

CSR Initiatives: Role of Public and Private Participation in Accessing Education in Rural India

PROF. B. VIJAYALAKSHMI

Department of Business Management, Sri Padmavati Mahila Visvavidyalayam (Women’s University), Tirupati - 517502, A.P. Ph : 9849552836 ; Corresponding author email id: vijayamba65@yahoo.com

Date of publication (dd/mm/yyyy): 29/08/2018

Abstract – Education is the backbone of every society in this world. But what matters the most is the quality education- a dream for many. Education is the most powerful tool to break the inter-generational cycle of poverty - it helps to overcome inequalities, promotes inclusive development, accelerates social transformation and is critical to realize human potential towards economic progress. Ours is the age of the knowledge economy. Only quality education for every child can help us achieve the goal of long-term economic and social equity we all are working towards. One of the significant indicators of social progress is education, which also plays a decisive role for a society to achieve self-sustainable and equal development. A globalised economy and the privatization of education institutions have transformed the nature of academia. Adopting an impactful and professional approach to education, one which emphasizes a strategic CSR framework in education sector is key to growth in this increasingly critical arena. The paper attempts to explore Corporate Social Responsibility (CSR) practices particularly in the context of rural India and focuses on wide ranging issues and themes at all levels in education. The paper concludes that social responsibility is regarded as an important business issue of Indian public and private companies irrespective of size, sector, and business goal. Therefore, CSR actions have positive impact not only on development of rural community but also in their business.

Keywords – Corporate Social Responsibility, Private Public Participation.

I. INTRODUCTION TO CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) is a concept that

suggests that it is the responsibility of the corporations operating within the society to contribute towards economic, social and environ-mental development that creates positive impact on society at large. Although there is no fixed definition, however, the concept revolves around the fact that the corporations need to focus beyond earning just profits. The term became popular in the 1960s and now is formidable part of business operations. Moreover Corporate Social Responsibility (CSR), particularly, has gathered prominence and become an important activity to businesses nationally and internationally. Involvement of companies, through structured and strategic corporate social responsibility (CSR) programs is the need of the hour as small changes in the way CSR budgets are spent can have a huge effect on the education sector and benefit millions (Fig. 1).

As far as Corporate Social Responsibility is concerned, the Companies Act, 2013 is a landmark legislation that made India the first country to mandate and quantify CSR expenditure. The inclusion of CSR is an attempt by the government to engage the businesses with the national development agenda. The Companies Act, 2013 and the CSR Rules (The Act) came into effect from 1 April 2014. The Ministry of Corporate Affairs is responsible for the enforcement of the Act and its regulation. As per the Act, companies having a net worth of INR 500 Cr. or more, or a turnover of INR 1000 Cr. or more, or a net profit of INR 5 Cr. or more in a given financial year are required to spend 2 per cent of their profits on CSR programmes. The CSR activities in India should not be undertaken in the normal course of business and must be with respect to any of the activities mentioned in Schedule VII of the act.

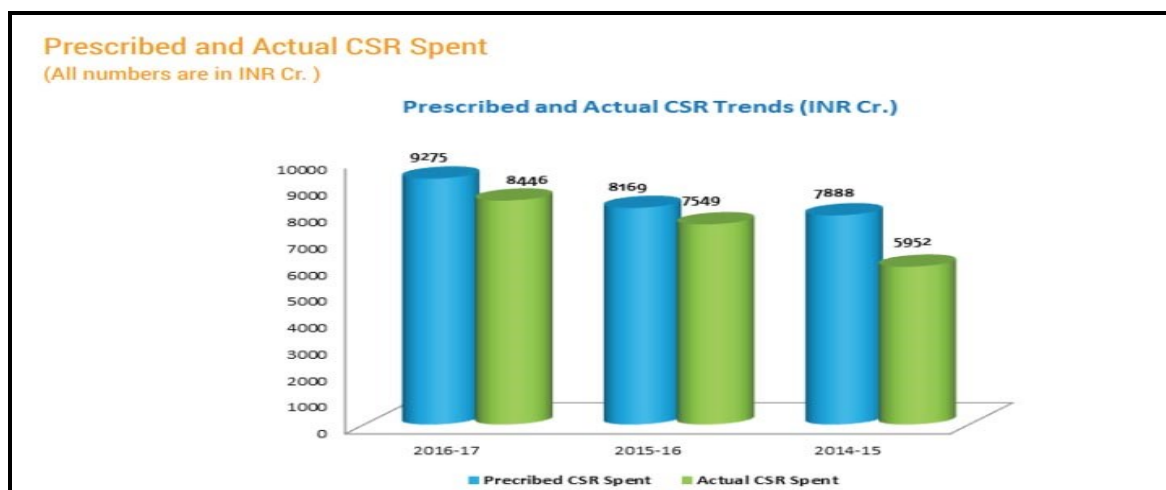


Fig.1: Prescribed CSR and actual CSR spent since 2014-15 (INR Cr)

Source: India CSR Outlook Report-2017

According to the latest CSR report compiled by NGO Box, CSR spending was increased by 20% on YoY basis in the year 2017 as compared to previous years. The analysis of CSR Data of 100 BSE listed companies suggests that these companies commands almost 33% of the prescribed CSR of all companies falling under the ambit of CSR compliance in India FY 2016-17. All of these companies are with prescribed CSR of Rs 1 Cr. or above and no public sector enterprise has been included in the analysis. The CSR compliance is also likely to improve and fall in the range of 97 to 98 per cent by financial year 2019-20, according to a research done by development sector platforms CSRBOX and NGOBOX.



Fig. 2. CSR spend among Public Sector Companies (INR Cr).

Source: India CSR Outlook Report-2017.

The report says that companies have spent 1.9% of their three-year average profits, PSUs met the 2% target spending (Fig. 2). However, the actual spending at Rs. 20.6 bn this year was lower by 13.8% following a 26% decline in their three-year average profits. Over 30% of the aggregate FY17 spending was made towards education projects while another 30% was spent on rural development.

II. EDUCATION SYSTEM IN INDIA

India currently has 8.1 million children who are still out of school despite various initiatives undertaken by the government. India has taken genuine strides towards providing access to education for all in the last decade as the numbers indicate – 96% enrolment year on year, a public school within a kilometer radius across the country, improved student teacher ratios – to name a few. The Government has mounted several initiatives to ensure better education – extending from the Sarva Shiksha Abhiyan (SSA), the Rashtriya Madhyamik Shiksha Abhiyan (RMSA) and the Right to Education (RTE) Act 2009.

In due recognition of the critical role of education in the development of any country, UNESCO has recommended that governments should spend 20 percent of their budget on education and another 20 percent on Official Development Assistance should go towards education

initiatives. Globally, around 5% of the GDP is being spent on the education. However, despite education and development being consistently accorded a high priority in the five year plans in India, the estimated public expenditure on education has been a little above 3% of the GDP in the recent years.

In India, out of the 229 million students enrolled for class I – XII, only few receive quality education with good teachers and teaching aids. According to UNICEF specialist, 40-50 per cent of the children from 15-18 years age group are dropping out of schools. These drop-outs become child-laborers denying themselves access to quality education and professional skills. Despite these efforts, there are still a lot of disparities like poor quality of education, gender disparities and dropout rates that exist in the educational system of the country.

III. CSR INITIATIVES FOR RURAL EDUCATION IN INDIA

Education is the most important lever for social, economic and political transformation. It is well acknowledged that education can break the intergenerational cycle of poverty within the lifetime of one generation by equipping people with relevant knowledge, attitudes and skills that are essential for economic and social development. In India, Education is also the most potent tool for socio-economic mobility and a key instrument for building an equitable and justified society.

Realizing the goal of quality education is going to mean rallying talent, resources and effort, this is needed from various quarters towards developing innovations and models that can also scale, key being the corporate sector as part of CSR. Education is enumerated as a focus area within Schedule VII of the CSR Act and has consistently received a high percentage of CSR spending in the last few years. CSR is becoming an integral part of every business portfolio in India, and companies have made significant contributions in the development of the country through various initiatives in areas such as education, healthcare, water and sanitation, infrastructure, livelihoods, rural and urban development.

IV. OBJECTIVES OF THE STUDY

1. To study the existing CSR practices by the Public and Private companies for rural education in India.
2. To understand the coverage of CSR practices to access the education in rural areas.
3. To identify the scope for developing rural economies.

V. RESEARCH METHODOLOGY

In order to study the above mentioned objectives 5 top companies such as Indian Oil Corporation Limited, Reliance Industries Limited, Asian Paints Limited, Larsen & Toubro and ICICI foundation and Wipro were selected randomly through the web based search and to study their

CSR initiative towards education in rural India and its impact on rural economy.

VI. CSR INITIATIVES THROUGH PUBLIC & PRIVATE PARTICIPATION

Basic primary education is generally perceived as public sector’s responsibility, and the involvement of private sector in the education will certainly be inaccessible to the rural sector since private institutions are often accused of charging higher capitation fee making them unaffordable. Management of public education institutions by the private sector is perceived to be very sensitive in the pretext that governments are abandoning its core task of providing public education. Hence, Public-Private – Partnerships (PPP) are considered to be important not only for effective implementation of CSR activities but also for long-term sustainability and to achieve measurable change brought about by social initiatives. Partnerships with other companies could help in supporting cost-intensive social initiatives and increasing the reach of CSR projects.

Public Private Partnerships (PPP) is an effective tool for bringing private sector efficiencies in creation of economic and social infrastructure assets and for delivery of quality public services. The extent of private sector participation in creation of infrastructure, especially through PPP, has shown a promising increase in the recent years (Fig. 3). In this realm, **Public Private Partnership** is a model in Education that has gained popularity over the past few years in India.

Several private organizations are joining hands with the Government to make that ultimate dream of offering quality education in India come true. As an important part of it, the role of corporate with their Corporate Social Responsibility (CSR) in India is crucial in improving the rural educational conditions in India.

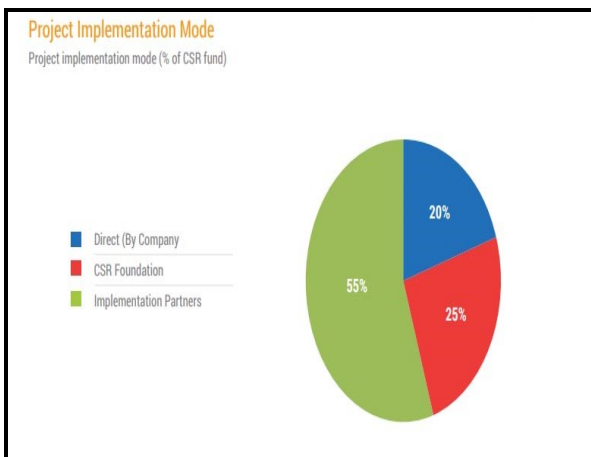


Fig. 3. Project implementation Mode
Source: India CSR Outlook Report-2017

According to the India CSR Outlook Report 2016-17, the most number of projects done by corporate houses are in the education sector. India Incorporations spent most of its Corporate Social Responsibility (CSR) funds in FY17 on education and vocational skills with an increase of 21 percent from last year, reaching an aggregate of Rs 3,384

Cr. 50% of the CSR funds were directed to the education sector (Fig. 4).

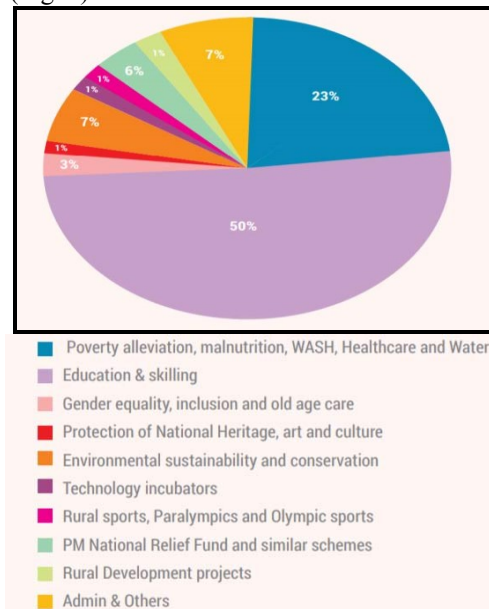


Fig. 4. Theme-wise CSR spending (INR Cr).
Source: India CSR Outlook Report-2017.

Nevertheless, corporate social responsibility (CSR) initiatives, through partnerships between public, private and the government, particularly at the local level, and not-for-profit sector, can play a vital role in enabling increased access to higher education through both demand - side (e.g. provision of scholarships, general awareness programmes) and supply - side measures (e.g. provision of endowments, making corporate staff available as resource persons, funding research and by contributing to infrastructure). Corporate giants like Reliance Industries, Indian oil corporation, Wirpo Ltd, Samsung and Infosys are some of the many who spend for this cause. CSR projects mainly focus on skill development and promotion of education. Many of them support public and private schools, offer scholarships and work with NGOs to reach remote areas of the country.

VII. CSR ACTIVITIES OF INDIAN OIL CORPORATION LTD

Indian Oil Corporation rewards over 2600 scholarships to meritorious students every year as their CSR initiative in the field of education. They reward students from all walks of life, especially girls, physically challenged and students from J&K. To enhance practical understanding in Science & Technology the foundation organized Science models/ experiments based on pre designed learning modules and are placed in boxes, covering physics, chemistry and biology concepts. Even help of Technology is taken to support the project which reaches to one of the district in Assam where the need of refining education is must. The project is particularly implemented in Bongaigaon of Assam. According to the reports comparing between Actual CSR and Prescribed CSR, there is increase in spending CSR funds represented as an amount

of Rs. 113.76 Cr. in 2014-15 to 213.99 in 2016-17 (Fig. 5).

CSR Financial Details (INR Cr.)			
Year	2014-2015	2015-2016	2016-2017
Actual CSR	113.79 Cr	156.68 Cr	213.99 Cr
Prescribed CSR	133.40 Cr	141.50 Cr	212.67 Cr

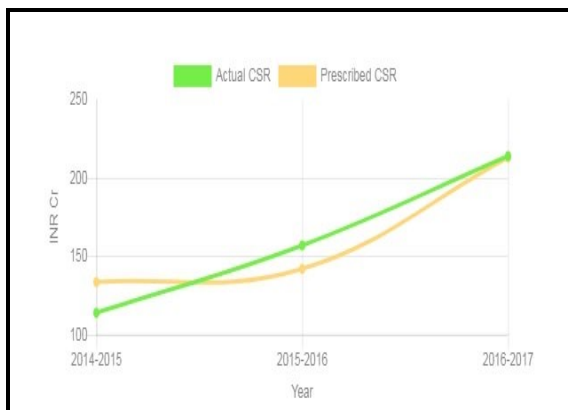


Fig. 5. CSR spent from 2014-15 to 2016 17 (INR Cr).
Source: csrbox.org 2017.

VIII. CSR ACTIVITIES OF RELIANCE INDUSTRIES LTD

Reliance has launched a digital Learning Van that will provide access to digital learning to thousands of underprivileged students across India (Fig. 6). Reliance, in partnership with Eklavya Foundation, implemented a pilot project reaching out to 1,300 children in 41 villages of Madhya Pradesh to improve the learning abilities of children through Shiksha Protsahan Kendras (SPKs). By creating a positive and conducive learning environment, the programme addressed the bottlenecks in learning that most of the children have. At Jamnagar, a pilot program was designed to bridge the deficiency and enhance the proficiency levels in schools. ‘Functional English’ supplementary classes and subjects such as science and math are carried out in 3 schools at present, reaching out to about 1,000 students. The unique aspect of the project is that a group of 33 lady volunteers (mostly educated homemakers and spouses of RIL employees) teach in schools under the guidance of an eminent educationist. In another education initiative, Reliance supported the Bombay Community Public Trust’s English E-Teach (EET) project which aims to improve quality of English of poor children that can improve their employment opportunities. So far, the EET initiative has reached about two lakh children in Maharashtra.

CSR Financial Details (INR Cr.)			
Year	2014-2015	2015-2016	2016-2017
Actual CSR	2.13 Cr	3.91 Cr	3.95 Cr
Prescribed CSR	3.50 Cr	3.88 Cr	3.91 Cr



Fig. 6. CSR spent from 2014-15 to 2016-17 (INR Cr)
Source: csrbox.org year 2017.

IX. CSR ACTIVITIES OF ASIAN PAINTS LTD

Since the establishment of their foundation in 1942, Asian Paints has come a long way to become India’s leading and Asia’s fourth largest paint company, with a turnover of Rs. 158.5 billion (Fig. 7). The company was set up as a partnership firm by four friends who were willing to take on the world’s biggest, most famous paint companies operating in India at that time. Over the course of 25 years, they became a corporate force and India’s leading paint company. Driven by their strong consumer-focus and innovative spirit, they have been the market leader in paints since 1967. Today, they are double the size of any other paint company in India. The CSR initiatives were under the thrust areas of health, hygiene, education, water management and enhancement of vocational skills and training. As per the report, people of more than 100 villages and certain cities in the state of Uttar Pradesh, Haryana, Gujarat, Andhra Pradesh, Maharashtra and Tamil Nadu were benefited by the social initiatives conducted by APL. The company continues to support the “Shree Gattu Vidyalaya” School which was established with the Ankleshwar Industrial Development Society in 1983.

CSR Financial Details (INR Cr.)			
Year	2014-2015	2015-2016	2016-2017
Actual CSR	19.01 Cr	34.44 Cr	47.84 Cr
Prescribed CSR	29.87 Cr	33.75 Cr	39.88 Cr

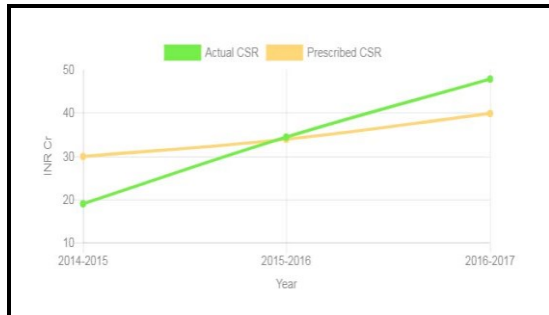


Fig. 7. CSR spent from 2014-15 to 2016-17 (INR Cr)
Source: csrbox.org.

X. CSR ACTIVITIES OF ICICI FOUNDATION

The Bank established the ICICI Foundation for Inclusive Growth (ICICI Foundation) in 2008 with a view to significantly expand the activities in the area of CSR. Over the last few years ICICI Foundation has developed significant projects in specific areas, and has built capabilities for direct project implementation as opposed to extending financial support to other organizations (Fig. 8).

CSR Financial Details (INR Cr.)			
Year	2014-2015	2015-2016	2016-2017
Actual CSR	156.00 Cr	172.00 Cr	182.00 Cr
Prescribed CSR	172.00 Cr	212.00 Cr	200.00 Cr



Fig.8: CSR spent from 2014-15 to 2016-17 (INR Cr)
Source: csrbox.org 2017

XI. CSR ACTIVITIES OF WIPRO LIMITED

Wipro Limited is a Global multinational IT consulting and System Integration Services Company headquartered in Bangalore, India. As of December 2014, the company has 154,297 employees servicing over 900 large enterprise & Fortune 1000 corporations with a presence in 61 countries. On 31 January 2015, its market capitalization was approximately 1.63 trillion (\$26.3 billion), making it one of the India's largest publicly traded companies and seventh largest IT services firm in the World (Fig. 9). Wipro Cares is focused on certain key developmental issues faced by communities, such as, but not limited to, primary health care, education, environment, disability and providing rehabilitation to communities affected by natural calamities. More than 47000 children benefited from the five education projects in five Indian cities.

CSR Financial Details (INR Cr.)			
Year	2014-2015	2015-2016	2016-2017
Actual CSR	132.70 Cr	159.80 Cr	186.30 Cr
Prescribed CSR	128.30 Cr	156.00 Cr	176.40 Cr

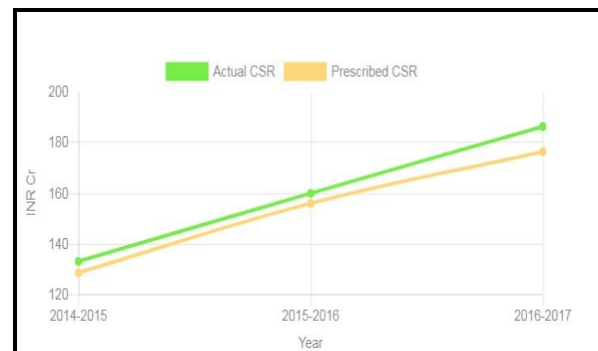


Fig. 9: CSR spent from 2014-15 to 2016-17 (INR Cr)
Source: csrbox.org 2017

XII. CSR ACTIVITIES OF LARSEN & TOUBRO

Larsen & Toubro Public Charitable Trust would facilitate in bringing about visible and sustainable development of society through well directed activities in the fields of Vocational Training, Water Management, Holistic Development of School Children and Health Care. The trust also provides infrastructure support for education (drinking water and sanitation facilities, renovation of classrooms, water proofing of school buildings, providing furniture and light fittings, donation of computers, upgradation of libraries, playground development, providing educational aids to children such as books, stationary, sports equipments, uniforms, school bags, shoes, woolen clothes, raincoats etc. Company has provided computers to the schools to help the school children learn basic computer skills (Fig. 10). Using

technology, Company has set up virtual classrooms in schools and connected them to the Company’s office premises from where employees of the Company teach children remotely.

CSR Financial Details (INR Cr.)			
Year	2014-2015	2015-2016	2016-2017
Actual CSR	76.54 Cr	119.89 Cr	100.77 Cr
Prescribed CSR	106.21 Cr	101.46 Cr	98.97 Cr

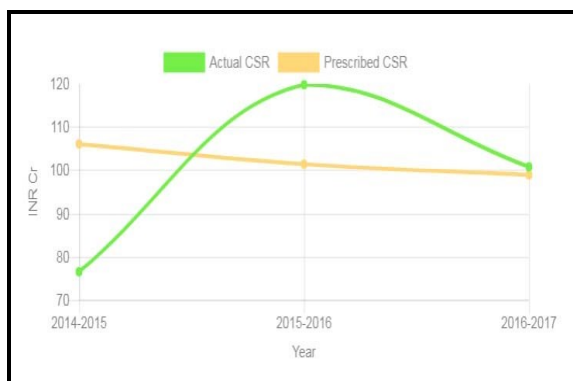


Fig. 10. CSR spent from 2014-15 to 2016-17 (INR Cr).
Source: csrbox.org 2017.

Since independence, the education sector in India has grown in leaps and bounds and there have been significant improvements across different indicators. In order to understand the current CSR trends in education and the main challenges in the sector, the findings indicate that education remains one of the most popular causes for companies. However, there is a silver lining – companies are beginning to think more strategically about interventions in education. In terms of sectors, education is expected to be the most favored area of CSR investment in the coming years. Below given are some of the top company’s CSR initiatives in Education Sector for Financial Year 2016-17 in India (Table. 1 and Fig. 11).

Table 1. CSR initiatives in Education sector by Top five companies

Name of the Company	Amount Spent in Education (Rs. In Cr)
Indian Oil Corporation Limited	80.00
Reliance Industries Limited	231.68
Asian Paints Limited	40.55
ICICI Foundation	47.50
Wipro Limited	129.66
Larsen & Toubro Limited	51.74

Source: <https://csrbox.org> & CSRBOX on 05 March 2018

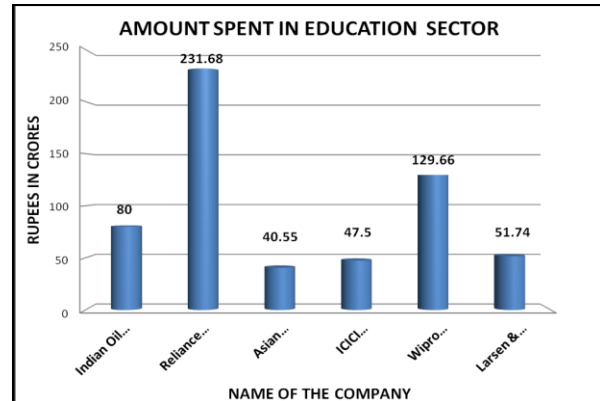


Fig. 11: CSR initiatives in Education sector by Top five companies

XIII. FINDINGS

Corporate Social Responsibility (CSR) initiatives for India’s rural development are of immense significance and contemporary relevance. The report highlights the importance of corporate sector’s initiative for its contribution in the development of education sector in India.

- Instead of focusing on construction, providing books or scholarships, the focus should be on supporting processes or organizations that has clear learning outcomes and are easily measurable. Facilities such as toilets, books, uniforms, shoes, benches, etc. are critically essential, in addition to the above, –to improve the quality of education.
- Businesses which have already contributed towards infrastructural development in the education sector have to focus on research and improving quality of education in the next few years. Therefore, there is hope that financial institutions need to focus on quality of education through CSR education projects which will definitely create a positive impact on creative Manpower building.
- Actual CSR expenditure increased by 20% on YoY basis.
- Actual CSR expenditure is 88% compared to the prescribed CSR, while the same was 86% in FY 2016.
- Almost 1/3rd of the companies spent more than the prescribed CSR.
- Companies (same set of companies) spent more than the prescribed CSR in both FY 2017 and FY 2016.
- Almost 1/3rd of CSR fund was spent on education projects while another 1/3rd was spent on rural development and healthcare projects.
- Addressing hunger and malnutrition and environment sustainability related projects is gaining new ground as there seems to be substantial increase in CSR expenditure in these areas.

The surge in CSR spending in the first two years of its inception suggests that the overall response to the idea has been positive. Corporate sector in India has realized that their CSR initiatives are not just allowing them to give back to the society, but also helping them build brand awareness, thus having a positive impact on their brand

value. Stalwarts of the field expect to see the trend to continue in 2017-18.

XIV. CONCLUSION

Basic primary education is generally perceived as public sector's responsibility, which makes any shared involvement of public and private sector a highly sensitive issue. Education is the most important lever for social, economic and political transformation. It is well acknowledged that education can break the intergenerational cycle of poverty within the lifetime of one generation by equipping people with relevant knowledge, attitudes and skills that are essential for economic and social development. In India, Education is also the most potent tool for socio - economic mobility and a key instrument for building an equitable and just society. Although CSR is becoming an integral part of every business portfolio in India, through various initiatives in areas such as education, healthcare, water and sanitation, infrastructure, livelihoods, rural development, and urban development, there is still considerable that needs to be achieved.

Administrative Staff College of India Association and Indian Economic Association. She was conferred with "Best NSS Programme officer" by the University for the year 2010-11 and "Environmentalism of the year award for 2011" and "Fellow of National Environmental Science Academy, New Delhi for the year 2016 and Andhra Pradesh State Best Teacher Award, Government of Andhra Pradesh in the year 2017.

REFERENCE

- [1] Abha Chopra, Shruti Marriya," Corporate Social Responsibility and Education in India", Issues and Ideas in Education Vol. 1 pp. 13 – 22 March 2013.
- [2] Badi, R.V and N.V Badi (2006), Rural Marketing, Himalaya Publishing House, New Delhi.
- [3] B. Indirapriyadarshini, R. Amsaveni & S. Kokila Vizhi (2015) "CSR Practices in India" Quest International Multidisciplinary Research Journal, Vol - IV, Issue - IX, Sept - 2015. P. No. 1-8.
- [4] Dutta, K. and Durgamohan, M. (2009), "Corporate Social Strategy: Relevance and pertinence in the Indian Context" retrieved on 6th April, 2009 from www.iitk.ac.in/infocell/announce/conversion/papers.
- [5] Gopaldaswamy, T.P, (2008) Rural Marketing Environment, Problems and Strategies, Vikas Publishing house, New Delhi.
- [6] Paul, Justin (2008), Business environment: texts and cases, TATA-McGraw Hill companies, New Delhi.
- [7] Sabeena & Dr. N. A. Krishnamoorthi, (2016) "CSR Practices and CSR Reporting in Indian Banking Sector", International Journal of Applied and Advanced Scientific Research, h, Volume 1, Issue 1, Page Number 166.
- [8] www.csrbox.org 2017.

AUTHOR'S PROFILE



Dr. B. Vijayalakshmi is currently working as a Professor, Department of Business Management, Sri Padmavati Mahila Visvavidyalayam, (Womens' University), Tirupati. She has successfully supervised 10 students for Ph.D, 3 M.Phil and currently 8 students are working for Ph. D. She was highly successful not only as an academician but also as an able administrator. She has taken up many coveted positions like UGC-Nodal officer, IQAC & NAAC member, UGC-NET Coordinator and ICET Member. She has published 51 papers in reputed National and International journals. She has attended many national and international conferences and presented 47 papers and participated in National workshops and also as a resource person. She is also serving as a Chairperson and Member, Board of Studies in Commerce and Management for Universities and Institutes. She is also serving as an Editorial member for reputed National and International journals. She is a life member in National Environmental Science Academy,