

An Explorative study of the Corporate Social Responsibility Initiatives in Indian Education Sector

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Abstract

Indian Education sector is progressing but still there is a need to support and promote quality education to enhance growth of the nation. Indian government's national contribution toward Education is 4.47 % of GDP as against expected spend of 6% of GDP (sourced from the World Bank report 2020). Corporate social responsibility plays a significant role to enhance the level and quality of education by Indian corporate sector. This paper is an attempt to explore the CSR initiatives for developing Education in India. Simultaneously, CSR efforts of Indian firms are highlighted in the paper, which have direct influence on India's educational sector. The main objective of this study is to determine which types of tasks are involved in promoting India's education sector. To study the overview of CSR in the area of education, data has been collected from the national CSR portal from the year 2014-15 to 2020-21. Descriptive analysis and content analysis was implemented to draw inferences from the data. It is found that CSR mandate has promoted many thematic areas like health, education, environment protection, rural and community development but there is need to give more focus on education.

Keywords

CSR, Education Sector, CSR Spend, State Wise CSR on Education.

INTRODUCTION

Education is an essential component of any civilization, but the quality

of education is crucial. The Indian government has launched several programs to raise educational standards, but these alone will not be enough. Everyone must contribute their share to improve educational quality. Corporate sectors have played an important role in raising educational standards through CSR initiatives. The Company's Act 2013, include the provisions of compulsory CSR for the Indian Corporate sector with certain conditions. Every business must invest at least 2% of their average annual profits to socially responsible endeavors under section 135 of the Indian Company's Act 2013. The education sector has benefited the most from this mandated CSR policy, which has resulted in increased funding for institutions. CSR in education has primarily involved initiatives that foster education, such as fellowships, increased access to training and higher learning (Shukla, 2021). Other CSR activities in the education sector that are gaining momentum are encouraging gender parity by focusing on females, building bathrooms and various other infrastructure, libraries for rural school education, and so on.

In 1998, John Elkington, the British management consultant and sustainability guru originated the phrase "triple bottom line" as a way of appraising performance. The idea behind TBL is that a company can be governed in a way that it not only makes money but it should improve people's life and the planet at large (McWilliams, Siegel, and Wright, 2006) (Bowen, 1953) (Freeman, 2010). CSR is a mechanism in which corporations attempt to contribute a part of their income dedicated towards society. CSR strives to bring about amazing progress in the areas of human growth, environment sustainability and community engagement. Previously, it was something of philanthropy, but now it has become a mandate. This study highlights the CSR spend on education in India and contribution of several leading Indian corporations to improve education and examines their influence on the Indian education sector.

REVIEW OF LITERATURE

Keith Davis defines "Social responsibility is the obligation of the decision makers to take decisions which protect and improve the welfare of the society as a whole along with their interests."

In 1953, Howard Bowen proposed the definition of CSR as "the obligations of business to pursue those policies, to make those decisions or to follow those lines of action which are desirable in terms of the objectives and values of our society." (Bowen, 1953)

Carroll (1979) describes "Corporate social responsibility as the whole spectrum of duties of a firm, to community and covers financial, regulatory, philosophical and voluntary aspirations of society at a particular moment. A

successful organization distributes its economic strength deliberately and its resulting financial profits with all connected people which in turn increase its performance.”

United Nations Industrial Development organization (UNIDO) defines CSR as “CSR is management concept, where by companies integrate social and environmental concerns in their business operations and interactions with their stakeholders.”

Sharma Lekh Raj (2017), in his research made an attempt to analyze the patterns of CSR prevalent in Indian businesses. Because of Corporate Social Responsibility (CSR), the author believes that affluent and disadvantaged sections of society may come together. This paper examines the CSR activities of selected multinational corporations and local companies in order to gain a better understanding of the perspective. Ultimately, the goal of this study is to evaluate the commercial advantages that may be derived from CSR and the growth of CSR.

Fatima Raheem (2016), in her research work on the title “A Strategic CSR Perspective of INFOSYS Limited” explored the CSR initiatives of Infosys limited. There are numerous CSR efforts in the areas of healthcare and education as well as rural development and destitute care that were discussed in the case study of Infosys Limited. It has been suggested that one of the metrics used to assess a company's performance is its commitment to social responsibility (CSR).

Sarkar, J.; and Sarkar, S. (2015), in their research study entitled "Corporate Social Responsibility in India – An Effort to Bridge the Welfare Gap" examined the potential consequences of mandated CSR under the newly adopted Companies Act of 2013. Before the new legislation, researchers looked at the voluntary CSR conduct of 500 big businesses listed on the Bombay Stock Exchange between 2003 and 2011. Researchers have attempted to gather and evaluate data from the Prowess database on 500 firms. However, the researchers concluded that with new CSR laws in India, government is not delegating its responsibilities to corporate, rather they ensure the inclusion of corporate sector in development.

Agarwal, A. (2013) in his research work on "Corporate Social Responsibility : An Indian Perspective" provided a conceptual and theoretical understanding of CSR in India. CSR has moved from Philanthropy to mandatory provisions. According to section 135 of the Indian Companies Act 2013, companies are required to spend around 2 percent of their PAT on CSR. Additionally, the author drew attention to the practical implications and provided instances of firms that are actively engaged in CSR. In the end, he came to the conclusion that CSR should be focused on higher education, scholarship awards,

environmental protection, health care and medical care for children, sports and games, community development, hygiene in the villages and empowering women as well as energy conservation and rural development as well as protection of the SC/ST minorities.

RESEARCH METHODOLOGY

The nature of this research is exploratory and descriptive. Content analysis has been used to conceptualize the knowledge with the help of literature review on CSR. To complement this fundamental concept; inquiries, secondary data have been employed like current media stories, existing written literature, and corporate reports as well as government databases. Growth rate of CSR spend was calculated to understand the status of CSR in various years.

OBJECTIVES

The objectives of this research are :

To study the trends of actual CSR spend in the area of education and its various components.

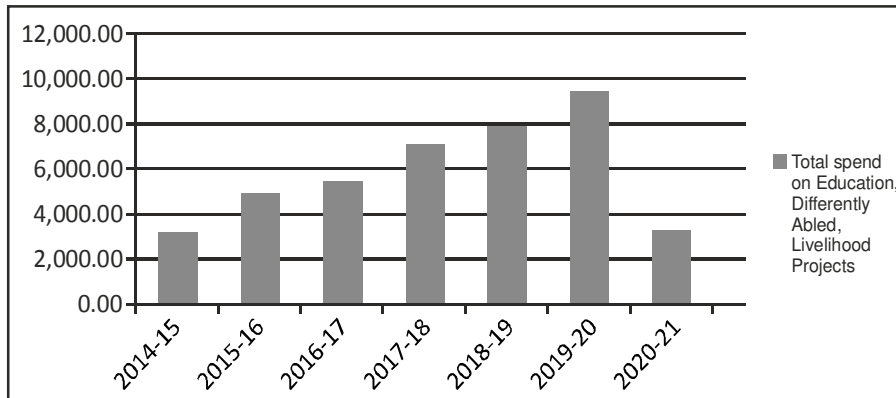
To study the indulgence of various states regarding CSR spend on education.

To study about the top companies which are contributing towards Education in their CSR spend.

Data Analysis and Interpretation

Chart-1

Actual CSR spend on Educational Projects Year Wise (Rupees values - in Lakhs)



Source : Author Compilation from Data Collected from National CSR Portal from 2014-15 to 2020-21

Table 1

Actual CSR spend on Educational Projects, Vocational Skills, Special Education and Livelihood Enhancement Projects with Percentage Increase Year Wise (Rupees Values - in Lakhs)

Area/ Year	Education	Vocational Skills	Special Education	Livelihood Enhancement Projects	Total Spend on Education, Differently Abled, Livelihood Projects	% from the Previous Year Spend
2014-15	2,589.42	277.07	41.43	280.17	3,188.09	—
2015-16	4,057.45	344.4	125.84	393.38	4,921.06	154.3576
2016-17	4,504.91	373.46	165.33	515.47	5,559.17	112.9669
2017-18	5,762.68	546.46	140.01	832.4	7,281.54	130.9825
2018-19	6,090.64	794.34	185.9	906.77	7,977.65	109.5599
2019-20	7,103.54	1, 162.29	194.89	1, 070.91	9,531.63	119.4792
2020-21	2,229.23	292.63	104.3	328.02	2,954.17	30.99333

Source : Author Compilation from Data Collected from National CSR Portal from 2014-15 to 2020-21

It is presented in the Table above that in India CSR spend on education is increasing year on year basis. Total spend on education is further segregated into various components like education, vocational skills, special education and livelihood enhancement projects. In the table, Total spend on education (in Rs. lakhs) have been presented yearwise from 2014-15 to 2020-21 and percentage from the previous year spend have also calculated to understand the status of CSR spend on education in India. It is shown in the year 2015-16, that CSR spend was 154.35% of the last year, in the year 2016-17 it was 112.96%, In the year 2017-18 it was 130.98%, In the year 2018-19 it was 109.55 % and in the year 2019-20 it was 119.47% which shows that CSR spend on education is increasing but at a decreasing rate. But in the year 2020-21 it was 30.99% that showed the decline in CSR spend on education. The reason of this decline was the shift of the CSR thrust area from education to healthcare in the period of corona.

Table 2**State Wise Highest Spend on Education (Rupees Values - in Lakhs)**

S. No.	2014-15		2015-16		2016-17		2017-18		2018-19		2019-20		2020-21	
	State	CSR	State	CSR	State	CSR	State	CSR	State	CSR	State	CSR	State	CSR
1.	MH	42385	MH	89452.1	MH	98420.7	MH	146987	MH	150900	MH	145978	MH	63960.5
2.	TN	38231	KT	32066.6	KT	46320.8	KT	54607.3	KT	68870.9	KT	73696.1	GJ	17261.2
3.	AP	18299	AP	26695.9	GJ	30894.4	OR	29601.6	GJ	47137	TN	56014.4	KT	16021.9
4.	GJ	16304	HR	24517.7	HR	25664.2	DL	27935	TN	37940.7	OR	39717.8	HR	12404.1
5.	RJ	14558	TN	23191.9	TN	24921.2	UP	24051.6	OR	36091.7	GJ	39326.9	TN	12232
6.	KT	14058	GJ	22907.6	DL	18328.2	RJ	20155.6	DL	32276.9	RJ	36846.2	RJ	10134.3

Source : Author Compilation from Data Collected from National CSR Portal from 2014-15 to 2020-21

MH - Maharashtra TN - Tamil Nadu AP - Andhra Pradesh KA - Karnataka
GJ - Gujrat RJ - Rajasthan OR - Odisha DL - Delhi
AS - Assam WB - West Bengal HR - Haryana UP - Uttar Pradesh
TG - Telengana

The Table 2 presents the state wise CSR spend on education. The top six states have been taken in the above Table with their CSR spend on education. The data from the year 2014-15 to 2020-21 have been collected to study the involvement of various states in the development of education sector through CSR spend by various corporate. It is evident from the above Table that Maharashtra is always on the Top of the list and spending enormously on education. Likewise Karnataka, Tamilnadu and Andhra Pradesh have also maintained their position in the list on year to year basis. In the year 2019-20, in Maharastra CSR spend on education was Rs. 149578 lakhs, in Karnataka CSR spend on education was Rs. 73696.1 lakhs, in Tamilnadu CSR spend on education was Rs. 56014.4 lakhs, in Odisha CSR spend on education was Rs. 39717.8 lakhs, in Gujrat CSR spend on education was Rs. 39326.9 lakhs, in Rajasthan CSR spend on education was Rs. 36846.2 lakhs. In the year 2020-21, CSR spend on education have declined drastically due to the focus shifted to healthcare and sanitation due to the outburst of Corona virus. In Maharastra CSR spend on education was Rs. 63960.5 lakhs, in Gujrat CSR spend on education was Rs. 17261.2 lakhs, in Karnataka CSR spend on education was Rs. 16021.9 lakhs, in Haryana CSR spend on education was Rs. 12404.1 lakhs, in Tamilnadu CSR spend on education was Rs. 12232 lakhs, in Rajasthan CSR spend on education was Rs. 10134.3 lakhs. This way we can say that CSR spend on education was slashed down in corona year, as at that time main thrust areas were health and sanitation for the companies. But still significant contribution was made on education and it is further expected that education sector will always remain the main thrust area for the corporate sector as far as their CSR spend is concerned.

Table 3**Top 5 Companies with Their CSR Spend on Education (Year Wise)**

Year		Company Name	CSR Spend (Rs. in Lakhs)
2014-15	1	Bharat Heavy Electricals Limited	19,462.00
	2	NTPC Limited	18,260.00
	3	Infosys Limited	10,696.00
	4	Tata Steel Limited	8,733.00
	5	ITC Limited	6,621.00
2015-16	1	Reliance Industries Limited	21,674.00
	2	South Eastern Coalfields Limited	12,768.00
	3	Wipro Limited	10,980.00
	4	Mahindra and Mahindra Limited	8,590.00
	5	Oil India Limited	8,278.00
2016-17	1	Reliance Industries Ltd.	22,328.00
	2	ONGC Ltd.	16,755.00
	3	Wipro Limited	12,910.00
	4	Mahanadi Coalfields Limited	12,025.00
	5	Indian Oil Corporation Ltd.	10,023.00
2017-18	1	Reliance Industries Ltd.	37,094.00
	2	Mahanadi Coalfields Ltd.	21,400.00
	3	Wipro Limited	13,499.00
	4	Axis Bank Ltd.	13,377.00
	5	Tata Steel Ltd.	9,283.00
2018-19	1	Reliance Industries Ltd.	52,734.00
	2	Indian Oil Corporation Ltd.	21,366.00
	3	Mahanadi Coalfields Ltd.	13,883.64
	4	NTPC Ltd.	13,203.00
	5	Wipro Limited	12,352.40
2019-20	1	Indian Oil Corporation Ltd.	27,198.00
	2	Reliance Industries Ltd.	25,382.00
	3	J. P. Morgan Service India Pvt. Ltd.	19,766.11
	4	Wipro Limited	13,210.00
	5	NTPC Ltd.	12,457.00

Continued

Continued Table 3

2020-21	1	Reliance Industries Ltd.	45,200.00
	2	Cognizant Technology Solutions India Pvt.Ltd.	11,986.02
	3	Hindustan Unilever Ltd.	11,887.00
	4	Wipro Limited	11,265.00
	5	Infosys Limited	8,577.00

Source : Author Compilation from Data Collected from National CSR Portal from 2014-15 to 2020-21

The above Table encapsulated the CSR spend of the top five companies every year ranging from 2014-15 to 2020-21. These companies have spent enormously on the education from their CSR budget. It is evident from the above Table that Reliance Industries Ltd., Indian Oil Corporation Ltd. and Wipro Limited have marked their presence in top five companies spending highest on education out of their CSR spend. In the year 2020-21 reliance industries limited have spent Rs. 45200 lakhs, Cognizant Technology Solutions India Pvt. Ltd. have spent Rs. 11986.02 lakhs, Hindustan Unilever Limited have spent Rs.11887 lakhs, Wipro Limited has spent Rs. 11265 lakhs and Infosys Limited have spent Rs. 8577 lakhs on education. Likewise in the previous years, companies have spent on education.

CONCLUSION

The study concluded that CSR in India is doing very well to develop various thrust areas particularly educational development. If an enterprise works hard to develop society, which improves the performance of the enterprise as well, it creates win-win circumstances for everybody concerned. CSR on education have massive effects on Indian corporate performance, the statistical analysis shows that CSR practices do not only help a corporation to achieve sustainable growth but also it provided strategic advantages to the stakeholders. Indian education sector is getting support from the corporate but still there is a long way to go.

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