CHAPTER IV

CONCLUSION

In this chapter, writer will conclude and answer the research question of this research. This research has focused on the multinational corporation as a significant actor in international relations. Multinational Corporation (MNC) holds the role of being a contributor towards a country’s economy, namely in GDP and GNP. This contribution reflects on the company’s performance meaning the bigger a company generates revenue, the bigger it will contribute towards the country’s economy. The contribution does not only reflect on GDP and GNP as MNC also contributes to country’s employment and exports. Therefore from those four sectors, writer would like to conclude the research based on research question on how Samsung Electronics contributed to South Korea’s economy reviewed from employment, exports, GDP, and GNP.

From its initial running in 1938 Samsung was established by Lee Byung Chul as a trading company with 30,000 KRW or 27 USD and forty employees only later to grow bigger and expand in various business sectors. Then when the Korean War broke out and ended in 1953, South Korea’s economy was in a wreaked havoc condition, where its per capita income was low, natural resources are scarce and infrastructures were severely damaged. However South Korea was able to rise from
the hazardous situation due to the government’s economic plans that created the rapid economic growth. Besides the Five-Year Economic Development Plan initiated in 1962, the involvement of chaebol or conglomerates in South Korea contribute to the country’s rapid growth. Samsung was one of the corporations that helped in restructuring South Korea from its business activities by converging on industrialization.

The contribution of Samsung to the country’s economy continue until today in which it comes mostly from Samsung Electronics as the group’s biggest subsidiary. From the first sector which is employment, Samsung Electronics is the biggest contributor to the employment rate in South Korea compared to other big corporations namely Hyundai Motor, POSCO, Kia Motors, and LG Chem. The share percentage was between the five companies was topped by Samsung Electronics with some of the gap could be considered as significant.

From the exports, Samsung Electronics contribute in a great number to the total exports of South Korea. This number also generated from the fact that Samsung Electronics contribute the most to the South Korea’s most-exported goods which is integrated circuit or microchips. Noting that Samsung Electronics is the world’s top microchip and mobile phone producer, it can be concluded that Samsung Electronics shape the image of South Korea in competing on the world stage with other major economy countries.
Furthermore, from the GDP and GNP, Samsung Electronics also contribute in a significant manner where the company is responsible for around 20% of South Korea’s economy and 16% of the country’s GDP. This number also signifies the significant contribution of Samsung Electronics to South Korea’s economy where major company such as Hyundai Motor contribute around 12% to the country’s GDP. As GDP is also counted in GNP, Samsung Electronics also contribute in growing the number of country’s GNP through its performance annually.

As analyzed from the employment, exports, GDP, and GNP, the number contributed from Samsung Electronics is significant to South Korea’s economy in 2011 – 2015. Therefore as an MNC from South Korea, Samsung Electronics is an essential actor to the country from the economic contribution and the extension of the country to the global stage.
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