

Role of Corporate Social Responsibility (CSR) in education sector : A study on Perspectives of better education through CSR.

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ABSTRACT

Today education is said to be a key sector for companies to spend their CSR because this sector exist in all geographic areas. In present era education is a backbone of any society and quality of education play vital role. No doubt Indian education is lacking in many aspects but government is taking several steps to reframe the entire education ecosystem. Indian education currently reached at 3.4% expenditure of GDP on education sector which needs to reach at 6% as per the recommendation of Kothari commission. In a country of 1.37 billion population where 76% population is involved in education, the efforts of government alone could not do enough to make remarkable change, so there is immense need of collaboration of government and corporate to jointly work for the positive impact of education on society and CSR seems as important tool for improving education sector.

KEYWORDS: Education sector, CSR , corporate funding , challenges.

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I. INTRODUCTION :

The concept of Corporate Social Responsibility (CSR) is not new to India. What's new is a shift in corporate's voluntary philanthropic activities to making it a mandate core business practice. India is said to be 'The Nation Of Givers' from centuries and it was doing philanthropy and charity for social good from hundred of years. In the year of 2013, new companies act came up with a new corporate policy which was CSR policy under which all those profitable businesses which are having turnover of Rs. 1000 Cr. Or more , Net worth of Rs. 500 Crore or more and Net Profit of Rs. 5 Crore or more have to contribute 2% of their average net profit of preceding three years on social activities which are prescribed under schedule VII of companies act 2013. Nonetheless in past few years CSR policy has attracted significant attention across the nation. The concept of CSR in India is said to be an instrument for integrating social , economical , environmental and human development issues. The CSR policy notified the areas of CSR funding which includes major key issues of society and environment like health , education , employability , poverty , hunger , gender equality and many more. Out of which education sector has gained much attention from the beginning of this policy and it is highly concentrated funding area of CSR. It is top core dimension area of funding as well as it has potential source of financing education sector in India. The ecosystem

of Indian education is very vast as well complex also. It has been widely holding attention from public as well as private stakeholders , that's why the quantum, of funds are invested in the domain of education by Indian corporate. CSR in education sector demands for promoting quality education , promoting scholarships, sponsorships , increased access to digital education , career counselling , better infrastructure and teachers training to boost up the entire education ecosystem of India. As per the reports of NASSOM foundation , 60-70% companies invest in education projects. The theory behind uplifting education sector is the perception of corporate that in education sector there is high potential for skilled knowledgeable society.therefore the root that needs to strengthening most through CSR is education ecosystem of India. In India till date (30/05/2020) there are more than 4138 projects initiated by corporate either by them selves or with the help of implementing partners in this concerned sector. And providing support to Indian education ecosystem apart from government initiatives for education . The existing facts and figures of MCA reports showed that the contribution of CSR in India crossed Rs. 50,000 Crore in last five years out of which the total funding in education sector is Rs. 15,742 Crore from 2014 to 2019. Education sector basically receives major chunk of CSR expenditure and out of every ten companies atleast one of them is engaged in educational initiative.

OBJECTIVES OF THE STUDY :

- To examine the status of CSR in education sector in India.
- To evaluate the top CSR initiatives and strategies in education sector.
- To study the key issues and challenges in education sector.

II. RESEARCH METHODOLOGY :

This paper is analytical in nature and it is based on secondary data. Basically the practices on CSR are conducted in various areas but education sector is selected for the purpose of this study as it is highly concentrated funding area as well as priority sector for corporates CSR fundings. The major chunk of total CSR goes to this sector only. Under this study role and contribution towards educational ecosystem is highlighted. The relevant data for this paper is collected from national CSR portal , ngobox organisation , CSRbox , nseinfo base and from other reliable sources. The data under this paper is processed as per the requirements of the study.

NEED OF CSR IN EDUCATION SECTOR :

The mandate CSR in companies act 2013 has opened the doors for corporate to create positively impact society and to make good relation with the stakeholders .In CSR education sector is one of the most beneficiary thing which will result in improved funding for the educational institutions. Apart from the various developmental sectors of India , there is still a darkest phase prevailing in India where more than 8 Crore childrens are being forced to work instead of going to school/college or even after being educated 11.4% students are unemployed. The drop out rate or the reason behind such conditions is lack of quality education and skill development education in India. In last five years education sector received huge amount of funding from government as education budget and from corporates through CSR. The role of government and organisations in education ecosystem is too crucial and complex but looking towards the funding and initiative trends , the collaborative or joint hands of public policy and CSR policy is ray of hope for fulfilling the dream of offering quality education to Indians.

**Table – 1
 Contribution to education sector through CSR**

Year	Expenditure (In Crores)
2014-15	2224
2015-16	2804
2016-17	2643
2017-18	3406
2018-19	3540
Total	14,617

(Source: Csrbox.org)

As the education sector receives lion’s share in CSR funding from very first year of policy implementation. The above table shows the five year contribution of CSR in education sector . The total CSR spending of last five years is more than 52,533 Crore out of which education sector attracted

more than Rs. 15,742 crore followed by healthcare sector Rs. 9,093 Crore. As per the reports of published by ngobox.org , education and skill development sector have increased by 50% from 2014-2019 which comes to more than Rs. 14,617 Crore.

**Table-2
 Contribution to education sector through government budgets**

Year	Education budget (In billion)
2014-15	276.56
2015-16	422.19
2016-17	723.94
2017-18	818.68
2018-19	850.1
Total	3091.47

(Source: mhrd.gov.in)

In last five years education sector get allotment of Rs. 3091.47 billion funding by central government. The expenditure by central government for education sector is 3.7% though the National Education Commission(Kothari commission) recommended a 6% share of GDP expenditure on education sector and NITI aayog is thinking about increasing the education budget to 6% over next four years. The economic surveys of last few years

says that government is limiting fiscal space to increase the share of spending on education. Therefore the fundings in education sector are abundant but not utilising properly which results in misuse of funds. As the Indian government is aiming to make \$ 5 trillion Indian economy , there is strong need to improve education ecosystem and address the key issues in this sector to gear up the economy.

CSR MODELS FOR EDUCATIONAL INITIATIVES

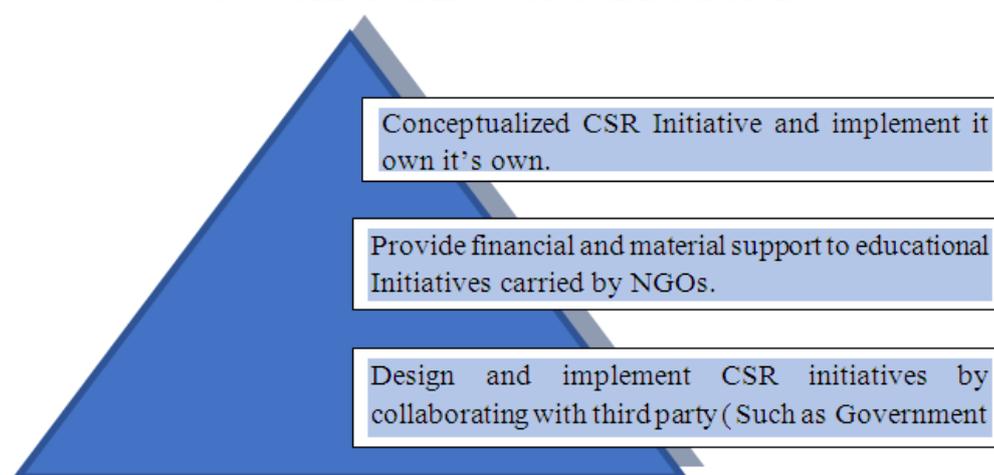


Fig.1

Core Strategies for all three Models :

- ✓ Identification of thrust area of investment and define scope of work.
- ✓ Identification of beneficiaries (Demographic Profile)
- ✓ Framing appropriate team with specialised expertise in concerned field.
- ✓ Designing monitoring & reporting body for regulating the programs.
- ✓ Ensuring impact and replicability of Model.

Table – 3: Top CSR Initiatives by companies in Education sector

S No.	Companies	CSR Initiatives
1	Larsen & Toubro	Support more than 400 Schools Reached out to over 2.4 Lakh Childrens.
2	Mahindra and Mahindra	Established Mahindra Educational Institutions for higher education and run project Nanhi Kali.
3	Adani Group	Provide quality education to 300 Students Organised Career guidance programs for 2797 students
4	Wipro	Run 63 educational projects Support 2300 school institutions
5	Asian Paints	Support government mid day meal scheme Provide Infrastructure t o over 1500 schools
6	ICICI bank	Empowered over 950 rural schools
7	Reliance Industries	Provide education to 1000 students Set up 3 Schools
8	Ultra Tech Cement	Run Project ‘ Utkarsh’ Provide benefits to 22000 students
9	Indian Oil	Run Shikshak Dakshata Vikas abhiyan Provide teachers to schools of 42 villages
10	Piramal Enterprises	Provide quality education by ‘Piramal foundation for education leadership’

(Source: The CSR journal)

The Mapping of education and CSR activities by top most companies shows that slowly and steadily corporate are moving in the direction of providing infrastructure, learning material , monetary support and quality education to students.

The above table shows the contribution of CSR in education domain by top most corporate spenders which demonstrates that businesses are taking interest to address the educational issues by contribution in this respective sector.

Table-4
Top CSR projects in education sector

S No.	Companies	Projects	Project Budget (INR Cr.)	Location
1	Reliance Industries Ltd.	Jio Institute -Institution of Eminence	476.90	Maharashtra
2	National Thermal Power Corporation Ltd.	Education and skill development Initiatives	132.03	Madhya Pradesh , Uttar Pradesh , West Bengal
3	Wipro Ltd.	Higher Education Programme	107.58	Haryana
4	Infosys Ltd.	Promoting education	102.32	PAN India
5	Indian Oil Corporation Ltd. (IOCL)	Skill Development ltd.	81.84	Odisha
6	Tata steel Ltd.	Educational Initiatives	66.52	Jharkhand , Odisha , Maharashtra
7	Indian Oil Corporation Ltd. (IOCL)	Institute of Chemical Technology	54.71	Odisha
8	Maruti Suzuki India Ltd.	International Automobiles Centre Of Excellence	50	Gujarat
9	HDFC Bank ltd.	Zero Investment Innovation For education Initiatives	48	PAN – India
10	Larsen & Toubro ltd.	Skill Development Infrastructure	37.52	Gujarat , Karnataka , Maharashtra , Telangana

(Source: csrbox.org)

Education is a highway to development and fulfilling corporate social responsibility in education is top core dimension area of funding. The above table highlighted the top educational projects in India with their prescribed budgets with lined up with an amount of Rs. 1,157.42 Crore. These projects are related with providing quality education, skill development programs, training programs , scholarships and sponsorships. The ideology behind taking such initiative projects in education is to transform the education ecosystem by providing continuous enhancement of knowledge and empowerment.

MAJOR CHALLENGES OF EDUCATION ECOSYSTEM IN INDIA

Today Indian education is facing many rising challenges and these challenges are becoming apparent due to the reason of high demand and low supply gap. In India education is treated as short

term goal which leads to creation of problem for education ecosystem. Following are the key issues or challenges which will be addressed by CSR fundings.

❖ **Lack of Infrastructure** : educational institutions are said to be another home for every student. Students spend most of their waking hours in school/colleges and infrastructure is key element for student's learning. It creates favourable environment for students development that's why it plays vital role. According to the surveys conducted in this direction shows that in India approximately 90% don't have complete of proper infrastructure. Few facts and figures shows that in Manipur and Madhya Pradesh only 56% schools have electricity facility , in Odisha less than 57% schools have playgrounds , in Haryana 40% schools don't have boundary walls. Apart from this there is lack of laboratories , libraries , drinking water and sanitation facilities. So for corporate it is one of the area of

spending their CSR budgets and the education system will deal with this challenge.

❖ **Lack of practical knowledge and training**

: The ecosystem of Indian education is continuously lacking in providing practical knowledge to students. There is a huge gap between in education which students are getting and the education which industries demands for employment. In India there is 11.4% unemployment rate prevail among educated students. So there is need of practical knowledge and training programs to acquire skills to get job. A better corporate strategies towards this aspect will bring positive change in attitude and knowledge of students as well as in education level also.

❖ **Improper allocation of educational funds:**

In India every year more than Rs. 90 billion are invested in education sector. But there is no proper allocation and utilisation of those funds takes place. Other than this the annual public spending in education is 0.4% of GDP which is already inadequate in nature. Out of which funds are not utilised properly, which leads to creation of problem in the impact and growth of education in India. But in recent times the CSR policy is trying to sharpen the focus of this domain so that education sector will boost up which will solve the other societal issues also.

❖ **Teacher-student Ratio in India :**

The another key issue of education sector in India is the gap between the demand and supply of teaching staff. In India the ratio of Teacher-student is on an average 30:1 which should be ideally 10:1 as per the other countries. So there is immense need of more teaching staff which will give proper time , attention , and skills to students. Currently there are some companies who investment their CSR funds in providing teaching staff to schools located in villages and in upcoming time corporate sector is showing huge potential to deal with such issues and challenges to improve education ecosystem in India.

SUGGESTIONS TO IMPROVE EDUCATION ECOSYSTEM THROUGH CSR :

We cannot deny this fact that Indian government and institutions have been trying to reform the existing education model in India because after spending much in this field government is not getting satisfactory impacts since very long. Ultimately education is a key to secure the better future of India, so there are several issues which need to be addressed to boost the entire education. Following are some ways to make improvements in education ecosystem in India.

✚ **Skill based learning :** Today the system of Indian education forced everyone to study either science/maths or to go for administrative jobs. But no one is looking towards the interest and strength of

student. So there is need of skill based learning to identify the key strengths of students so that they can shine in their particular field. CSR projects are conducted in several aspects and skill based learning programs will help to deal with many challenges of education sector.

✚ **Rural education :** In India there is already so much disparity , out of which it is harsh reality that public fundings are mostly spent on the urban cluster. But growth and development of 1.37 billion population requires to go in hand to hand in urban and rural India. the current scenario of CSR in looking like hope for rural education development. so there is need to shift in corporate perspectives of rural education funding.

✚ **Training to educators :** Teacher plays most important role in students learning as they are shaping the future of nation , so there is need of well knowledgeable and trained educators in India. government is not at all think in this direction and here comes the role of CSR and corporate initiatives to invest in such kind of projects through which the institutions will get well trained teaching staff.

✚ **Infrastructure facilities :** As mentioned earlier the status of educational infrastructure in India, it is big issue in every corner of institutions that they don't have proper infrastructure. Today world is living in the era of technology and India is lacking it mostly in education sector where it is required the most. CSR is looking like a hope for developing proper infrastructure base for Indian institutes as this is the prime step to boost the level of education.

III. CONCLUSION :

Once Dr. APJ Abdul Kalam has pointed out that ' Indian education framework needs a drastic change completely. Despite decades of initiatives and reforms by Indian government , huge number of students drop out from education and there is only 69.1 % literacy rate in both rural and urban India out of which more than 11.4% educated unemployment exist in India. government made several efforts to get progress in solving issues of education sector since long years yet as per the reports of UNESCO India ranked third in illiteracy. Government have very limited resources to tackle the issues and drawbacks of education system, and here comes the immense need of corporate CSR intervention in education sector because we cannot deny how significant the role education plays in shaping the future of nation. As government is aiming to make \$ 5 trillion Indian economy, there is immense need to gear up the whole education ecosystem and the trend of corporate CSR funding is road map for achieving better education ecosystem in India.

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