. The sector was classified according to the Global Industry Classification Standard (MSCI, 2018). On a project level, the name and type of contribution were identified. The possible types of contributions correspond to those identified by Gautier & Pache, (2015). These are cash contributions, in-kind contributions, corporate volunteering, in-house projects and policy engagement. In this thesis, all of these types of CP were considered. For the equitable access part, the receiving country was identified and the receiving demographic group. For policy coherence, it was noted to which SDG4 target the contribution contributes, if any. For the collaboration criterion, the type of actor was identified, and donating to another actor was not classified as collaboration. For the state capacity part, whether the contribution goes towards an education system was answered with a yes or no. A contribution was said to be directed towards the system if it enabled more students to take part in formal education in their country, if it was aimed at strengthening educational institutions or if it was in line with any national curriculum.

After the dataset was finished, the data was made comparable to the education needs framework by creating relevant variables in Stata. Receiving countries were classified by their income levels using the World Bank’s classification (The World Bank Group, 2020), low and lower middle

income countries will be labeled priority. The SDG4 targets were also grouped by priority (SDG4.1, SDG4.2 and SDG4.C) and non-priority (all others). For all criteria it was then determined how many, or what percentage, of the contributions were in line with the education needs framework. If this was less than half, it was considered a mismatch and explained using the framework for analysis from chapter 3.

4.2 Data sample

In line with van Fleet's study (2011), the Fortune Global 500 served as a population for my research project. State-owned companies were removed from the dataset, because their assets cannot be qualified as purely private assets anymore. This means that the majority of Chinese corporations were removed from the list. Fifty companies were randomly selected from the Fortune Global 500 list using the RAND(om) function in Excel. The selection was random in order to have a representative sample of the firms in the Global 500 list.

The selected sample consists out of multinational corporations from 15 different countries. The USA has most companies represented in the list, 15 out of 50 companies (or 30%) are from there. Japan also has a relatively large representation in the sample, with 6 (or 12%) of the companies. A third place is taken by the UK with 4 companies (8%). Half of the companies from the sample thus come from just three countries. This is relatively similar to the whole list, where the US and Japan have a number 1 and number 3 position, respectively. Because many Chinese companies were removed it was expected that Japan would have second-most companies in the sample.

Table 2: Number of firms by country of origin

Country of origin	Number of firms
USA	15
Japan	6
UK	4
China	3
Netherlands	3
Canada	3
France	3
Germany	3
Italy	2
Spain	2
Denmark	1
Australia	1
Russia	1
South-Korea	1
Switzerland	1
Turkey	1

As can be seen in figure 4 42% of the companies originate in Europe and Central Asia, 36% in North America and 22% in East Asia and the Pacific. Many world regions are not represented in the sample, namely Sub-Saharan Africa, the Middle East and North Africa, Latin America, and South Asia. This is not unlike the full list. Sub-Saharan is not at all represented within the Fortune Global 500 and the other mentioned regions just have a handful of firms.

Figure 4: Number of companies by region of origin

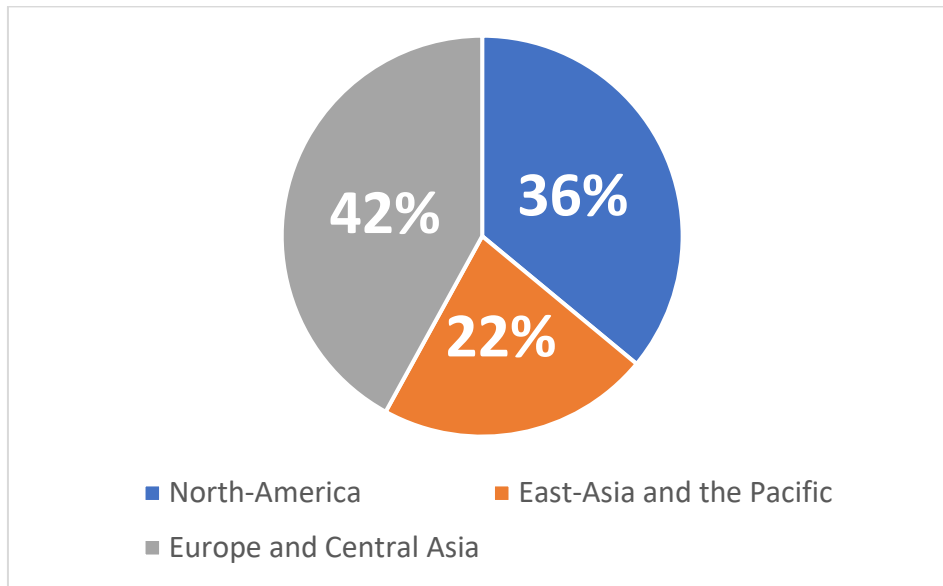
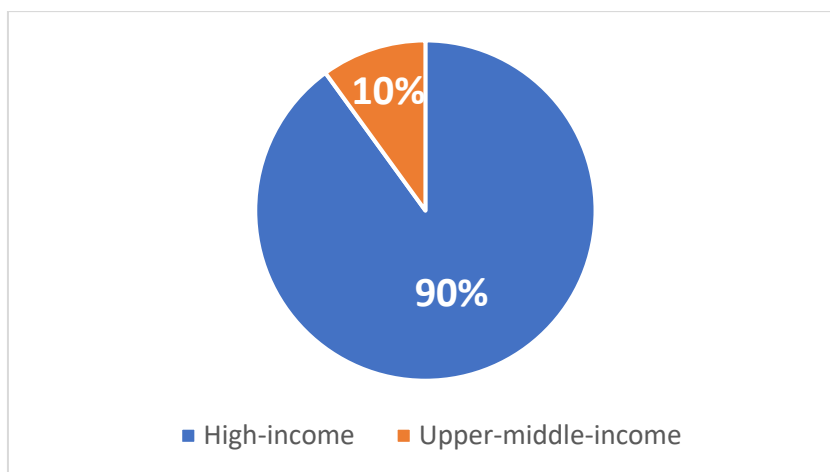


Figure 5 shows that there is not much diversity in terms of income levels of the countries of origin either. 90% of the companies are from high-income countries (The World Bank Group, 2020) and the 10% of companies that are leftover are all from upper-middle income countries. Both companies from lower-middle and low income countries are not represented in the sample. Also this is similar to the full Fortune Global 500 list. India is the only lower-middle income country that has companies on the list and they are just a few.

Figure 5: Number of companies by income level of country of origin



In terms of sectors, all sectors from The Global Industry Classification Standard are represented apart from materials and real estate. The following table gives an overview of the number of companies per sector:

Table 3: Number of firms by sector

Sector	Number of firms
Financials	12
Consumer Discretionary	10
Consumer Staples	7
Health Care	5
Information Technology	4
Communication services	4
Energy	3
Utilities	3
Industrials	1
Multiple	1

4.3 Shortcomings of research design

Corporate disclosures are often the only source of information on CSR or CP spending (van Fleet, 2012). This means that there is a likely bias, because it is in the company's interest to appear active and successful on the CSR front. They might choose not to disclose certain information, or they might exaggerate impact (Valor & Zasuwa, 2017), which could skew the findings.

Another shortcoming is related to the large differences in reporting on CSR by companies, especially when it comes to cash donations. Whereas some companies list all of their individual donations to different organizations in their main CSR report, others just state that they made several donations to several organizations. In these latter cases, the information about the recipient organizations was sometimes available and in other cases it was not. Sometimes the donation lists contained several hundreds of organizations, with donations as small as a few hundred dollars each. In order to prevent certain companies from having hundreds of contributions in the dataset because their donations were traceable and others having just one or two because the donations were not traceable, it was decided that only donations that were explicitly mentioned in the CSR report are included as separate contributions. Other donations are included as a group. In case there was

additional information available, this information was utilized to fill in information about the receiver and the theme.

A third shortcoming of the methodology is the disregard of subsidiaries and local offices of the multinational corporations. Often these firms have their own CSR projects as well. However, taking into account all of these subsidiaries and offices would take an unreasonable amount of time. In considering local offices, there is also a language barriers, as most only report in the language of the country they are in. Because of not including these, the dataset misses out on many projects and donations. However, assuming global offices report on the contributions that are deemed most important by the company already gives valuable information.

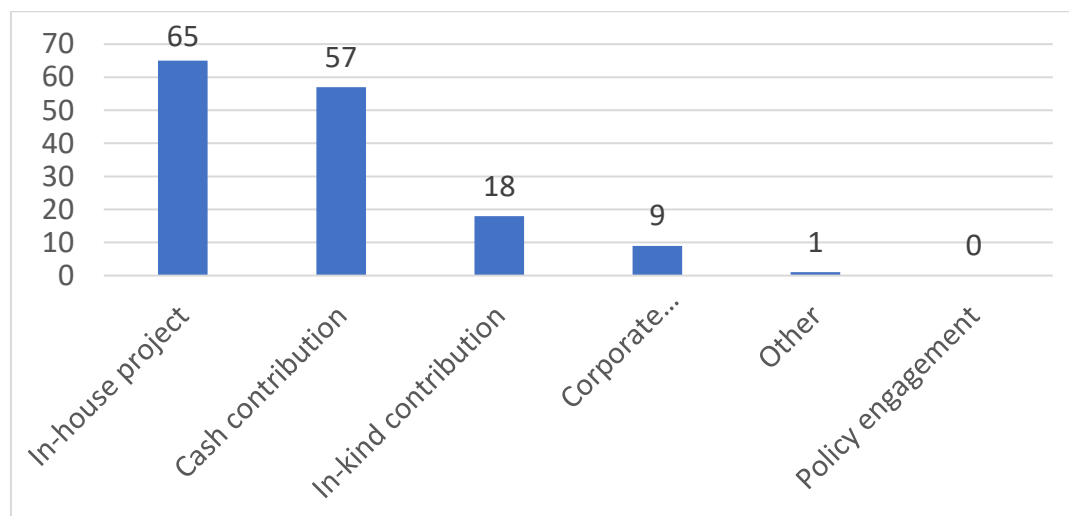
A last shortcoming is the fact that the dataset does not tell us anything about the size of the contributions, every contribution mentioned in the CSR reports was included as one contribution, no matter if it was a €2000 or €1,000,000 investment and no matter if it has 10 or 10,000 beneficiaries. This is not included, because reporting standards are insufficient, and most companies do not include costs of contributions. If they do include amounts spent on education, it is often just a total. Sometimes companies do list the costs for a certain contribution, but this is almost always for a cash donation. For none of the inhouse projects identified in this thesis the costs were mentioned. For the only company that provided both the total spending on education and separate costs of contributions, the contribution costs only added up to a tenth of the listed total spending. All of these shortcomings mean that the data in this thesis is indicative rather than being fully representative for Fortune Global 500 companies.

5. Results and analysis

In the CSR reports and webpages of the fifty selected firms, 134 contributions were identified, classified and described. Of the 50 companies in the sample 11 had no education contributions at all. This means that the firms that contributed to education had on average 3.4 separate contributions. The three firms that had most separate contributions to education are 3M from the USA with 11 contributions, Vodafone from the UK with 9 contributions and Merck from the USA with 8 contributions. In terms of what kind of contributions companies made, In-house projects, projects that are fully run within the company using the company's funds and labour, were the most popular. 48.5 percent of the contributions were in-house projects. Also popular were cash contributions, such as donations to nonprofit organizations or schools. 43% of contributions were

cash contributions. The attentive reader will notice that the numbers in figure 6 add up to a larger number than the total number of contributions. This is because many projects were a combination of cash contributions, in-kind contributions and corporate volunteering³.

Figure 6: Number of contributions per type of contribution



In order to provide some context for the analysis, the contributions were given scores based on all individual criteria to identify projects that match the education needs framework very well and those that do not. The two projects that had the highest score were from the same company: Vodafone. One of the two projects is Instant Schools, a free online learning platform which can be used by elementary schools or individuals. The platform contains educational material in local languages of several countries in Sub-Saharan Africa (including low-income countries such as the DRC and Mozambique). The educational content is developed in collaboration with an NGO and education ministries in the relevant countries to make sure the content is in line with the national curriculum. The content is optimized for use on mobile phones with limited data connectivity. As part of the project Vodafone also runs Instant Network Schools, which is an emergency response initiative. They provide students in refugee camps with solar power, internet and tablets so they can access the Instant Schools platform. The project is thus in line with the international policy agenda (elementary education), reaches a marginalized group (refugees) in low- and lower-middle-

³ This was also the case with themes of the contributions and receivers of the contributions. These contributions were not entered multiple times in the dataset. Instead variables were created for each characteristic (e.g. “in-kind contributions,” “receiver: low- or lower-middle-income countries,” “SDG4.1”), for which the value could be “Yes” or “No.” Any statistic that is a percentage is thus a percentage of the 134 contributions.

income countries. It is in line with national education systems and there is collaboration with both civil society and government.

However, Instant Schools by Vodafone is an exception, most contributions did not score positively on most criteria, which will be outlined in detail in the following sections. An illustrative example of a contribution that does not match the education need framework is Abbott Laboratories' Operation Discovery. Operation Discovery is an inhouse project in which secondary school students from nearby schools visit one of Abbott's laboratories on a day trip. On this day they learn about laboratory science and witness experiments with the aim of increasing their interests for the field. The project is not directed towards a priority theme, but towards SDG 4.4 (increasing vocational skills). Although it is carried out in six countries, none of these countries are low- or lower-middle income countries and the project is not directed at a specific (marginalized) target group. The project does not contribute to the education system, and there is no collaboration.

The remainder of this chapter will discuss the results per criteria of the education needs framework. In each section, first the results will be outlined, and they will subsequently be discussed guided by the theoretical framework from section 3.1.

5.1 Coherence of policy agenda

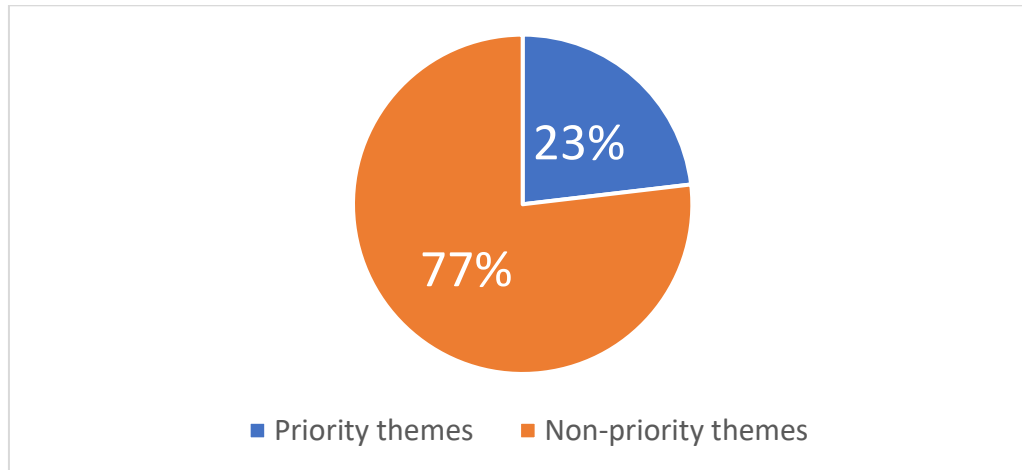
The first point of interest in the education needs framework is the coherence of the policy agenda. According to the Education Needs Framework in section 3.2 education contributions need to be directed to the SDG4 and especially towards ensuring free, equitable and quality primary and secondary education for all boys and girls (SDG 4.1), ensuring universal access to early childhood development facilities, care and pre-primary education (SDG 4.2) and increasing the supply of qualified teachers (SDG 4.C).

As SDG4 is very broadly formulated almost all education contributions fit into the SDG framework, apart from four. These four contributions are directed at very niche subjects, such as art education for indigenous children in Siberia, or are financial education programs for adults. For another two projects it was not clear to what theme within education they were directed.

However, while most contributions are directed to an educational theme within the SDGs, just a small number of the contributions are directed towards the priority SDG4 goals. Just 31 of the 134 contributions were directed at the priority themes, amongst others. The most popular among the

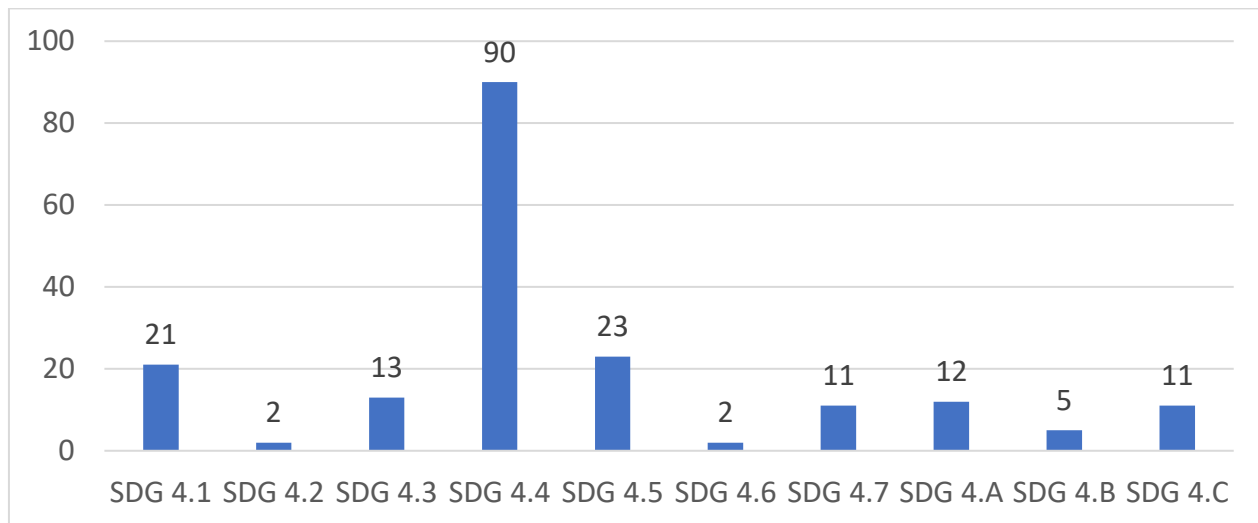
priority themes is primary and secondary education (4.1), towards which 21 projects were directed. Increasing the supply of qualified teachers (4.C) was (one of the) themes of 11 contributions and early childhood and pre-primary education (4.2) was the topic of just two contributions.

Figure 7: Contributions per theme: priority or non-priority



So, what are the other 77% of contributions directed at? The theme that was most prevalent in the contributions was SDG4.4: substantially increasing the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship. No less than 67% of the contributions were directed towards SDG4.4. A large majority of these are directed to STEM (Science, Technology, Engineering and Mathematics) education. They are, for example, cash donations to NGOs that run STEM programs or advocate for more and better STEM education (36 contributions). However, more often they are inhouse projects (48 contributions) in which the company's funds and employees are used to teach children STEM. There are a number of extracurricular coding programs for girls of which perhaps the most notable is Vodafone's #codelikeagirl which reaches 3000 girls in 23 unspecified countries. In this program girls get a one-week programming course and learn how to build a website. Other companies run similar programs, Westpac banking, for example, runs a program where they invite high school girls to the office to learn about STEM subjects. Next to programs directed at girls, programs in collaboration with schools are also popular. 3M, for example, runs a project called 3M visiting Wizards in which 3M employees visit schools to do science and technology demonstrations with the goal of making children interested to pursue careers in STEM.

Figure 8: Number of contributions per SDG4 goal



It is thus clear that there is a large mismatch between education contributions by firms and global education needs: a large majority of the contributions did not go towards the priority themes, but instead they overwhelmingly went towards the SDG4 goal on skills. One of the priority areas, early childhood education, gets barely any attention from the private sector. This is in line with the theoretical framework outlined in section 3.1. Cammett and MacLean's (2014) theory on non-state welfare provision warns for a possible lack of coherence in the policy agenda. This is because NSPs do not have to act on behalf of their beneficiaries and can act according to their own interests. As was also described in section 3.1, the topic of education is very suitable for contributions with strategic motivations, in which the goal is to expand/improve current or future (labour) markets or an attention-seeking motivation in which the goal is to attract as much positive attention for the firm as possible.

The fact that education is a good topic to strategically contribute to, and that through CSR, companies can strategically contribute to a stronger future workforce, was also recognized by several companies in the sample. They mentioned contributing to the workforce of tomorrow as the motivation behind their CSR towards education. Dell Technologies, for example, mentions "building the diverse workforce of the future" as the reason behind their contributions towards education.

Among businesses there is a consensus that there is a STEM worker shortage (Stevenson, 2014) since the 1980s and businesses in the US have repeatedly spread that narrative (e.g. Microsoft,

2019). If companies perceive a STEM worker shortage as a big problem, it is logical that they would address that when engaging in strategic CSR. They aim to contribute to a higher supply of STEM trained workers, by increasing children's and youth's interest in STEM related fields and subsequently increasing their skills. They profit more from investing in students' STEM skills, directly preparing them for labour in their supply chain, than from investing in, for example, pre-primary education, because it's only distantly related to their work force (after pre-primary education, the children still need to pass through primary, secondary and vocational education before they can join the work force). However, the type of STEM contributions by businesses is not easy to explain through strategic motivations. As it happens, there is quite some fragmentation within the STEM field. This has effects on the organizational coherence and will be discussed in section 5.3.

The fact that the thematic priorities of companies are not in line with the priorities of the international community does not only mean that it does not contribute to those priorities, it can actually be harmful for them. Private money has a large agenda setting potential (Edwards, 2008). In the health sector, the Gates foundation and Rockefeller foundation are (in)famous for shifting the global health agenda towards battling a couple of diseases, deviating money away from other causes (Levine, 2015). Nike's Girl Effect project illustrates that multinational corporations also have this agenda setting power. In its project Nike framed adolescent girls' development as a key to global progress and doing that, the Nike Foundation gained a lot of attention for adolescent girls in the world of international development, and both other private and public donors started to dedicate large amounts of money causes related to adolescent girls in developing countries (Moeller, 2013). If multinational corporations increase their contributions to education, like the international community wants, they will gain more and more agenda setting power. If their thematic priorities are not in line with the education needs, which according to these findings they are not, this can be problematic.

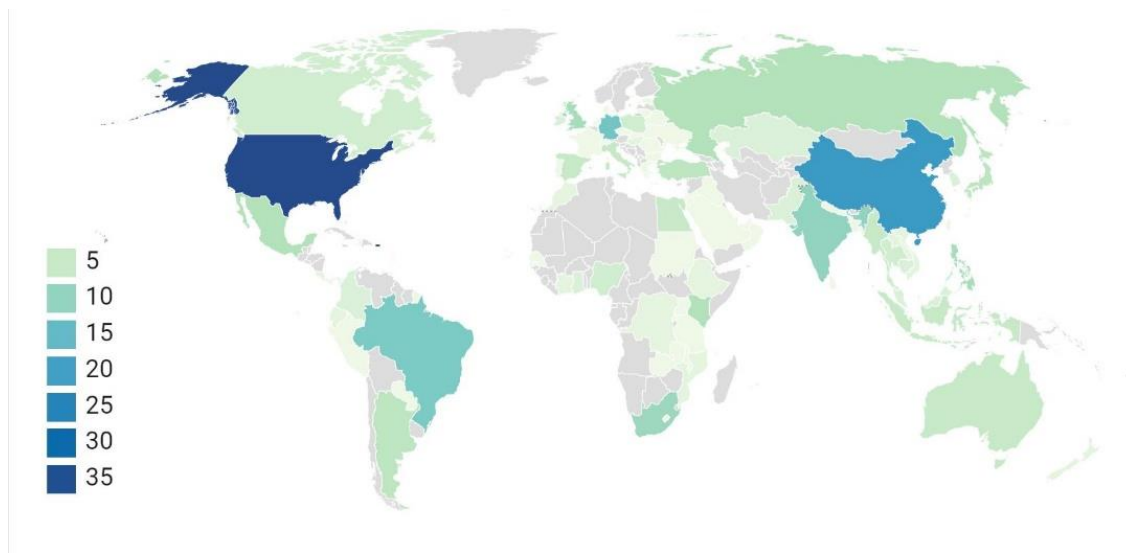
5.2 Equitable access

Next to policy coherence, an important aspect of the education needs framework is whether there is equitable access to the education services provided by companies. According to statements by international organizations, there are two important aspects to this. First of all, the contributions should be directed at low and lower-middle income countries. Second, they should be directed at

marginalized groups. For the sake of this thesis, what constitutes a marginalized group is broadly interpreted and any group that is not a dominant group will be included.

The 134 contributions by multinational corporations went to beneficiaries in 85 different countries. For 15 contributions it was not exactly clear to which countries they were directed, in the CSR reports either a region was specified (in that case they are included in the regional overview below) or something unspecific such as “around the globe” or “developing countries” was mentioned. Many contributions went to more than one country.

Figure 9: Number of contributions per country



With a large distance the most popular receiving country is the USA with 36 contributions. That is 27% of all contributions. Other popular destinations for education contributions are China (21 contributions), Germany (13), Brazil (12) and India (10). 40 of the 85 countries were the beneficiary of only one contribution.

Figure 10: Number of contributions per region

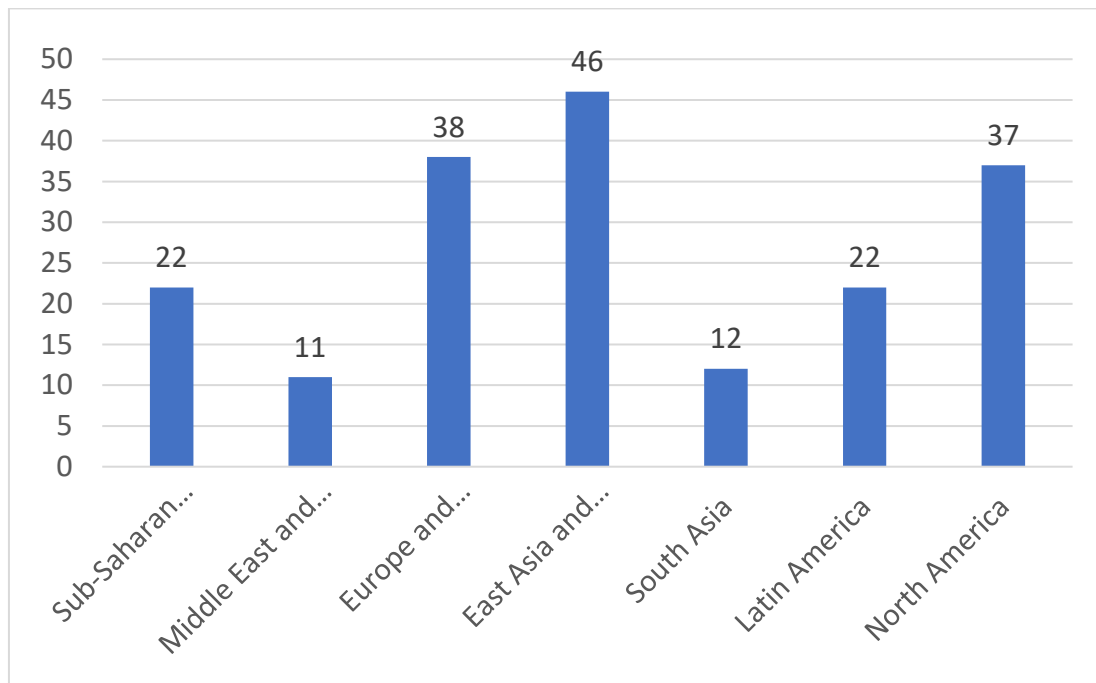
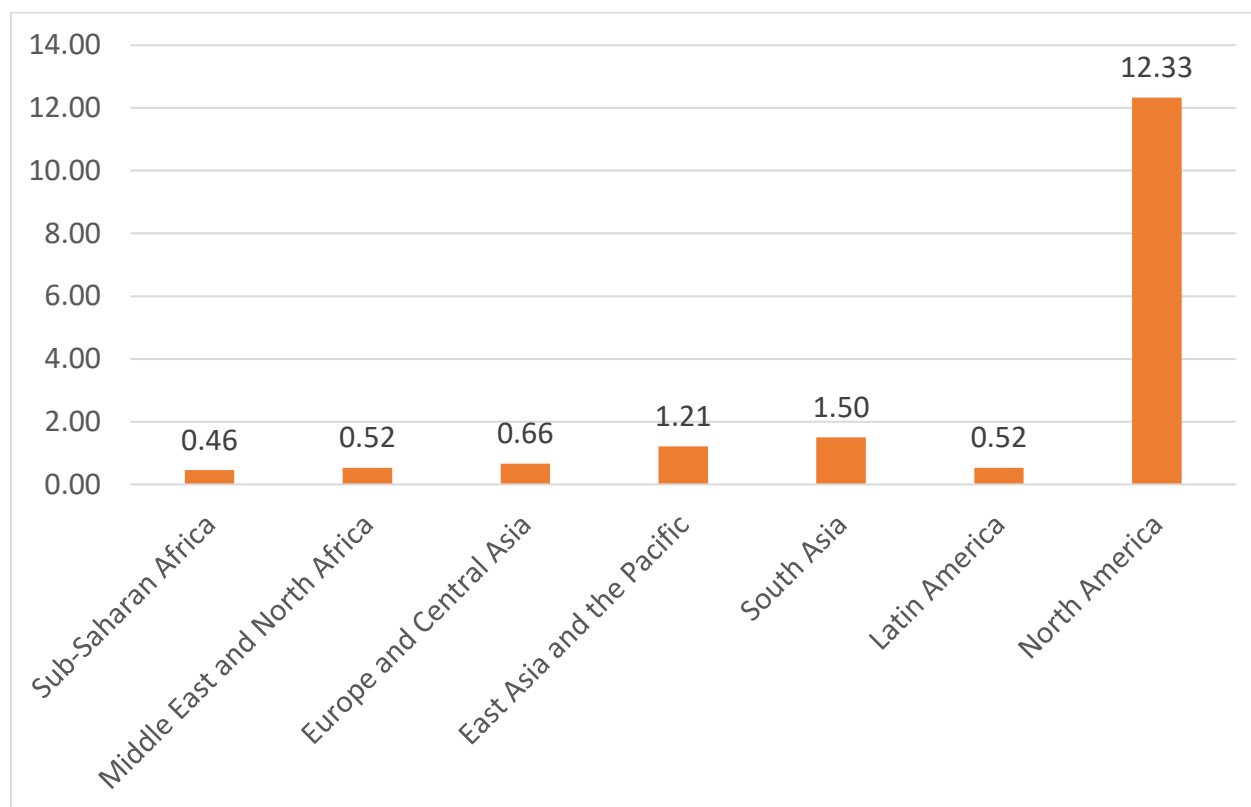


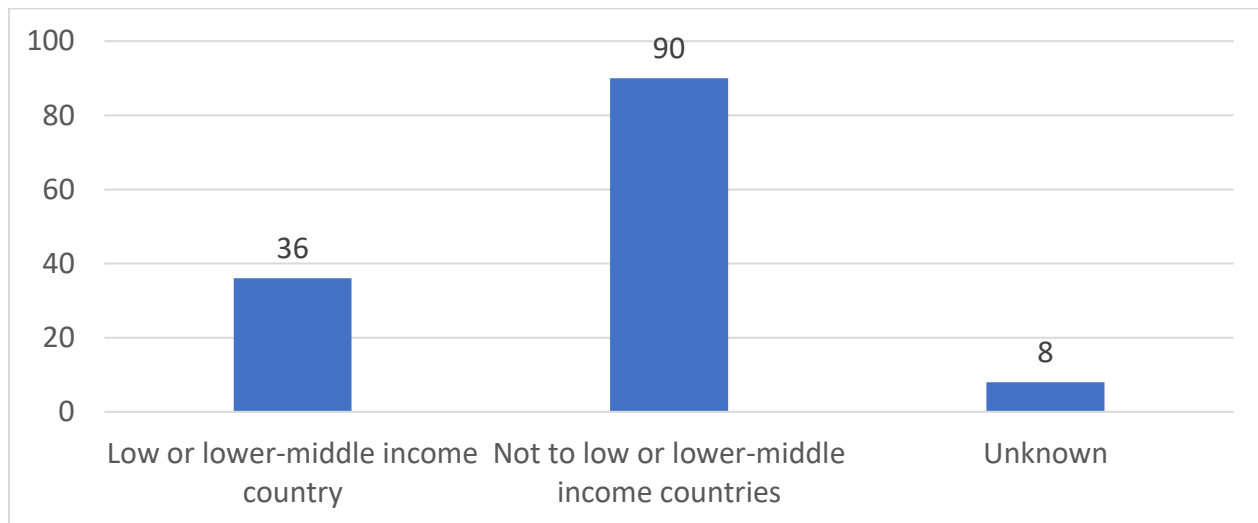
Figure 10 shows that in terms of receivers on a regional level, East Asia and the Pacific, Europe and Central Asia and North America receive most contributions. The Middle East and North Africa and South Asia receive few contributions and Sub-Saharan Africa and Latin America are hanging in the middle. However, these numbers are misleading, as the regions as defined by the World Bank are not in any way equal. The region North America contains only three countries, while Europe and Central Asia contains 58 countries and Sub-Saharan Africa 48. If you take the number of countries within a region into account, the situation changes. North America turns out to be the absolute champion of education contributions receiving, with 12.33 contributions per countries on average (in fact: 36 for the USA, one for Canada and none for Bermuda). The situation for South Asia also becomes less dire, with 1.5 contributions per country. Also East Asia and the Pacific end up with a score of more than one contribution per country. Sub-Saharan Africa, on the other hand, receives just 0.42 contributions per country. Also, Latin America and the MENA region are not spoiled with 0.52 contributions per country.

Figure 11: Average number of contributions per country in region



As most of the low and lower-middle income countries are in Sub-Saharan Africa, it will not come as a surprise that low and lower-middle income countries are underrepresented when it comes to education contributions. As figure 12 shows, out of 134 contributions, 36 are (also) directed at low or lower-middle income countries. However, this does not mean that only 90 contributions are directed to upper-middle- and high-income countries. Many contributions are directed at multiple countries and often go towards low/lower-middle-income countries and high-income countries at the same time. There are just 13 contributions that go to low- and lower-middle-income countries only. Which means that 113 contributions are directed towards upper-middle- and high-income countries. Additionally, if a contribution is directed to fifteen different countries of which one is a lower-middle income country, it is already counted as a contribution towards low- and lower-middle income countries. There are many contributions like this. BP, for example, has a contribution that goes to the following countries: Brazil, China, Egypt, Germany, Ghana, India, Mexico, South Africa and the USA. Of these countries, only Ghana and India are lower-middle-income countries. It is thus clear that low- and lower-middle-income countries are underrepresented when it comes to contributions by companies.

Figure 12: Number of contributions per income level of destination countries



With most of the contributions going to beneficiaries in the USA or other higher-middle or high-income countries, instead of to the low- and lower-middle-income countries that they should have gone to, according to the education needs framework, it can be said there is a mismatch.

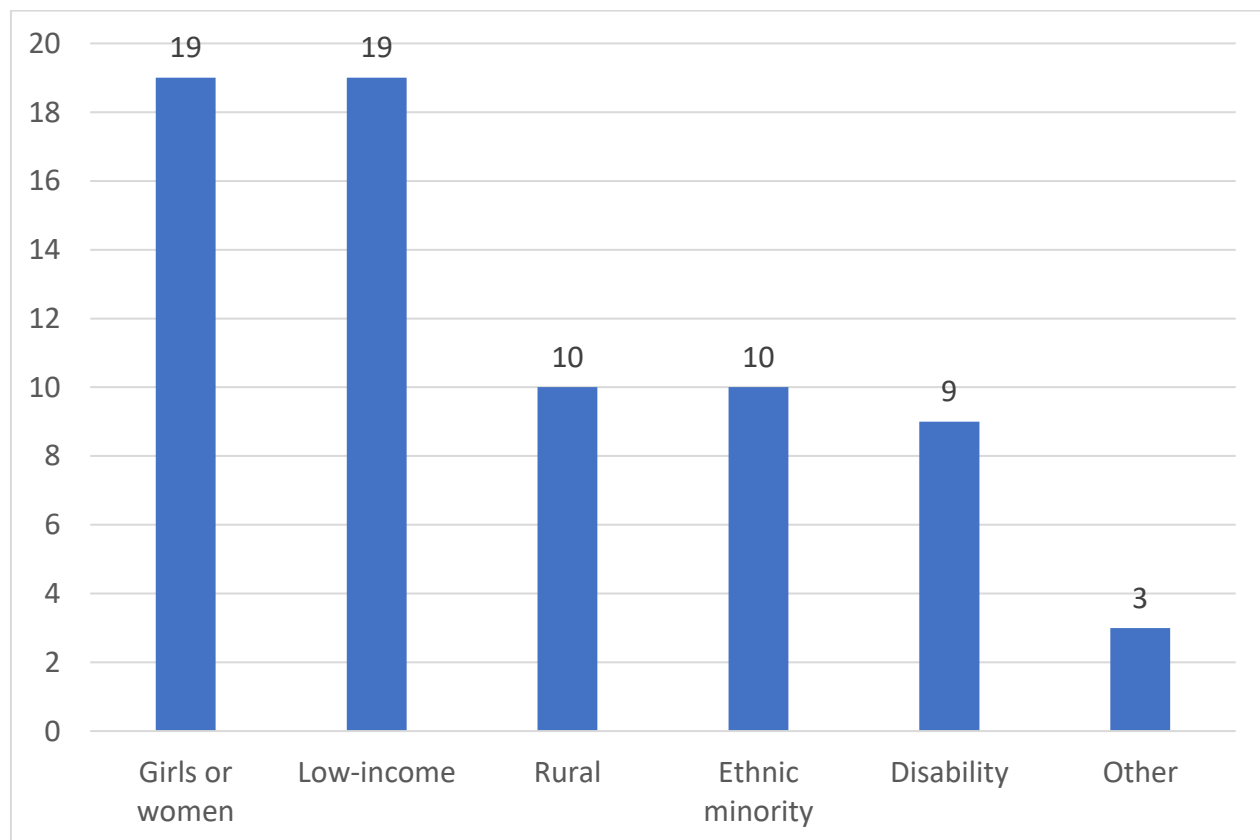
In order to make sense of this geographical mismatch, we will again be informed by the framework for analysis. According to Cammett & MacLean (2014), multinational corporations, as NSPs, are not mandated to provide services universally and inclusively. This is not to say that they will not contribute in a way that contributes to a universal and inclusive education sector, but this depends on what their own interests are. According to the theoretical framework, companies that are strategically motivated, are most likely to make contributions in strategically interesting areas, which is exactly what is happening here.

There are two types of regions that will profit from this and receive contributions. First, the country where the headquarter of the multinational is. In this country the company will likely need many well-trained employees and also sell their products. Card et al., (2010) show that corporate headquarters indeed increase the corporate contributions in the region. The data gathered for this thesis also shows this trend: a large majority of the companies which make contributions to education, have at least one contribution that is directed towards their home country. As there were no companies from low-and lower-middle-income countries, this skews the contributions away from those countries. Next to that, companies practice strategic CSR a lot in emerging economies (Urip, 2010), to increase the quality of the labour force there or increase the demand for their

products (e.g. by donating their own statistical software to schools). This is also visible in the data. The companies identified by MSCI as emerging economies (MSCI, 2020) receive more contributions on average than other countries. There are just three lower-middle-income countries that are defined as emerging economies by MSCI, which also explains the bias away from those countries. This just strongly suggests that, in line with the theoretical framework, companies contribute to education strategically, thereby creating an inequity between countries with different income levels.

The other criterion for the “equity” part of the education needs framework is whether the contribution is directed to a marginalized group. On this criterion there is also a mismatch, albeit a smaller one. 57 out of 134 contributions (or 42.5%) are directed at one or more marginalized group. The other 77 contributions are either explicitly directed at a non-marginalized group (such as university students) or have no defined target group. Within the marginalized groups, girls/women and people from low-income families are the most popular target groups.

Figure 13: Number of contributions per marginalized group



Also this is in line with Cammett and MacLean's (2014) theory on non-state welfare providers. According to them, there is nothing that "forces" non-state providers to be inclusive. As discussed in the theoretical framework, not explicitly including marginalized groups, is de facto the same as not including them, because of the small size of the contributions.

These providers, in this case companies, can pick and choose who they want to reach in a way that serves their interests. Depending on whether these interests are strategic or motivated by positive-attention-seeking this determines who the project will be directed at. In case of a strategic motivation, which is common in education, it is not necessary to direct contributions towards marginalized groups. It is even more strategic to not direct contributions towards marginalized groups. If, for example, the goal is to have a better trained future workforce, it is more efficient to direct your funds at students who already have basic education and only need to learn the specific skills instead of a disadvantaged group that is much further from where you want them to be. This could explain the mismatch on the target group. However, there is still quite a large part of the contributions that is directed at marginalized groups, which suggests not only strategic motivations, but also positive image motivations, play a role. This can also be seen by looking at the different results for different sectors. As was stated before, companies that produce consumer goods are more likely to be motivated by positive attention. Contributions from companies that produce consumer goods direct their contributions towards marginalized groups 1.5x more often than companies that do not produce consumer goods. However, companies producing consumer goods are a minority in the sample.

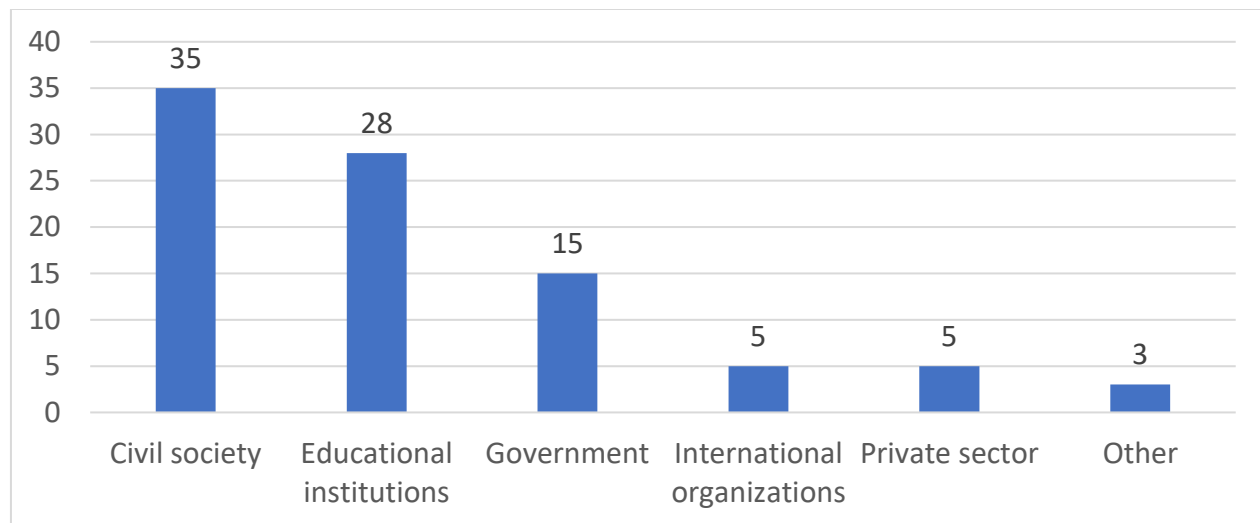
Although there is a mismatch both when it comes to the equity between countries and equity within countries, the mismatch within countries is much smaller. The fact that still more than 40% of the contributions go to a marginalized group does suggest that companies can play a positive role in equitable access when it comes to within-country equity, especially when the company produces consumer goods. This is useful to know for public actors such as international organizations when they seek to work together with the private sector to further an education policy goal. In their collaboration they will likely be more successful motivating companies to contribute to marginalized groups, especially girls and low-income students, than to low- and lower-middle income countries.

5.3 Organizational coherence

The criteria in the education needs framework that is linked to organizational coherence, is the one about collaboration. As education contributions are expected to be mostly strategically motivated, the theoretical framework suggests that there will not be a mismatch on this criterion.

This is also the case. In terms of collaboration, there is a positive result. In most of the contributions there is some form of collaboration with other actors. This is the case for 56.7% of the contributions. However, in the methodology used for this thesis any cash contribution towards another (nonprofit) organization was not counted as collaboration, while in fact, the company does exactly that what makes collaboration important: not creating more fragmentation (Gautier & Pache, 2015). If all these cash contributions would score positively on the collaboration indicator, there are just 22 contributions left in which there is no collaboration at all. This is in line with the theoretical framework: when companies are strategically motivated they want their contributions to be effective and working together with (expert) partners can increase effectiveness, through sharing knowledge and skills and economies of scale because of the increased size of the project.

Figure 14: Number of contributions per collaboration partner



It is, however, interesting to look at what kind of entities companies collaborate with in their education contributions. The most popular collaboration partners are civil society organizations, such as NGOs, and educational institutions, which were mostly universities. It is notable that only in a very small number of the contributions there was collaboration with other private sector entities. In just one of these five contributions, the private sector was the only collaboration partner.

This is the case in SAP's training and development program, where they offer STEM related vocational trainings to youth and work together with local, smaller, firms for their placement. There are only two contributions in which the multinational corporation collaborates with another multinational corporation to join their strengths and funds to make more impact. One of these is the collaboration between Koc Foundation, IBM and the Turkish Ministry of education to improve partnerships between businesses and schools and the other one is the joint initiative of the Enhanced Livelihoods Fund by Unilever, Ford and Oxfam of which a part is directed at providing vulnerable women with vocational skills. There are also not many contributions to public actors, which will be discussed in the next section.

The fact that there is little collaboration between private actors within education contributions suggests again that there are not only strategic motivations at play, but also the positive image motivations. Companies that are motivated by gaining positive attention do not benefit from sharing this attention with other companies and will thus prefer to work with other actors, such as NGOs. There are also other findings that suggest positive image motivations play a role.

As expected by Cammett and MacLean (2014), there is a decent amount of fragmentation in the provision of services, which is an result of the small capacity of non-state providers, but this can be strengthened if companies are not motivated to collaborate with other actors. Already in a sample of 50 firms there are similar projects in overlapping geographical areas, especially in the STEM field. There were, for example, two STEM outreach programs in the area of Chicago, USA.

As stated in section 5.1, also the type of STEM contribution suggests that not only strategic motivations play a role. While a part of the STEM related contributions were cash contributions to NGOs which aim to improve STEM teaching or to STEM related degrees in vocational schools or universities, the largest part of STEM related contributions consisted out of inhouse projects. Many companies run their own, small-scale, STEM (or related) skills projects in which students receive an intensive STEM experience for a short duration of time, once. However, while there are indications that short STEM outreach activities have a positive effect on students' perception on STEM in the short term (Vennix et al., 2018), there is a consensus in academic literature that STEM is best taught integrated into student's regular curriculum (Wang et al., 2011). Companies' preference for inhouse projects does not match with that knowledge. Even if companies believe

that STEM outreach activities are the preferred way of making students interested in STEM, it is questionable whether all offering their own programs is the most efficient way.

This limited organizational coherence has adverse effects on the beneficiaries. It is known from the study of development aid that higher fragmentation often comes with lower effectiveness (Schulpen et al., 2011) and from the theory by Cammett & MacLean we know that it can also have adverse effects on accountability. This is not a very large problem in the case of STEM projects, as these programs usually do not substitute math and technology teaching in the regular school curriculum and it's only a "nice extra" for the students. However, it does get problematic when the contributions by companies go to the priority areas as identified by the international community. In the case of primary and secondary education, for example, children have a fundamental right to receive it (United Nations, 1948, article 26.1), and it is problematic if it is (partially) provided by a multinational corporation that cannot be held accountable.

The fact that companies choose a fragmented way to bring STEM education to youth, suggests that they are not only strategically motivated, but also consider the positive attention that can be generated for the company. This is confirmed by contribution choices of certain firms in the dataset. There are several firms that donate money to FIRST, which calls itself the world's leading non-profit advancing STEM education. They provide STEM outreach programs, host STEM competitions and provide STEM related scholarships (FIRST, 2015). However, some companies that support FIRST also run their own STEM outreach programs. 3M, for example, prides itself in being one of FIRST's main sponsors by donating over 1,5 million dollars per year, but also has their aforementioned Visiting Wizards program, which does virtually the same. This suggests that positive image motivation also plays a role.

As was the case with equitable access, strategic motivations seem to play the leading role when it comes to the organizational coherence criteria. After all, there was a positive score, in line with the expectations. However, there is also a role for positive image seeking motivations, which has an adverse effect on organizational coherence.

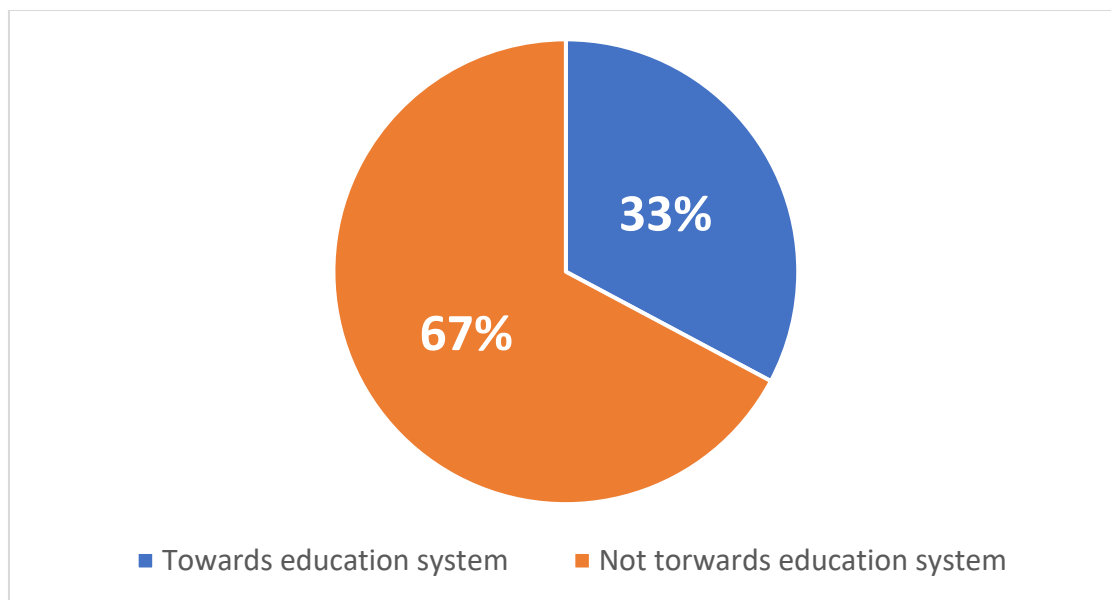
5.4 State capacity

The last part of the education needs framework is about state capacity. Looking at the first criterion, there is a clear mismatch. Just 32.8% of the contributions are directed towards the education systems in the receiving countries. Most of these are university scholarships for low-income

students or scholarships for students to follow STEM subjects. Next to that, there are a couple of contributions in which public or private elementary schools are supported through cash donations, or more often through in-kind donations of computers or lab equipment. Contributions like that can contribute to the state capacity, because the funds that are provided by businesses towards the education system do not also have to be provided by the state, freeing up funds for other things. If many scholarships for STEM subjects are provided by the private sector, the state can focus its funds on scholarships for other disciplines, for example.

However, these kinds of contributions are a minority, most of the contributions do not go towards the education systems. This is not to say that these contributions necessarily damage state capacity, but they do not increase it.

Figure 15: Contributions going towards education systems



A second criterion for state capacity, is the number of public-private collaborations. When counting educational institutions as public actors, there are 42 (or 31.6%) contributions that are public-private partnerships. However, educational institutions can also be private. Without them 15 (or 11.2%) of the contributions are public-private collaborations. In any case, most contributions are not. According to the theoretical framework this is a good signifier for whether NSPs contribute or erode state capacity, which in this case is not very positive.

However, whether or not a company collaborates with a public actor does not only depend on the interests of the company, it also depends on how the state engages with private actors. The state has the opportunity to encourage spending in certain areas and in certain ways, which some states or international organizations do (e.g. European Commission, 2016) and it also has the possibility to initiate public private partnerships and yield more of the benefits of private contributions to education.

6. Conclusion

“I ask you to continue to lead the way” said Ban Ki-Moon to the business leaders present at the launch of the Business Backs Education campaign. Next to that being untrue, businesses are not at all leading the way when it comes to education and their contributions are dwarfed by public contributions (van Fleet, 2012), it is also questionable whether that is desirable.

When calling for increased business contributions, international organizations treat them as neutral and technocratic solutions to increase the pie, to have more money available for education. However, these contributions are more than just money. They can bring (potentially unwanted) political consequences. This thesis explored whether that was the case through the question: How do multinational corporations contribute to education development and is that compatible with the global education agenda?

Multinational corporations contributing to education are non-state service providers, which according to Cammett and MacLean (2014) can have profound political effects. Because of limited capacity and a different relationship to beneficiaries than the state has, there are potential adverse outcomes on policy coherence, organizational coherence, equitable access and state capacity. As the NSPs do not have to act on behalf of their citizens, they can act according to their own interests. In case of multinational corporations contributing to society, these can be twofold: they can have strategic interests (e.g. they want to improve their future work force) or they can be interested in increasing the positive image of the company. Which of the two interests they have, influences what political consequences the contributions will have. Because strategic interests were expected to be common in education, there was an expected mismatch concerning policy coherence, equitable access and state capacity. There was not expected to be a mismatch on organizational coherence.

This was indeed the case, when the contributions by the fifty corporations in the sample were analyzed using an education needs framework based on documents and statements by relevant international organizations. The majority of the contributions did not go to towards themes that were identified as having priority, most contributions did not go to beneficiaries in low- and lower-middle-income countries, most contributions did not go to marginalized groups and most contributions were not directed at the education system in the receiving countries or were part of a public-private partnership. However, in most contributions there was at least some collaboration with other actors.

The fact that there is a mismatch on most of the criteria of the education needs framework, suggests that it is important that international organizations do not only call for more business contributions to education, but also pay attention to how these contributions are made and what the consequences are. In order to do that, it is important to understand the motivations behind these contributions. The mismatch shows us that strategic motivations are indeed very important when it comes to corporate contributions to education. However, the nuances in the results show that also positive image motivations play a role. The results on state capacity, and the fact that most companies seem to be willing to collaborate with other actors in their contributions, suggest that there is a large unused potential for states and international organizations to build more public-private partnerships. In building these partnerships, it is crucial to explore and understand the motivations of the companies that are being included and to look for common interests. The case of Vodafone's Instant Schools, one of the contributions which matched most with the education needs framework, illustrates that it is possible to have a contribution that is in line with global education needs, but also strategically interesting for the company. After all, Vodafone gets to create a (future) market for itself. Next to that, the project is also interesting when it comes to positive image, as Instant Schools have been featured in many news articles (e.g. African Press Office, 2020; Collins, 2015).

It is thus important to realize that business contributions to education are not neutral, but can have political consequences. When calling for more contributions by corporations, it is crucial to understand how those corporations contribute to education and why. In that case, there might be a possibility for a mutually beneficial collaboration which is truly in line with global education needs.

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8. Appendices

8.1. Appendix 1: Targets of SDG4

4.1 By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and Goal-4 effective learning outcomes

4.2 By 2030, ensure that all girls and boys have access to quality early childhood development, care and preprimary education so that they are ready for primary education

4.3 By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university

4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship

4.5 By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations

4.6 By 2030, ensure that all youth and a substantial proportion of adults, both men and women, achieve literacy and numeracy

4.7 By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development

4.8 Build and upgrade education facilities that are child, disability and gender sensitive and provide safe, nonviolent, inclusive and effective learning environments for all

4.9 By 2020, substantially expand globally the number of scholarships available to developing countries, in particular least developed countries, small island developing States and African countries, for enrolment in higher education, including vocational training and information and communications technology, technical, engineering and scientific programmes, in developed countries and other developing countries

4.10 By 2030, substantially increase the supply of qualified teachers, including through international cooperation for teacher training in developing countries, especially least developed countries and small island developing states.

8.2 Appendix 2: Data sample

3M	Engie	Nike
Abbott Laboratories	Fannie Mae	Nippon Life Insurance
Adidas	George Weston	Oracle
Aegon	Hanwha	Peugeot
Archer Daniels Midland	Intesa Sanpaolo	Philip Morris International
Banco Bilbao Vizcaya Argentaria	INTL FCB Stone JD.Com	Qingdao Haier Royal Dutch Shell
Banco Santander	KDDI	Sanofi
BP	Koc Holding	SAP
Centene	Louis Dreyfus	Sumitomo
Centrica	Commodities	Tencent holdings
Charter Communications	Lukoil	Toronto-Dominion Bank
Cigna	Maersk Group	Unilever
Comcast	Magna International	Vodafone Group
Dai-ichi Life Insurance	Marubeni	Westpac Banking
Dell Technologies	Mazda Motor	Xiamen C&D
Edeka Zentrale	Merck	Zurich Insurance Group
Enel	Nationwide	

9. Special annex: Thesis Report



List of abbreviations

CP	Corporate philanthropy
CSR	Corporate Social Responsibility
EFA	Education For All
GBCE	Global Business Coalition for Education
GPE	Global Partnership for Education
SDG	Sustainable Development Goal

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Corporate contributions to education development: Do they offer what is needed?

1. Introduction

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all. This is the fourth sustainable development goal. Quite some progress is made in achieving this goal: worldwide 91% of the children are enrolled in primary education and 84% in lower secondary education (United Nations, 2018). However, still 61 million children will never go to school and of all school going children, almost 60% is not achieving minimum levels of mathematics and reading. There is still a long way to go before SDG4 is achieved. At the same time, aid flows directed at education have steadily decreasing since 2010. According to the Global Education Monitoring Report by UNESCO, there is a funding gap in achieving SD4 of 39 billion euros per year between 2015-2030 (UNESCO, 2018). Aid to education in low and lower-middle-income countries needs to be six times higher than it currently is (UNESCO, 2013). In order to fill this large funding gap, many multilateral organizations, including the World Bank and UNESCO, and NGOs, such as the global partnership for education, have called for the private sector to get behind education (Varkey Foundation, 2019).

Currently, education is not a priority for the private sector, which spends an estimated 5 to 16 times more money on health care than on education (Varkey Foundation, 2018). Private sector involvement in education development thus has a large potential. On the other hand, there are also many critiques on how businesses engage in development and there is a fear that their contributions align with their business interests more than community needs (Education for all, 2013). However, little research has been done about what exactly businesses do when they engage in (education) development: what themes they are addressing, which regions they are focusing on or how their projects are structured.

This thesis project aims to describe how businesses contribute to education development, analyze whether this matches the global education agenda and explain possible mismatches. The thesis report can be regarded as an extensive research proposal for the thesis. It includes a literature review in which gaps in the literature are identified and a theoretical background is provided, a discussion of the research question and definitions and a section on methodology.

2. Literature Review: Business as a Development Actor in Education

In order to position this research project in the existing field of literature, this report starts with a literature review. The literature review has two aims: identifying a gap in the literature and to provide a theoretical background that can inform the research. To identify the gap in the literature, this review starts with exploring the studies that exist around the specific topic of business contributions to education development. It then broadens its perspective and reviews literature around the wider topic of business contributions to social causes in general, clarifying differences between different concepts, and discussing motivations and (dis)advantages of corporate giving.

2.1 Business and education: what is being done?

The body of literature on the topic of business contributions to global education is not large. However, a few studies have been carried out in the years prior to the deadline of the millennial goals in 2015.

The most recent report on the topic is one by Dattani, Still, & Pota (2015) for the UNESCO campaign Business Backs Education. In the report a baseline is created for corporate spending on education. By analyzing companies' CSR reports and surveying CSR officers they find that of the Fortune Global 500 companies, 218 companies have education-related expenditures, this equates to US\$ 2.6 billion annually. This is much a much smaller amount than is spent on health care. They found differences between sectors, with the technology sector spending most on education. Dattani, Still, & Pota (2015) also found that of this US\$2.6 billion only US\$1 billion is spend in priority areas. In their report, "priority areas" is quite broadly defined: it includes all spending in Africa, South America and Asia-Pacific and spending on primary and secondary education in all other countries. It is unclear why these regions and topics are defined as priority areas.

Two more studies on the topic are carried out by Justin van Fleet. Van Fleet (2011) analyzed contributions by US based companies to education in developing countries in the fiscal years 2009 and 2010. He analyzed CSR reports of all companies on the Fortune 500 and identified 89 companies which made contributions to education in developing countries and subsequently carried out interviews with 15 CSR officers. He found that most of those companies give less than 1 million annually to education in developing countries and that the money is mostly directed to just a few countries which are emerging economies, namely India, China and Brazil, and that within these countries those most in need are not reached. He also found that most contributions were small in scale, not coordinated with external entities and not evaluated. When he interviewed the CSR officers about why they were giving to education, they mostly identified the motivation to improve their image and increasing customer loyalty and employee morale.

The other study by van Fleet (2012) has a similar approach but focuses not only on the US but on the whole world. He also does not limit his study to corporate spending, but includes all private spending, such as foundation and billionaire spending. Just as in his other study he used data from 2009 and 2010. In his section on corporations, van Fleet has similar findings to his previous study: little cohesiveness between projects, a lack of coordination between different actors and lack of transparency. As the corporate contributions are not held accountable to public reporting, companies only report about them in corporate communications and tend to describe them as success stories. There were few impact- or outcome-based measures for success, but descriptions about how many people were “reached.” Additionally, van Fleet finds that corporate contributions are not often aligned with the global education agenda, which at the time consisted of the Education for All (EFA) goals which were a part of the millennium goals.

In the nearly ten years that have passed since Justin van Fleet’s studies, a lot has changed regarding business and its contributions to education. The deadline for the millennium goals passed and the sustainable development goals (SDGs) were introduced on the 1st of January 2016. Not only did this broaden the global education agenda, but unlike in the millennium goals, business and industry were explicitly named as a major stakeholder in the new goals. In the document that established the SDGs, *The 2030 Agenda for Sustainable Development*, the following is mentioned in the section about business and industry as a stakeholder: “We acknowledge that the implementation of sustainable development will depend on the active engagement of both the public and the private

sectors. We recognize that the active participation of the private sector can contribute to the achievement of sustainable development, including through the important tool of public-private partnerships” (United Nations, 2016: section 47). Additionally it says, “We call upon all businesses to apply their creativity and innovation to solving sustainable development challenges” (United Nations, 2016: section 67). Ban Ki Moon also stressed the importance of business contributions in his speech at the Global Economic Forum in the same month (UN News Centre, 2016). UNESCO has also repeatedly called for more business involvement in education. According to their document *The Smartest Investment: A Framework for Business Engagement in Education* (written in collaboration with UNICEF, UN Global Compact and UN Special Envoy for Global Education), it is smart for businesses to invest in education because it builds sustainable, conflict free, societies, which “improves the ease of doing business” (Kalra, Mackle, & Kimura, 2013, p. 8). It also saves lives, promotes economic growth, strengthens the local work force and increases a customer base, all of which are good for business. In the document they also provide guidelines for engagement.

Additionally, several public-private partnerships encouraging corporate spending towards education were founded or improved. Firstly, the Education for All Fast Track Initiative, which was focused on promoting the EFA goals, was renamed Global Partnership for Education (GPE). The GPE is a partnership of governments, multilateral organizations, civil society and private foundations and corporations. In the transformation from the Fast Track Initiative to the GPE businesses got a seat in the GPE Steering Committee (Menashy, 2016). Although businesses now have a say in the GPE, they are not included in GPE’s donor model and according to Menashy (2016) no corporation had made a funding commitments in 2016. According to GPE’s overview of pledges this had not changed in 2018 (Global Partnership for Education, 2018). However, GPE does provide guidelines for business contributions to education, for example in their document *Avoiding conflicts of Interest: Guidelines for Business engagement* (Global Partnership for Education, 2017).

Next to that, the Global Business Coalition for Education (GBCE) was founded in 2012 by education charity TheirWorld, of which aforementioned author Justin van Fleet is the chair. According to their own website, the GBCE is “a movement of businesses committed to ending the global education crisis and unleashing the potential of the next generation” (Global Business Coalition for Education, 2019). They serve as a social impact advisor for businesses and identify

investments and other opportunities. They aim to align the corporate contributions with SDG4, the SDG on education. The GBCE has 34 member companies and foundations that “provided significant resources, thought leadership and efforts to establish the Global Business Coalition for Education in 2012” (Global Business Coalition for Education, 2012). Which companies provided what resources is unclear and neither is it clear what happened after 2012. Until now there have been no evaluations of the GBCE.

The Business Backs Education campaign is another initiative encouraging more business involvement in education development. It was launched by UNESCO and the Varkey Foundation on the Global Education Skills Forum in 2014 and has very ambitious goals such as encouraging companies to doubling their education spending, in line with UNESCO guidelines (UNESCO, 2014). It developed a kitemark for companies that signed up to the campaign and adopted certain standards, such as spending 20% of their CSR budgets on education. The press release of the launch also includes a list of documents that will be published in the following year (UNESCO, 2014). However, these documents are nowhere to be found on the internet and neither the UNESCO website nor the Varkey Foundation website refers to them and there is also no list of companies that received a kitemark. Apart from one web page on the Varkey Foundation website (Varkey Foundation, 2018) and the aforementioned report in which a corporate spending baseline was established (Dattani, Still, & Pota, 2015) there is also no additional information to be found about the campaign.

Because of no recent systematic studies on the topic of business contributions to education development and no evaluations of new public-private partnerships, it is unknown what the current situation is and whether progress has been made or mismatches persist, despite the increased attention to the topic. This is the gap in knowledge that this research project aims to fill.

2.2 Business and development: different concepts

In order to be able to formulate hypotheses and do effective research, it is important to create a further understanding of knowledge and theories around the broader theme of businesses as development actors. Many different names and concepts are used in both academia and reporting by corporations when discussing the social contributions of corporations, such as “corporate social

responsibility,” “corporate philanthropy” and “social investments”. This section aims to provides clarity about different kinds of social contributions by companies.

Perhaps the most famous and most cited conceptualization of corporate social involvement is Carroll's Pyramid of Social Responsibility (1991). Carroll depicts the responsibilities of a company as a pyramid of which the bottom one is most important. At the bottom of Carroll’s pyramid are the economic responsibilities of the firm, making profit and increasing shareholder revenue. On top of that are the legal responsibilities: a corporation is obliged to adhere to the law of the country it operates in. The legal responsibilities are followed by the ethical responsibilities, defined by Carroll as the obligation to do what is right and to be just and fair. By other authors, such as Leisinger & Schmitt (2011) this part of the pyramid is defined as “doing no harm.” Examples of the ethical responsibility are making one’s supply chain more sustainable or paying fair wages to one’s workers. The final step in Carroll’s pyramid are philanthropic responsibilities. These responsibilities go beyond doing no harm, the firm is expected to contribute to society and improve living standards, to “do good.” This is what is called “corporate philanthropy” (CP). Hopkins (2012) uses a different distinction between the two concepts. For him CSR are those activities that contribute to a better world, but also take the profitability of the company into account. CP is the practice of performing charitable or benevolent actions and does not take the profitability of the corporation into account. Leisinger & Schmitt (2011) use the voluntary nature of CP as a distinction between that and CSR. These three different distinctions are illustrated in Figure 1.

Figure 1: different CSR and CP distinctions

	CSR	CP
Carroll (1991)	Addresses own supply chain (do no harm)	Does not address own supply chain (do good)
Hopkins (2012)	Financial gain	No financial gain
Leisinger & Schmitt (2011)	Regulated / not voluntary	Voluntary

That these neat divisions between the different responsibilities and different aims of businesses are not always sufficient quickly becomes clear when diving deeper into the concepts. Leisinger & Schmitt (2011) see CP as an umbrella term and define three underlying types: corporate

philanthropy, strategic corporate philanthropy and social investments. The first type is CP like it is intended in Carroll's pyramid: voluntary non-reciprocal corporate giving. This type of CP would be classified as CP by all three authors. Strategic CP is also voluntary, but not non-reciprocal. It is CP that focuses on fields of corporate interest. An example is Microsoft donating computers to public libraries and providing computer courses for local youth, directly increasing demand for their own products (Bishop & Green, 2010). The last kind of CP is strategic corporate investments. This is corporate giving that aims to develop for market expansion, by increasing demand in a certain target region or strengthening the labour force. An example of this is a pharmaceutical company providing health care education, increasing future demand for their own medicine. These two types of strategic CP blur the line between the economic responsibilities of the firm and the philanthropic ones. In Hopkin's (2012), framework this type would not be CP at all, but part of CSR. In Carroll's distinction, this would neither be CP nor CSR.

These forms of strategic given are often associated with movement of philanthrocapitalism (McGoey, 2012), which has been rising since the economic crisis. Bishop & Green (2010) define philanthrocapitalism as "tackling the world's toughest problems through effective giving." Philanthrocapitalists believe that applying business principles are the best way to address development problems. The underlying idea is that those who were successful in business will also be successful in tackling development problems. Unlike in traditional giving, in philanthrocapitalist giving not only financial assets are used, but also other company assets, such as skills of the work force or network. (McGoey, 2012). Although philanthrocapitalism and strategic giving are rising, it does not constitute a majority of corporate giving (Gautier & Pache, 2015). Furthermore, Leisinger and Schmitt (2011) state that CP often occurs in a hybrid form which makes it difficult to classify projects.

Gautier & Pache (2015) also offer a further conceptualization of corporate philanthropy. They analyzed 162 academic papers on CP and found that the rise in academic publications corresponds with the rise in CP itself. They define CP as the voluntary and unconditional transfers of cash or other assets by private forms for public purposes. In the literature they have analyzed they found different ways of doing CP: cash contributions, in-kind contributions, corporate volunteering, in-house projects and policy engagement. They also found that there are large differences between types of firms and whether and how they engage in CP, such as differences between sectors. (Card,

Hallock, & Moretti, 2010) find that a firm's location matters and that the presence of corporate headquarters improves corporate spending in the community. The importance of firm location is also stressed in (van Fleet, 2012), companies in the global South often donate more in the global South and the same goes for companies in the global North.

2.3 Motivations behind corporate involvement in development

In order to formulate hypotheses about what companies do in terms of development, it is important to understand why they do it. There is a rich body of literature in the business studies field about motivations behind CP. In this section we will only be looking at firm level drivers, because they are most relevant for large firms (Gautier & Pache, 2015)

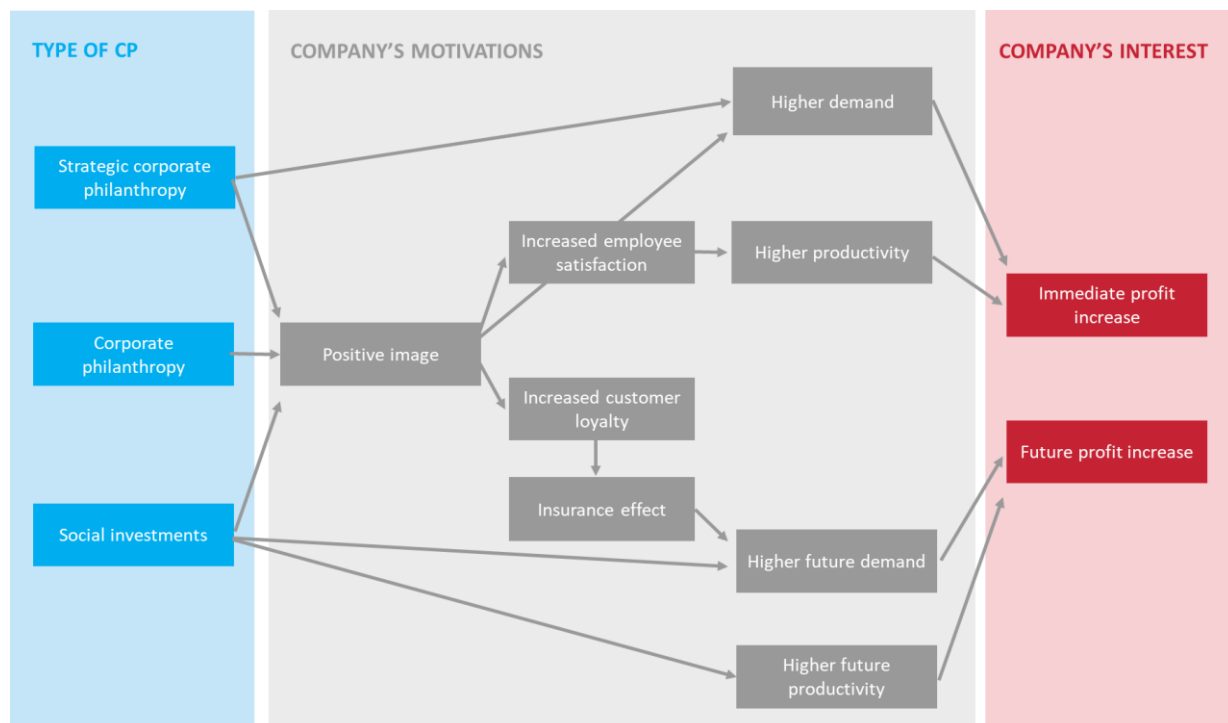
For strategic CP and strategic social investments, the motivations are clear: increasing more (future) demand for the company's products or services or strengthening the (future) labour force. However, for "pure" CP the drivers are less clear cut. Altruism is an often-named motivation behind philanthropy, but according to Schnurbein, Seele, & Lock (2016), this motivation does not apply to CP. A company itself cannot be altruistic, so this altruism can only come from a high-level decision maker with a lot of power. If decision making is decentralized there must be different motivations behind the philanthropy. Wang, Choi, & Li (2008) identify a plausible motivation behind corporate giving, in their regression analysis they find a positive coefficient for the effect of corporate giving on the financial performance of a firm. However, they do find that there are decreasing marginal returns at higher level of giving. In other words: giving increases financial performance, but it does not really matter how much.

Lev, Petrovits, & Radhakrishnan (2010) arrive at a similar conclusion: CP is good for a company's revenues. Their article also offers explanations as to why there is a positive relationship between giving and revenue, namely their positive image. Firstly, customers care about how "good" companies they buy from are, so doing good has advertisement value and increases customer loyalty. They find that this effect is larger for companies which produce consumer goods and that are thus more sensitive to consumer perception. Next, employee morale is raised if employees believe they are working for a company that does good. Godfrey, Merrill, & Hansen (2009) add that a good company reputation acquired through philanthropy can serve as insurance against future mistakes. Goodwill from the public and regulators can limit damage in case of mismanagement or

another type of risk. Additionally, Bertrand, Bombardini, Fisman, & Trebbi (2018) argue that because in many countries giving is tax-exempt, corporate giving does in reality not cost the companies a lot and functions as a cheap way to get attention and political influence. Koehn & Ueng (2009) go a step further and argue that some firms use philanthropy to cover up their wrongdoings, for example suspicious earnings. All these motivations suggest that the perception of how good the firm is doing matters more than how good they are actually doing.

Although, it is hard to know the exact motivations behind CP, there is a consensus in literature that philanthropy often serves a company's interest (Gautier & Pache, 2015), whether explicit and intended, or not. This is supported by the fact that even though different forms of corporate social involvement have been rising, most US business managers still identify increasing shareholder wealth as their main objective (Jones & Felps, 2013). The different ways in which CP leads to profitability are shown in Figure 2. That CP serves a company's interest is also known and acknowledged by the United Nations as is shown in UNESCO's leaflet *Leave your mark: Engage with UNESCO* in which companies are informed of the advantages of working with UNESCO. These include benefitting from UNESCO's strong image, increased brand loyalty and employee motivation.

Figure 2: different motivations for CP



2.4 The pros and cons of business involvement in development

Business involvement in development, in its many forms, has both strong proponents and opponents. This section aims to outline the most important arguments in favour and against. However, because there is nearly no systematic research about the outcomes of CP apart some evaluations of individual projects most of these pros and cons are not based on empirical information but on theoretical considerations (Edwards, 2008).

A large argument in favour of business involvement in development is the fact that businesses have large assets, both financial and not, which could be used to fill funding gaps for furthering societal goals. Unlike government assets these company assets can relatively quickly be mobilized (Bishop & Green, 2010) as there are fewer political processes which play a role. Businesses can thus offer quick solutions for pressing problems. This means that businesses have the potential to reach those most marginalized (van Fleet, 2012). Companies can play a role in testing out new and promising, but risky, development solutions, which, if successful, can be upscaled by a more traditional donor.

Furthermore, proponents of philanthrocapitalism believe in the superiority of business methods to address problems. NGOs, civil society organisations and aid receiving governments are often called “amateurish” and “inefficient” by business leaders (Edwards, 2008). Business principles, such as competition, goal-orientation and quantifiable measurements are supposed to be able to change the world. According to Anand Giridharadas (2018), there is a growing belief that those who are good at making profit are also good at making the world a better place. They have proven to have efficient methods and good employees which can be used for the greater good and strengthen the capacity of civil society. This is supported by Rey-Garcia, Sanzo-Perez, & Álvarez-González (2018) who did a comparative study of corporate foundations and non-corporate foundations to find differences in their efficient use of capital and labour productivity. However, they only looked at efficiency and not effectiveness of their projects and programs.

Next, because of the public position and large networks of large multinationals and their board members, they can play a large role in agenda setting and put developmental problems that do not receive large amounts of attention in the public eye. An example of this is the Nike Foundation’s “Girl Effect.” Framing adolescent girls’ development as a key to global progress, the Nike Foundation gained a lot of attention for adolescent girls in the world of international development

and both other private and public donors started to dedicate large amounts of money to the education of adolescent girls in developing countries (Moeller, 2013).

However, there are also many critical notes about business involvement in international development. The critiques largely fit into two broad categories: practical critiques about how businesses engage in development and more ideological critiques about that they are doing it at all. This last type of critique will be disregarded in this literature review because of conciseness. A first critique is that businesses engage in ungrounded selectivity because of lack of research and evaluation (Edwards, 2008). This is which is dangerous if it is combined with the large agenda setting powers certain businesses have. This can be illustrated by the case of Nike. According to Moeller (2013), their program was not based on scientific knowledge and not proven to be effective, but attracted large funds which could have been used otherwise. Boyd (2016) goes a step further and argues that Nike's Girl Effect reproduced gender stereotypes that could be harmful for the girls it claimed to help. This illustrates another critique, namely that CP does not contribute to system solutions.

An origin of the problems with CP can be found in the motivations identified in section 2.3: if the motivation for corporate aid is their positive reputation, it does not really matter how good the projects are, but how good they seem to be. This directs corporate funds to causes that do well with the public and are relatively easy to address (Edwards, 2008). Supporting a government in developing their education system is not very attractive in that case (Garrett, 2007). What happens is that many corporate donors start addressing the same popular development problems, but set up their own projects rather than putting money into existing projects (Edwards, 2008), which leads to fragmentation. However if a company's motivation is to increase demand directly, or increase future demand or productivity (strategic giving), they are theoretically more motivated to actually make their solution work (Bishop & Green, 2010). Then another problem arises, namely that this form of CP might result in socially discriminating development results, as the people most in need are often not strategically attractive (Leisinger & Schmitt, 2011) and neither are the themes that concern them.

Figure 3: pros and cons of business involvement

	Pro	Con
Motivation: positive attention	<p>Large assets</p> <p>Assets can be quickly mobilized</p> <p>Risky projects can be undertaken</p> <p>Business principles</p> <p>Efficiency</p>	<p>Selectivity</p> <p>Lack of research and evaluation</p> <p>Fragmentation</p> <p>Negative agenda setting</p> <p>shifting money away from other causes</p>
Motivation: market change	<p>Agenda setting power</p>	<p>Socially discriminating results: not directed at the people and themes than need it most</p>

3. Research questions and definitions

As discussed in the literature review there is little academic research towards what companies do when they are engaging in development. The few studies about business contributions to education are likely outdated because of many developments related to business and education development, such as the launch of the SDGs and the prevalence of guidelines for business contribution. Although it is difficult to compare results with van Fleet's studies due to a lack of scale indicated in the studies, it is interesting to see what the state of business contributions to education is nowadays. Therefore, the thesis aims to answer this question:

Do multinational corporations contribute to education development in a way that is compatible with global education needs or not and why?

This research question will be answered in three different steps using the following sub questions:

1. How do multinational corporations contribute to education development?
2. Does the way multinational corporations contribute to education development match the global education needs

3. Why do the contributions of multinational corporations not match the global education needs?

Sub question 3 will not be answered if there are no mismatches identified in question 2.

3.1 Definitions

Multinational corporations

The thesis focuses on *multinational corporations* rather than business in general, because business is a very diversified field ranging from small family-owned companies selling their products in a small community to large corporations that operate on all the corners of the world. Although all of these businesses can contribute to education development, the ways they will do that are likely different. Multinational corporations operate in many countries and generate a lot of money and are thus most relevant to the call for business contributions by international organizations. This also van Fleet's approach in his 2011 study.

Contribute to education development

In the question it says *contribute to education development* and does not mention corporate social responsibility or corporate philanthropy, because the definitions of those are contested and the existing classifications are blurry. However, the definition that will be used it is most in line with Carroll's distinction between 'do no harm' and 'do good' (Carroll, 1991). Unlike Carroll this thesis recognizes that "doing good" can (and most likely will) coexist with financial profitability. Therefore, this thesis looks at all projects, programs and donations towards education that go beyond the company's own current supply chain, no matter what the motivation behind them is. For example, a project in which the company trains the skills of its own workers is not considered, as this is part of their own current supply chain, but an education project in the communities of these workers will be considered.

Global education needs

Lastly, the question contains the phrase *global education needs*, which is hard to define and could use an entire research project in itself. Luckily, guidelines for business contribution to education have been provided in releases by multilateral organizations and public-private partnerships about how businesses should be contributing. Those will be used in this research project.

Perhaps the most important is the guideline document by UNESCO which was mentioned in section 2.1, as UNESCO is the only UN agency with a mandate to cover all aspects of education,

the coordinating entity for SDG4 and the publisher of the yearly Global Education Monitoring Reports. The guidelines they provide include investing in developing countries, investing in national education systems by partnering with governments, partnering with experts, actively including marginalized groups, aligning with government needs and the global education agenda, measuring impact and being transparent, investing for the long term (being sustainable).

As mentioned in section 2.1, GPE also provides guidelines for corporate involvement in education. Their 2016 document on corporate engagement principles is largely in line with UNESCO. It also stresses the importance of strengthening education systems by supporting developing countries governments, targeting those most marginalized/ most in need and measuring impact (Global Partnership for Education, 2016). Additionally, it stresses the importance of using business assets other than monetary ones, such as expertise and network, in addressing development challenges. A report by consultant PWC also arrives at similar recommendations: business contributions should be sustainable, in line with international and government priorities and be routinely evaluated (PWC, 2014). These guidelines have been summarized in Figure 4.

Figure 4: guidelines set by UNESCO and other actors

Theme of corporate contributions	Business contributions should be aligned with international and government priorities
Receivers of corporate contributions	Business contributions should be directed to those who need it the most
design of corporate contributions	Business contributions should be directed towards the education system, transparent, cooperative, monitored and evaluated and be long-term

However, in these guidelines are still a few things that need clarification. For this UNESCO's latest two evaluations of the SDG4 goals is used (UNESCO Institute for Statistics, 2019; UNESCO, 2018). SDG4 is chosen as a framework because the sustainable development goals were agreed upon by all UN member states and can thus be seen as a global agenda (United Nations, 2016). Because of time constraints for this project, it has been decided to not look at the education agendas of different governments.

Regarding the themes of corporate contributions, the report *Meeting commitments: are countries on track to achieve SDG4* (UNESCO Institute for Statistics, 2019) provides a short answer to the question it poses in its own title: no. Countries are not at all on track and at this pace none of the goals of SDG4 will be achieved. This means that all contributions which are in line with the target defined in SDG4 (see appendix 2) can be seen as ‘aligned with international priorities.’ However, the report dedicates special attention to primary and secondary education (SDG4.1), early childhood education (SDG4.2), because progress has been stagnating for these two targets, and the supply of qualified teachers (SDG4.C), because a backward trend has been signaled for this target (UNESCO Institute for Statistics, 2019).

Looking at the receivers of the contributions, two things seem important. According to *Meeting commitments* (UNESCO Institute for Statistics, 2019), the funding gap in education is by far the largest in low and lower middle income countries and that is where more funds should be directed towards. According to the 2018 Global Education Monitoring report (UNESCO, 2018) and earlier editions, it is marginalized groups who are left behind: girls, ethnic minorities, indigenous groups and low-income students. For design of the contributions a clear framework is already included in the description. There are four design criteria left, which are shown in Figure 5 which contains the final framework.

Figure 5: Global education needs framework

Theme of corporate contributions	Contributions should be directed to the targets of SDG4 and to targets SDG4.1, SDG4.2 and SDG4.C specifically
Receivers of corporate contributions	Contributions should be directed to low and lower middle income countries Contributions should be directed to marginalized groups
Design of corporate contributions	Contributions should be directed towards education systems Contributions should be done in collaboration with other actors Contributions should be monitored and evaluated Contributions should be sustainable (long term)

4. Methodology

This methodology section consists out of sections on hypotheses, research design, case selection and planning. The sections are separated into the different sub questions. Sub questions 1 and 2 are only separated so that in the first step of this research a dataset will be created that can be used again in the future for further research.

4.1 Generative mechanism and hypotheses

Sub questions 1 and 2

Sub questions 1 and 2 work towards identifying possible mismatches between corporate contributions towards education and the education needs. Justin van Fleet identified a mismatch between corporate contributions in his 2011 and 2012 studies and since then there have been two large relevant processes of transformation which were identified in the literature review. Whether or not the mismatch persists depends on how influential these processes were.

PROCESS 1: Increased acknowledged role of business as stakeholders in education development which led to the introduction of more public-private partnerships and guidelines to increase and improve business involvement. If this process was influential, progress should have been made on all fronts: receivers, themes and design. It is not expected that this process was very influential as nearly no prove of actual business engagement could be found when analyzing the public private partnerships.

PROCESS 2: Rise of philanthrocapitalism and its associated strategic approach to development contributions. If this process was influential it would have led to improvements in terms of design because of its focus on business methods. It would not necessarily on receivers and theme, because of its focus on strategy and certain receivers (emerging economies) and themes (those strengthening the labour force, such as skills training) are of more strategic importance. However, (Gautier & Pache, 2015) found that although the strategy-orientation was increasing, it is still not what the majority of firms are doing. Process 2 is thus also not expected to have led to change.

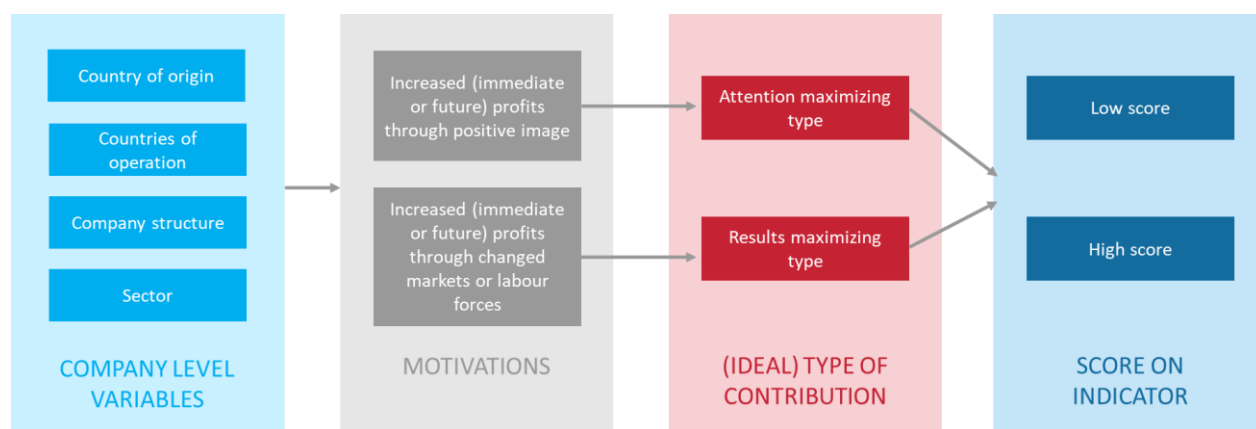
HYPOTHESIS: Mismatches on all criteria persist.

Sub question 3

The third sub question is an explanatory one: why a mismatch is there. As discussed in the literature review, different shortcomings result from different motivations for the contributions. If the motivation is to increase profits through a positive image a company will most likely choose a contribution approach that (they believe) maximizes positive attention. If its goal is to increase profits through an actual change, such as an improved labour force it will choose a contribution which (they believe) will maximize results. Both these types have different outcomes and will score differently on the indicators. A result maximizing type contribution will likely score higher on design indicators, but lower on receiver and theme indicators (because of lack of strategic importance). An attention maximizing type will likely score lower on design indicators, but might score higher on receiver and theme indicators, because strategic importance is not so important, but perception is and poverty tends to sell well (Jefferess, 2002).

The literature suggests that company level variables, such as the location of its headquarters, its sector and type of product, can influence corporate contributions. In this thesis it is theorized that these company level variables influence the contributions through the different motivations. For example, if a company produces their products in a certain region it profits from a better labour force and will more likely be motivated to achieve actual change. Or if a company produces consumer goods with a high elasticity of demand, it profits from a positive image and will thus go for an attention maximizing type contribution. The mechanism is illustrated in Figure 6.

Figure 6: generative mechanism for indicators



The list of company level variables is non-exhaustive

HYPOTHESIS: In order to formulate a precise hypothesis for sub question 3, sub question 2 first needs to be answered and a mismatch identified. However, the hypothesis will be formulated using the generative mechanism in Figure 6. It will propose that the firms' motivation, which in turn is informed by their specific combination of company level variables, explains the identified mismatch.

4.2 Research design:

Sub question 1

The first part of the research project will be a mapping exercise in which education contributions of the selected companies will be identified and categorized. In order to do this, document analysis will be used. Companies disclose their CSR and CP activities in separate reports or as an integral part of the financial report of the company. The most recent version of this report will be identified, and it will be used to identify the projects. These projects will be identified by searching for education related words in the documents, such as “education,” “learn,” and all relevant nouns from the SDG4 targets. Identifying whether a company's report mentions, at least, one of these words will be automated using a custom dictionary in R to save time. If an education related word is mentioned, projects will be identified manually in the report. After a project is identified it will be documented in an excel file. The indicators in the excel dataset do not correspond directly with the framework from Figure 5, but include all the information to evaluate it accordingly in a next step. If necessary, additional company sources, such as the website, older documentation, existing interviews or external sources will be used to fill in gaps.

In the excel file there are the following indicators (see also Figure 7 on the side of the page). On company level, the name of the company, the country of origin and the sector will be identified. The sector will be classified according to the Global Industry Classification Standard (MSCI, 2018). On a project level, the name and type of contribution will be identified. The possible types of contributions correspond to those identified by (Gautier & Pache, 2015) (see section 2.2). If a type of contribution cannot be classified accordingly, another type can be added. For the receivers of the contribution, the receiving country will be identified and the receiving demographic group, this can have the following types: all, women/girls, ethnic minorities, religious minorities or low-income students. For the theme of the contributions, it will be noted to which SDG4 target the contribution contributes, if any. For the design of the contribution part, whether the contribution

goes towards an education system and whether it is evaluated will be answered with a yes or no. For collaboration the type of actor is identified, donating to another actor will not be classified as collaboration, and for duration the time period of the contribution will be identified.

Sub question 2

In this next step, the data that is gathered will be compared with the framework of global education needs which was defined in Figure 5. In order to make the data comparable, the receiving countries will be classified by their income levels using the World Bank's classification (World Bank, 2019), low and lower middle income countries will be labeled priority. The SDG4 targets will also be grouped by priority (SDG4.1, SDG4.2 and SDG4.C) and non-priority (all others).

After this, scores for each of the indicators will be provided, finding the percentage of companies that score positively on the indicator. For example, what fraction of the companies contributes in low or lower middle income countries in at least one project? Any score under 50% will be identified as a mismatch. Additionally, an aggregate score per project will be calculated and an average of these project scores will provide company scores. The value and weighting of this score will be informed by the findings: the lower the percentage score of an indicator is, the more weight will be given to that indicator. An average of company scores will be taken and if this average is lower than 50% of the maximum score, it will be concluded that there is an overall mismatch between corporate contributions to education development and the global education needs.

Sub question 3

This part of the thesis will be informed by the findings in the previous part and aims to explain the identified mismatches. In case no mismatches were identified, question 3 will not be relevant and thus not be answered. In case an overall mismatch was identified, this will be the focus of question 3. Otherwise, the indicator with the lowest score will be chosen for further analysis.

Figure 7: Dataset corporate contributions to education

Company		Contribution			Receiver																	Design	
Name	Sector	Country of origin	#	Name	Type of contribution	Country	Demographic group	SDG 4.1	SDG 4.2	SDG 4.3	SDG 4.4	SDG 4.5	SDG 4.6	SDG 4.7	SDG 4.A	SDG 4.B	SDG 4.C	Different	System	collaboration	MAE	Duration	
Comcast	Telecom	USA	1	Support to Girls Inc. in Metro Denver	Donation	USA	girls				x								No	No	No	One time	
			2	Code Fever	Donation	USA	Ethnic Minority				x								No	No	No	One time	
			3	Teaching coding skills	Volunteering	USA	Ethnic Minority				x								No	No	No	Incidental	
			4	City Year	Donation	USA	Ethnic Minority									x			No	No	Yes	Long term	
			5	Supporting our Schools	Donation	USA	low-income										x		No	No	No	One time	

In order to identify the reasons behind the mismatch, a structured focused comparison will be carried out on a select number of companies of which half score badly on the indicator in question (or the aggregate score), and the other half score well. The comparison will be focused on relevant company level variables and motivations (see generative mechanism in section 4.1). Based on additional literature review, relevant company level variables for explaining the variation will be identified and hypothesis will be formulated of how these variables lead to certain motivations which will then be tested. In order to uncover the motivations, structured interviews will be carried out with the CSR officers for the selected companies.

4.3 Case selection

Sub questions 1 and 2

In line with van Fleet's study (2011), the Fortune Global 500 will serve as a population for my research project. State-owned companies will be removed from the dataset, because their assets cannot be qualified as purely private assets anymore. Estimates are that around 20% of the companies on the Global 500 list are (partially) state-owned (Kwiatkowski & Augustynowicz, 2015). This means 400 companies are left in the population. In order to be able to make claims about the entire population on a 95% confidence level, 75 companies need to be in the sample. This sample size has a margin of error of 10%, which is acceptable for the purpose of descriptive statistics in an explorative study (Conroy, 2014). The 75 companies will be randomly selected using the RAND(om) function in Excel.

Sub question 3

For sub question 3, companies will be selected which score badly on the the indicator (or aggregate score) chosen. The cases that will be selected should represent the diversity of badly scoring companies, so that a binding condition (or series of conditions) can be identified as the explanatory one. How many cases will be selected and what exactly the selection criteria will be depends on the answers on sub questions 1 and 2 and the subsequent choices. This will be further elaborated on in the thesis.

4.4 Limitations of research design

Corporate disclosures are often the only source of information on CSR or CP spending (van Fleet, 2012). This means that there is a likely bias, because it is in the company's interest to appear active

and successful on the CSR front. They might choose not to disclose certain information, or they might exaggerate impact (Valor & Zasuwa, 2017), which could skew the findings. However, it can be assumed that the companies are painting a picture that is as positive as possible, so it is easy to identify to which side the potential bias goes (Pérez, 2015). This bias might occur both when analyzing the reports and during the interviews.

Next to that, the framework of global education needs that is used in this research project is not very refined and nuanced. Marginalized people in higher middle income countries might need contributions more than non-marginalized people in low income countries, but this framework does not account for that. It also does not include different government agendas. The framework could be a lot more detailed and specified, but further education needs research is outside the scope of this thesis. However, sub question 1 is separated from sub question 2 to make a dataset that could also be relevant when using a different education framework. During the research process, more limitations might arise. When relevant, these will be discussed in the thesis.

5. Conclusion

This thesis report provides the theoretical grounds and methodology for the thesis. The thesis aims to contribute to filling the gap of empirical research on business and their contribution to development. The thesis focuses on education development specifically, because a large funding gap in education was identified by international organizations and these same organizations called for more business involvement. The thesis consists out of two parts, one based on document analysis and one based on interviews. The first part aims to broaden the understanding of what businesses are doing in education development currently and is expected to identify mismatches between the development operations of businesses and what is needed in the field of education. The first part can be used for formulating further hypotheses. The second part aims to understand why businesses are doing what they are doing and will answer further questions based on the first part of the thesis.

Overall, this thesis aims to provide a better understanding of business involvement in education development and offer some insights which could be used to improve the cooperation between businesses and the international organizations that called for their help.

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