

Education In Sustainability and Corporate Social Responsibility: A Critical Analysis

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ABSTRACT

Education is a primary need for any healthy society as it not only enhances the opportunity for employment but also develops human being to live healthily. This proposition holds good both for domestic and international set up. If we look at the Sustainable Development Goal (SDG) set out by United Nations, SDG 4 deals with education goals. Since states are not able to provide and the corporate sector has been taking steps to help the state in achieving SDG. Therefore, a basic question that comes to our mind is to find out the correlation between Education and CSR through Section 135 of the Company Act. This article shall depict the extent to which, Indian Corporate have contributed towards the achievement of the SDG to provide education to the poor in urban and rural areas to make sure education for all under Art 21A becomes meaningful. This article shall also point out the issues and challenges faced in enforcing the CSR initiatives and finally comes out with recommendations and concluding remarks.

Keywords: *Education; CSR; Sustainability; Company law; SDG*

1. INTRODUCTION

To begin with, the role of the state was to maintain law and order. However, with the advancement in technology to cater to the needs of people, state resources became insufficient to cater to the needs and therefore the non-state entities including corporates are required to contribute to national development in the current democratic setup.¹ It is all the more mandatory that all stakeholders to connect to have sustainability in education, leading to better understanding, and improved business concerns. A question comes to our mind whether the purpose of education is to award degrees or utilize practical learning during the academic period so that it becomes meaningful deliverables to the industrial world.

¹ Jeremy Moon, "Corporate social responsibility and sustainability education: A trans-Atlantic comparison", Journal of Management and Organisation, Cambridge University Press (Feb 2015).

For a long time, there was a disconnect between what is taught during education and what is required in the business world. In recent times, corporates or the industrial world is looking for those who are well versed in the job and fit to work at the time of joining and do not require training. In view of the same, it is necessary that the course curriculum should provide a mixed blend of theoretical and practical training.² This requirement is well covered in National Educational Policy (NEP) 2020. Therefore, an attempt shall be on the SDGs to find out how it is being implemented in India and also to find out the role of corporate in contributing towards national development.

2. SUSTAINABLE DEVELOPMENT GOALS(SDG) AND EDUCATION

The United Nations considers education as one of the most significant aspects when it comes to the overall development of a nation. Hence SDG 4 is specifically dedicated to educational development.

So far as education is concerned, it falls under SDG 4 which intends to “ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.” It is further bifurcated into sub-targets, which are required to be achieved by 2030.

Education plays a vital role not only at a global level but also in the national economy as well as in individual growth and development. It, therefore, becomes essential that how education acts as a positive catalyst in the national economy.

3. EDUCATION AS A KEY TO THE NATIONAL ECONOMY

India is in a transition stage moving from a developing to a developed nation. Based on the demographics of India, it is evident that the various geographies in the country have different literacy levels. It is pertinent to mention that the cities having the highest literacy rates have superior infrastructure and advanced technology in comparison to the states with lower literacy. Even global organizations such as UNESCO and UNICEF have come together thereby launching many educational projects in India. These projects have turned out to be effective and have provided the youth to create a progressive and developed nation. One of the famous programs of UNICEF, known as Sarva Shiksha Abhiyan (SSA), is completely dedicated to all; both at state as well as national level, with an ambition to eradicate illiteracy. In addition, UNICEF has also formed a collaboration with girls' cooperatives like Meena Manch in states like Bihar, West Bengal, and Uttar Pradesh to establish leadership skills and a sense of teamwork among young women and to raise consciousness about the value of schooling. For this, the trained teachers were deployed to take classes on a consistent basis, who understand the psyche of the child, and promote desirable sanitation and hygiene processes as well. These goals are all part of UNICEF's larger mission to empower education globally. As a matter of fact, participation in these groups has delayed the age of marriage of participants' peers in the surrounding area, as well as it continued to increase the number of children who pull back from working and started attending school regularly. In order to expedite the process even further, UNICEF has partnered with a number of non-governmental organizations such as Mahila Samakhya Programme.³ It is also providing support to states in the development of teacher potential and management experience for wardens.

If we look at the purpose of education from the current day's perspective it is not just limited to creating a progressive society but also to promoting democracy that comprises a civilized and well-mannered society, where an individual is aware of his rights and its protection thereon.

Undoubtedly, quality education results in an exchange of ideas and good practices as it strives to secure a bright future for hardworking individuals. The implementation of NEP 2020 posed a paradigm shift to make education meaningful for the industry which is practical-oriented as it helps not only the student(s) but society as well and it is with this purpose, being imparted in schools across the country. The purpose of education is not just to collect degrees but develop some expertise in the trade or profession of the individual interest. Education must reach the far-flagged areas with special

² GOLDWELL NHAMO, SUSTAINABLE DEVELOPMENT GOALS AND INSTITUTIONS OF HIGHER EDUCATION (Springer, 2021).

³ Pedagogies for Development, “The Politics and Practice of Child-centered Education in India”, Asia-Pacific educational research association (2021).

https://www.education.gov.in/sites/upload_files/mhrd/files/upload_document/Genesis_ms.pdf

emphasis on the downtrodden, weaker sections of society as well as economically and socially backward classes. The right to education is therefore ingrained in the Indian Constitution as well, which needs to be meaningful.⁴

4. RIGHT TO EDUCATION

The Indian government has made it a priority to provide a free and compulsory education to all children between the ages of 6 and 14 as part of its 86th constitutional amendment, which was passed in 2002. The RTE Act of 2009 was enacted in India as a direct result of Article 21-A and is an example of consequential legislation. It advocates for children's right to an education and states that all children have the right to an elementary school education that meets minimum criteria.⁵

In this statute, the term 'compulsory education' refers to the responsibility of the government to offer free primary schooling and assure obligatory enrolment, participation, and successful completion of primary education for all children between the ages of 6-14 years. In addition to dividing financial as well as additional concerns between the union and state government, the law outlines the responsibilities and obligations of suitable governments, municipal governments, and households to offer obligatory and free schooling.

In order to make this a reality, we need to invest in the professional development of educators and create a curriculum that promotes each student's development as a whole person by expanding his or her base of skills, knowledge, and potential, thereby helping children overcome fears, traumas, and other anxiety disorders that may prevent them from learning.

However, it forbids corporal punishment and mental harassment, as well as admissions verification processes, private tutoring by teachers, capitation fees, and the unlicensed operation of schools.

However, it prohibits physical punishment and mental harassment; screening procedures for admission of children; capitation fees; private tuition by teachers, and running of schools without recognition. It is expected that through these prohibitions and effective enforcement, a satisfactory and equitable quality of education can be achieved.

Considering the financial aid which is required, there is a rising need for the corporate world to contribute to the educational goal so that India attains the SDG target(s). In this article, the emphasis is limited to the priority of education under corporate social responsibility.⁶

5. PROBLEMS IN THE EDUCATION SYSTEM:

a. Girls Dropout rate: The number of girls dropping out of school is quite high as they are expected to work at home mainly in lower-income groups in urban and rural areas. At times, families belonging to rural backgrounds with lower income do not permit their girls to continue attending schools, as it is assumed that their productivity could be higher at home. Therefore, it is desirable that corporate houses can sponsor girl students for higher education who are academically sound. The corporate can work independently or through NGOs or by creating social entrepreneurship and take up educational development schemes for underprivileged and downtrodden sections of society, which is ignored.

b. Secondary Level: The other problem being drop out after secondary level due to non-payment of fees, inability to understand the subject, and unawareness about their future as a carrier or profession; leading to low graduation rates and high failure rates. Therefore, mere financial support is not the ultimate solution to this problem. It does require the government and corporates to work out a planned strategy and action plan in close association with educators and parents to ensure that their investment truly benefits the targeted community.

c. Higher Education Level: Say for instance a student wants to drop his degree course for a year or two and gets experience in the industry, he can complete his education and avail degree. As the industry is not looking for

⁴ Isabel Menezes, "University Social Responsibility, Service Learning, and Students' Personal, Professional, and Civic Education" *Front. Psychol.*, 25 February 2021 *Sec. Educational Psychology*, Volume 12 - 2021 | <https://doi.org/10.3389/fpsyg.2021.617300>.

⁵ Veena Sangar, 'Decoding NEP 2020 – The Road Ahead', Published by Macmillan Education (India) in a compilation titled *Embracing Change*, June 2020.

⁶ Ms. Geetanjali Thakur, "Role of Corporate Social Responsibility (CSR) in the Education sector: A study on Perspectives of better education through CSR." *International Journal of Engineering and Technology*, ISSN: 2248-9622, Vol. 11, Issue 2, (Series-IV) February 2021, pp. 58-63.

professionals to train them first before hiring but requires those who can be placed on the job, having learned professional skills during their studies. Therefore, CSR activities in education do not mean academic education but also involve industrial experience which is reflected in NEP 2020.

6. WHAT ARE THE PRIORITIES DEFINED UNDER CSR:

The link between corporations' CSR initiatives and their bottom lines has emerged as a hot topic recently. But these days it's not just about profits; it's also about how much a company contributes to things like infrastructure and public education on a national scale. To this end, Section 135 of the Companies Act, 2013 mandates that Indian corporations set aside 2% of their average net profits produced over the last three fiscal years for use in furtherance of their corporate social responsibility (CSR) program.⁷

Financial investment in educational CSR follows naturally as it comes off as the future of human development. There is an ongoing debate about whether it is the state or corporate responsible for providing education. According to a few scholars, providing equitable education should be the responsibility of the government, whereas according to others, quality education comes from healthy competition between the private sectors.

If one investigates the developed, developing, and underdeveloped nations, one finds that there is a clear difference in their literacy rate. Illiteracy and unemployment of educated human resources in some countries is a challenging issue and therefore, modern-day education must tune-up with the industrial need with innovative, structured, and scaled education. Under the present circumstances, it is inevitable that the government and corporate sector comes together to contribute to educating its citizens to bring about a win-win situation for both the government and businesses. In this direction, CSR activities can play a vital role in educating the masses, through aiding educational institutions as well as training from an industrial perspective.

The New Education Policy 2020 provides education that is not merely theoretical but can be used as a teaching tool and in some cases even incorporated into the curriculum. CSR activities can aid in social-emotional learning by developing empathy and caring for others. Therefore, there is a need to examine how corporates have performed in the last decade for national development through CSR activities to achieve SDG goals.

7. CORPORATE SOCIAL RESPONSIBILITY IN INDIA:

India introduced the Companies Act, of 2013 by revamping the 1956 enactment and introduced CSR as a compulsory provision via the statutory obligation on companies to engage in activities that are concerned with socio-economic welfare. India is the only nation having regulated and mandated CSR for specific types of companies registered under the Companies Act. It is expected that the CSR initiatives by top-notch corporate houses will aid the nation in the attainment of SDGs and public-private partnerships in transforming India into a meaningful welfare state.⁸

According to Section 135 of the Companies Act, 2013, it is essential for a company to engage in CSR activities irrespective of whether the company is a foreign company or a holding company, or subsidiary, etc. However, this provision is applicable to those corporates who fall in the category of having a net profit of more than 5 crores or a net worth of more than 500 crores, or a turnover of more than 1000 crores. If a company meets any of the conditions, then it is required to make an investment equal to two percent (2%) of the net profit it has generated over the three years immediately preceding the current one. However, it is the discretion of the company to invest in any of the activities listed in Schedule VII of the Companies Act, 2013, one such activity being the education sector.⁹ The current article is concerned with the role of CSR in the implementation of educational goals.

⁷ Dirk Matten, "Corporate Social Responsibility Education in Europe" *Journal of Business Ethics*, Vol. 54, No. 4, Business Ethics in the Curriculum: Of Strategies Deliberate and Emergent (Nov. 2004), pp. 323-337.

⁸ Gurudutt Kakkar, "Opportunities and Challenges for Girl Child Schooling and Education in India", *IJCRI-International Journal of Creative Research & Innovation*, 2020.

⁹ Nandita Singh, "Higher Education for Women in India—Choices and Challenges" *Punjab University* (Published on Nov 2007).

7.1. The MCA's Function in Corporate Social Responsibility

The MCA has introduced several new initiatives including policy guidelines to ensure that all regulations about CSR are duly complied with. If one investigates the phrase used in Section 135; "shall ensure that the company spends" is a mandatory provision, which needs to be complied as per Section 135.

- **Formation of the National Foundation for CSR (NFCSR)**

It is an autonomous institution under IICA with an objective to create an enabling environment for the private sector to collaborate with the government and civil society organizations to make a meaningful contribution to long-term growth and development. This body has grown into a national-level organization that can effectively facilitate and enlightens the essence of CSR legislation. The objective of the body is to strengthen the ecosystem of CSR policies in India and ensure policy advocacy.

- **National CSR Portal**

In addition, in January of 2018, the MCA launched a National CSR Data Portal with the intention of improving corporate responsibility and transparency through the promotion of a high level of consistency and openness in CSR efforts. The Company's Director's Report and Forms filed on the MCA Portal serve as the basis for the information available on the CSR data portal.¹⁰

- **Defaulters on CSR Activities**

More than 1000 corporations have been served with show cause notices, indicating that they will be prosecuted for failing to comply with Section 135. Section 135 of the Companies Act requires companies to mention the reason for not spending on CSR activities. Since corporations are mandated by Section 134(3)(o) of the corporations Act to provide an explanation in the Board Report, any such explanation must be in line with Section 135 and Section 134(3)(o).¹¹

- **Unspent CSR to the Government Funds**

If a corporation is unable to spend the full authorized CSR amount before the end of the fiscal year, the remaining unspent amount should be transferred to designated Central Government Funds, as suggested by the CSR Legal Subcommittee.¹² This recommendation was included in the report that was given to the statute and includes a listing for each of these funds in Schedule VII. It also recommended that the Central Government should refrain from taking legal action against businesses that have "either spent less or have not spent at all," and who, after receiving a show cause notice, deposited the required amount into the Central Government Fund in accordance with Schedule VII.¹³ This means it is to be treated as encouraging and motivational provisions for the company and not as a deterrent measure.

Say for instance, if a company has targeted to spend 100 crores in CSR activities but could spend only 90 crores, the unspent amount is required to be invested in the following organizations which specifically encourage research in Public-funded universities: "Institutes of National Importance and Autonomous Bodies (formed under the auspices of Indian Council of Agricultural Research (ICAR) and Council of Scientific and Industrial Research (CSIR) Indian Institute of Technology (IIT) Department of Atomic Energy (DAE) Indian Council of Medical Research (ICMR) Défense Research and Development Organization (DRDO) Ministry of Electronics and Information Technology (MEIT) Department of Science and Technology (DST)".

¹⁰ Q.R Abroor, "Relationship between social challenges and the education of the girl-child as perceived by female academics in the tertiary institutions of EdoState, Nigeria" Educational Research and Reviews Vol. 14(17), pp. 625-638, November 2019.

¹¹ Asif Khan, "The Role of Corporate Social Responsibility and Corporate Image in Times of Crisis: The Mediating Role of Customer Trust" Int J Environ Res Public Health. 2021 Aug; 18(16): 8275 (Aug, 2021).

¹² Aithlal Sreerama, "Analysis of the Indian National Education Policy 2020 towards Achieving its Objectives" College of Management Commerce (Jul 30, 2020).

¹³ Companies Act, 2013 Act no. 18, S. 135.

Since all these organizations are engaged in extensive research in the fields of technology, science, medicine, and engineering with the goal of encouraging the latest research and development tools that can be used for national industrial goals and therefore contributions by these entities will help the nation in achieving the SDGs agreed by India. If one investigates CSR activities to which companies are engaged can be seen in the subsequent heading and its impact on education.¹⁴

8. IMPACT OF CSR ON EDUCATION

In today's era, Corporates are generating awareness about the importance of CSR, following all possible means to make complete utilization of CSR policies in India by addressing active engagement in CSR activities.

8.1. COMPANIES INVESTING IN EDUCATION IN TOP CSR PROJECTS

Looking into the top listed companies of India to discover the nexus between CSR and corporate financial performance by adopting factor analysis, it has been revealed that CSR has an active and significant impact on the performance of the company. Data dealing with the CSR expenditure of a few companies are listed below:¹⁵

- **Reliance Industries:** In 2021-22, Reliance Industries invested Rs 1,184.93 crore on corporate social responsibility (CSR) initiatives through the Reliance Foundation. These initiatives focused on rural development, healthcare, education, disaster relief, and sports. This organization partners with 14 non-governmental organizations (NGOs) and does direct service to improve the educational opportunities available to disadvantaged children. The allied non-governmental organizations stress the importance of involving young people in not just academics but other meaningful pursuits. More than 4,000 children from 10 government schools in the Mumbai and Thane districts have been receiving high-quality education thanks to this program, which makes use of a Digital Learning Van equipped with technology. A total of 0.2 million kids have benefited from these programs. The Dhirubhai Ambani Scholarship (DAS) was established by the Dhirubhai Ambani Foundation to reward outstanding high school seniors who best represent the mission, vision, and values of the organization.¹⁶

Analysis Of the CSR Expenditure Made by Reliance Industries in The Educational Sector

Educational Projects by the Reliance Industries:

- Infrastructure development for educational projects in Primary schools, Anganwadi, and other projects.
- School education improvement program.
- Scholarship and education support.
- Promoting educational Institutions like Jio Institute
- Vocational training and partnership programs.

In FY22, Reliance Industries invested Rs 1,184.93 crore in a wide range of effective corporate social responsibility projects.¹⁷

¹⁴ Schedule VII of the Companies Act, 2013.

¹⁵ Carol Newman, "Corporate Social Responsibility in a Competitive Business Environment" The Journal of Development Studies Volume 56, 2020 - Issue 8.

¹⁶ Ministry of Corporate Affairs report on April 26, 2018.

¹⁷ CSR Act amendments: All you need to know, The Times of India, (April 30, 2022).

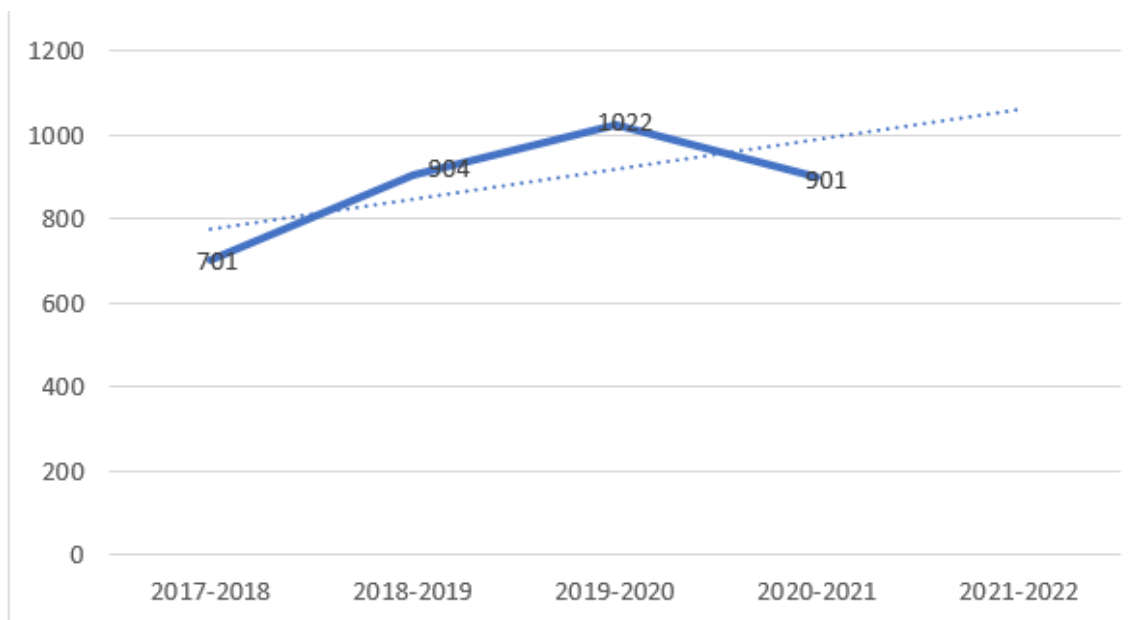


Figure 1 CSR Expenditure made by Reliance Industries from the year 2017-2022

As per the official reports published by Reliance Industries, it is clear that the reliance industries are actively engaged in CSR expenditure. In the financial year 2021-2022, the company invested over 1184 crores in CSR expenditure, out of which 202 crores were specifically invested in the educational sector.

- **National Thermal Power Corporation (NTPC):** NTPC in the year 2021-22 spent Rs. 356.72 Crore on CSR activities, which is an increase of 3 % this year with an expenditure of Rs. 419 Crores. The major CSR activities included environmental sustainability through tree plantation, installation of rooftop solar panels, paper recycling machines as well as the development of school buildings. Every year, NTPC gives scholarships to about 7,300 deserving students in the fields of engineering and medical at the school and postsecondary levels. It has helped distribute PCs and academic materials to economically disadvantaged students in some selected schools in Mumbai's 8th to 10th Standards, and it has contributed to the development of mobile science labs to inspire students in government schools to study science and technology. Here are some of NTPC's most important initiative:¹⁸

- 34 schools situated across NTPC settlements provide quality education predominantly to local children. A special plan for the development of girls' toilets in elementary and junior high schools to promote the academic achievement of female children and decrease dropout rates.
- It regularly engages with endeavours associated with school construction, adult learning, instruction, and development of personality programs, etc.
- It provides basic amenities to the students that are deserving.
- In the summer breaks, a four-week residential program on the girl empowerment mission has been initiated for the girl children that move from class 5 to class 6.
- By conducting initiatives in approximately 130 schools, learning levels are enhanced.
- Government schools in close proximity of three NTPC stations have been outfitted with smart tablet laboratories.
- Assisting the development of amenities for Chapaki, District Sonbhadra (UP) tribal institutions.

¹⁸ Corporate Social Responsibility, ESG, and Compliance, University of Pennsylvania. Available at: https://scholarship.law.upenn.edu/cgi/viewcontent.cgi?article=3571&context=faculty_scholarship.

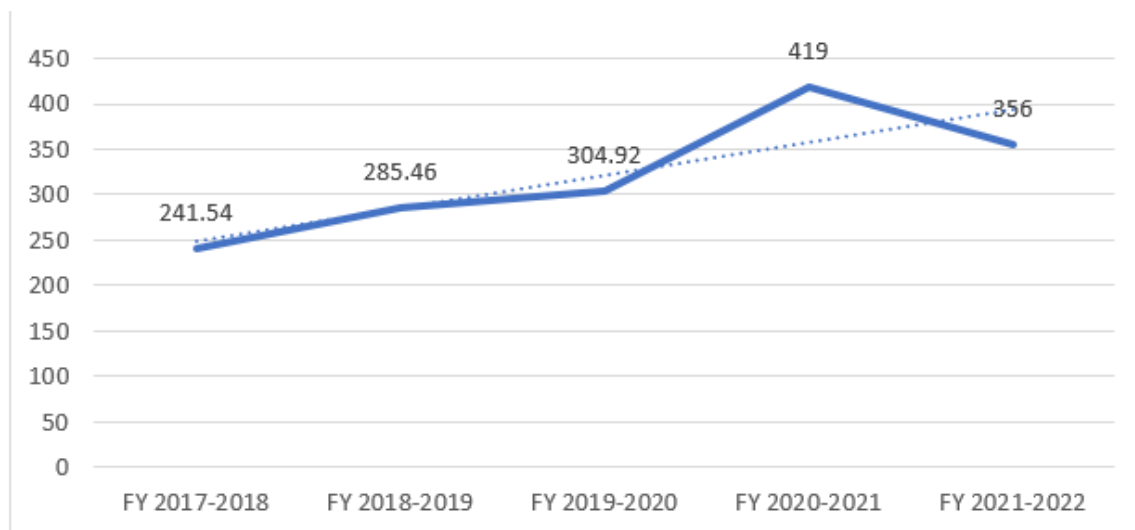


Figure 2 CSR Expenditure by NTPC in the year 2017-2022

NTPC has dedicated 15%-20% of its CSR funding towards education.¹⁹

- **Wipro:** With a focus on education and skilling programs, as well as scholarships and grants, WIPRO spent Rs. 221.6 Cr, or nearly 85.6 Cr more than the previous year, on CSR activities for the financial year 2021-22. As the first corporate social responsibility project ever undertaken by the IT firm, it focused on sweeping changes to the way schools operate.²⁰ The WIPRO program aims in supporting NGOS by doing remarkable work in primary education and encourages them to implement education projects. It also has taken initiatives for providing special educational tools and equipment required for children with disabilities.²¹ WIPRO follows an integrated approach using technology to assist in education, health, and nutrition. It is dedicated to producing capacity-building efforts through the empowerment of populations in order to achieve socio-economic growth, environmental protection, advancement of green and energy-efficient technologies, the growth for backward zones, and improvement of the disadvantaged segments of society. One can also say that it encourages programs and projects by allocating specific budgets in the field of education, ecology, and community care.²²

¹⁹ Reliance Industries's CSR spend in FY22 at Rs 1,185 crore, The Financial express, <https://www.financialexpress.com/industry/reliance-industriess-csr-spend-in-fy22-at-rs-1185-crore/2541742/>. (May 30, 2022).

²⁰ Wipro spends Rs. 221.6 Cr on CSR – Corporate Social Responsibility in FY 2022, India CSR, <https://indiacr.in/wipro-spends-rs-221-6-cr-on-csr-corporate-social-responsibility-in-fy-2022/>.

²¹ CSR Universe Team, Exceptional CSR: Wipro spends 151% of prescribed CSR limit; Focuses on Education, COVID Relief, available at: <https://thecsr.universe.com/articles/exceptional-csr-wipro-spends-151-of-prescribed-csr-limit-focuses-on-education-covid-relief->.

²² Deepanshu Kothila, Wipro Spends ₹ 221.6 Cr on Corporate Social Responsibility Projects in FY22, available at: <https://tatsatchronicle.com/wipro-spends-%E2%82%B9221-6-cr-on-corporate-social-responsibility-projects-in-fy22/> tatsat chronicle.

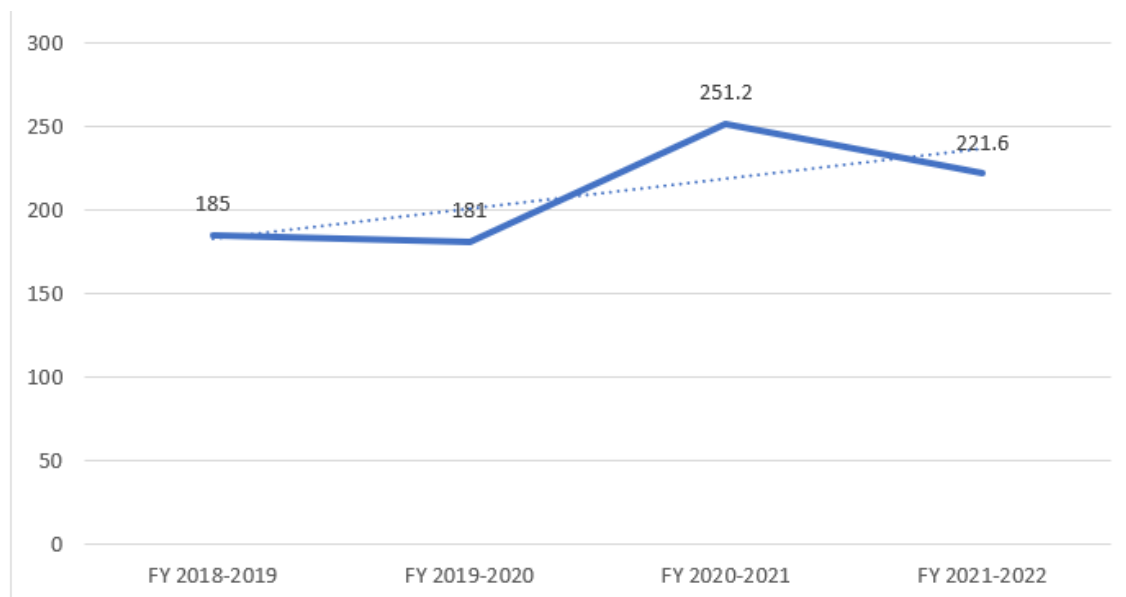


Figure 3 CSR Expenditure of Wipro 2017-2022

1/3rd of the total CSR is spent on education.

- **Infosys:** In the fiscal year 2021-22, Infosys allocated Rs.296 Cr to 121 community improvement initiatives. For the past three fiscal years, the total CSR obligation was 396.70 crore. There was no overage from CSR initiatives in prior fiscal years. For the fiscal year as a whole, there is no money that needs to be deducted. Supporting communities, stakeholders, and society's key focus areas such as education by improving quality of education both in online and offline mode including construction of infrastructure like classrooms, including midday meals, and expanding access to health care are all part of Infosys' CSR Policy's ambitious goals for 2022-23.

Apart from the above, Infosys may take up any other projects in line with CSR provisions as it fixes the budget as per provisions of the Companies Act 2013 and accordingly spending will be done as per the programs approved by the CSR committee. Not only the budget but also spending on each project under CSR is monitored by a specific team who provide periodical update including impact assessment reports, as applicable, to the CSR committee.²³

On the basis of the foregoing, it can be stated that Infosys CSR focuses on comprehensive neighborhood improvement and the establishment of institutions while developing and disseminating solutions to support the growth of companies and neighborhoods. The company is dedicated to healthcare, education, rural development, care for the homeless, and the arts and culture. To help underprivileged children in the Bannerghatta Forest area of Bengaluru stay in school, the Foundation partnered with the Sri Ramakrishna Vidya Kendra to offer them with free lunches. In 2014, the firm partnered with the non-profit group Avanti Fellows, which uses a groundbreaking "peer learning" method developed over the course of twenty years of study at Harvard.²⁴

²³ Explained | The rise of the ESG regulations, Mintz Group, The Hindu, available at: <https://www.thehindu.com/opinion/op-ed/explained-the-rise-of-the-esg-regulations/article66610907.ece> (March 12, 2023).

²⁴ Donna L Merkel, Youth sport: positive and negative impact on young athletes, Published online 2013 May 31. doi: 10.2147/OAJSM.S33556.

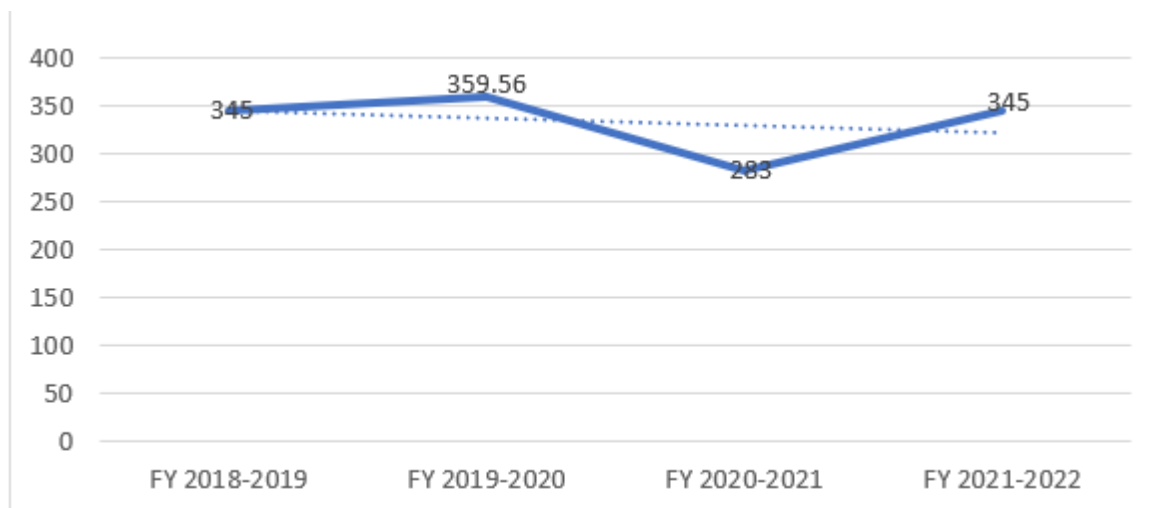


Figure 4 CSR Expenditure by Infosys in the years 2018-2022

9. NEP 2020, CSR ACTIVITIES AND THE REFORMED EDUCATIONAL REGIME

NEP 2020 is the first educational plan of the 21st century and the third in the series of National Education Policies (1968 and 1986 updated in 1992) in India. NEP 2020 encompasses a wider range of school education, ranging from pre-primary to senior secondary, and it is the third in the series of National Education Policies in India. By exposing students to other cultures and countries, it not only contributes to the improvement of the educational system but also helps them become more global citizens. It is hoped that education will foster originality and a sense of wonder in young minds, will contribute significantly to the process of changing our kids into global citizens, and will result in a curriculum that places a greater emphasis on the acquisition of skills in schools and colleges.²⁵ In today's era. Everything is available in the public domain, anticipated that the NEP 2020 will assist our younger generation in evaluating relevant knowledge and gaining an understanding of how to think freely, as opposed to being taught what they should think. It is anticipated that the inquiry-, analytical-, and discussion-based education that will be implemented as a result of the policy will span the emphasis placed on teacher training will shed light on residents and develop excellent human beings with enough education, which will lead to India being a better country. It endorses the inclusion of industry experts in the sustainability of education and influencing young minds.

No doubt NEP is a complete overhaul and re-energizing of the higher education system with a view to promoting India as a global destination to provide premium education at affordable costs, which was during the olden times and to revive its position as a global leader or Vishwa guru. In this direction, new policy initiatives are ongoing to realize this vision. By enacting new rules in 2023, the University Grants Commission of India hopes to pave the way for the establishment of campuses of international higher education institutions in India. This raises the question of whether the State or the elite class would be better served by footing the bill for such expensive institutions in India, allowing Indian universities to set up shop in other parts of the world, or creating world-class educational institutions in India, along the lines of Nalanda and Taxila, from which students could benefit from the best education available at the most reasonable cost.²⁶

9.1. Why do companies prefer CSR in education?

Samhita Social Ventures: It is an NGO, who conducted a CSR research study in collaboration with the Japan International Cooperation Agency (JICA), which coordinates development assistance for the government of Japan in developing countries for their social and economic growth along with promoting international cooperation. Based on the

²⁵ Ashutosh Rana, Corporate Social Responsibility: A study on CSR practices in Indian Businesses-NTPC and RIL, September 2015, DOI:10.13140/RG.2.1.3032.1125.

²⁶ NTPC Spent Rs. 356.72 Crores on CSR in FY2021-22, available at: <https://thecsrjournal.in/ntpc-csr-corporate-social-responsibility-report/>.

findings of the study conducted on the top 100 listed companies suggest that more than three-quarters of them implemented at least one program in education over the last three years. This shows that school education is one key area in which the corporate world contributes to the development of society and CSR is the best methodology. Although, it is a good sign for corporate participation, however, the efforts are not well balanced in all areas but skewed thereby creating an imbalance in the sector. The study also depicts that more than half of the corporates chose to provide support to schools through donations in the form of infrastructure and learning material and a similar proportion was found in according to scholarships to students both in cash and/or kind. But this does not suggest, whether such spending has reached the concerned are lost at the intermediary stage.

The study also points out that only twenty-nine (29) percent of the corporate spent on remedial education, fifteen (15) percent on training teachers and principals, thirteen (13) percent on support programs to make classroom learning more interactive, and a mere nine (9) percent in curriculum enhancement and formative assessments.²⁷ In terms of the Fast-Moving Consumer Goods (FMCG) industry, the survey found that roughly fifty percent (50%) of their spending is on school health and nutrition, indicating that businesses are capitalizing on their expertise in the field, improving their goods, and expanding into new markets through corporate social responsibility initiatives. Companies in the manufacturing sector that donate to schools in their communities are doing excellent work for society. Businesses are contributing to the NEP goals by making use of their core competencies in CSR initiatives. The study also suggests that the companies are making proper planning with strategic thinking while drafting their CSR policy with a specific emphasis on education. The Companies engaged in the IT and Finance Sector are emphasising skill development, as the technology and methodology of accounting move at a faster pace with the development of society therefore both the existing workforce as well as new entrants be able to take up new challenges, which is possible through skill development both for their survival as well as for carrier growth. Some of the initiatives taken up by these corporates are based on a voluntary basis as the employee should be aware of the areas and tools for which they need to sharpen their skills.

There is great potential for the corporate sector to remedy the missing gaps in the education ecosystem, as the statutory responsibilities under Section 135 is mandatory for the enterprises included in CSR activities. As can be seen from the above, businesses should strike a balance between low-risk, high-return programs and high-risk, low-return social initiatives.²⁸ Less than half of class five (5) students in impoverished rural far flanged areas could read the textbook of class two (2), and only a quarter could do division, according to the Annual Status of education report (ASER) for the decade. Even though 98% of homes are within a mile of a primary school, enrolment is low.

10. STATE-WISE SPENDING ON CSR ACTIVITIES IN EDUCATION

Education, healthcare, rural development projects, and environmental sustainability have emerged as the key areas where companies have spent the most on CSR projects. The highest proportion of CSR funds went to the states of Maharashtra, Karnataka, Gujarat, Andhra Pradesh, and Tamil Nadu. Similarly, Maharashtra, Karnataka, Gujarat, and Delhi received the maximum share of CSR spending with Rs. 18,472 crores spent in 2019-20 and Rs. 17,642 crores spent on CSR activities between 2020-21.²⁹ Corporate Affairs Minister Nirmala Sitharaman said all CSR companies spent a cumulative CSR amount of Rs.17,672 crore in FY 2020-21 and Rs 18,473.41 crore in 2019-2020.³⁰ While Rs. 4,777 crore was spent on

²⁷ NTPC CSR Governance structure, available at: <https://www.ntpc.co.in/about-us/corporate-functions/corporate-citizenship/corporate-social-responsibility/csr-governance-structure>.

²⁸ Anna Zueva, Politicising Government Engagement with Corporate Social Responsibility: “CSR” as an Empty Signifier, *Journal of business ethics*, 170, pages635–655 (2021).

²⁹ Ibid 33.

³⁰ Read more at:

https://economictimes.indiatimes.com/news/company/corporate-trends/rs-36145-cr-spent-under-csr-by-companies-in-2019-21/articleshow/96171430.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

education projects in 2019-20, Rs.4,004 crore was spent in 2020-21 in the same area..³¹ Therefore, it is safe to say that approximately 25% of the total CSR expenditure was dedicated toward education in 2019-2020.

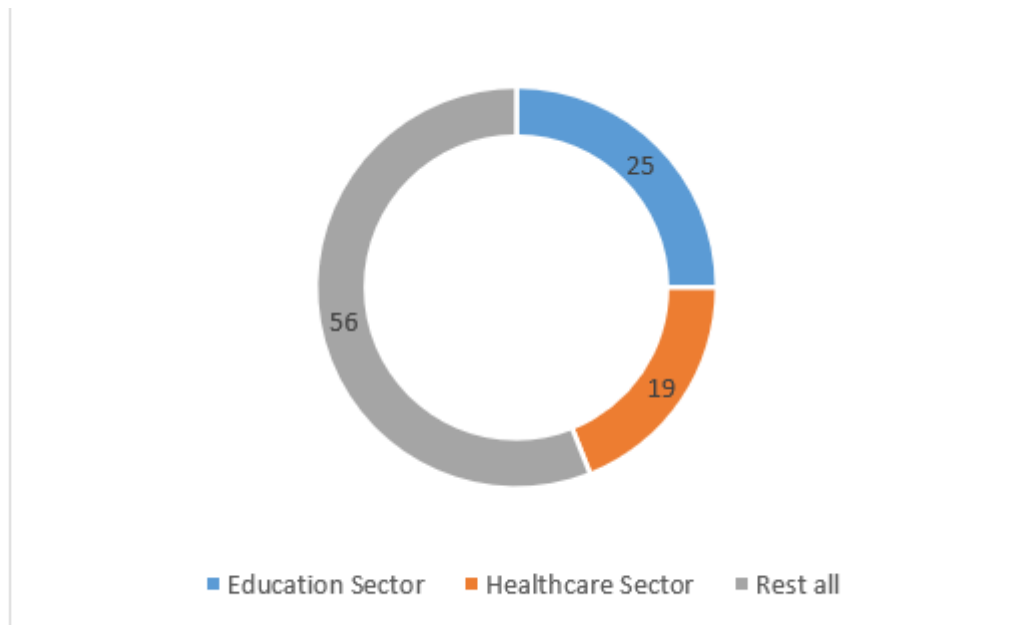


Figure 5 Total CSR Expenditure in 2019-2020

Clearly, in 2019-2020, the educational sector was a priority over healthcare sector in the CSR expenditure, which took an opposite turn in the year 2020-2021, when India was drastically hit by the adverse impact of Covid-19.

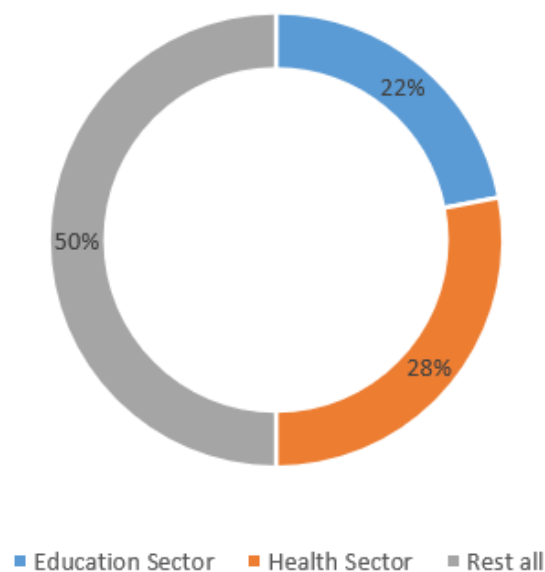


Figure 6 Total Expenditure in 2020-2021

³¹ Corporate Social Responsibility in India: Issues and challenges, available at: <https://www.lawaudience.com/corporate-social-responsibility-in-india-issues-and-challenges/>.

The Rural Development sector spent Rs.1,951 crore in 2019-20 as compared to Rs 1,518 crore in 2020-21. On Environment sustainability in CSR projects worth Rs.1,178 crore in 2019-20 and Rs.73600 crore in 2020-21. The data shows that Maharashtra spent Rs.2,105 crore on CSR projects in 2019-20, whereas in 2020-21 CSR spending came down to Rs.1,885 crore. Similarly, Karnataka spent Rs.8250 crore in 2019-20, which came down to Rs.6,220 crore in 2020-21. Andhra Pradesh spent on CSR Rs. 5,480 and Rs.5,110 crores, Gujarat Rs.463 and Rs.789, and Delhi Rs.430 and Rs.223 thousand crore respectively in 2019-20 and 2020-21 respectively.

11. ISSUES AND CHALLENGES REGARDING CSR APPLICATION

So far as CSR is concerned, according to few, it is a hurdle towards customer satisfaction; as customer satisfaction is only about the price and services, however, these companies do not realize that it's not the current customers but even the non-user of their product and services, once they are benefitted through CSR or even hear or see the efforts of the company in CSR activities, the benefits will be multi-fold with the changing dynamics of society. This is how CSR plays a vital role in the growth and development of society. However, there are still impediments to CSR program implementation which are briefly spelled out below:

a. Reduced Government Intervention

The government relies on the existing legislation to exercise social and environmental objectives. Rather than interventions, encouragement by the government through both voluntary and involuntary activities with suitable modifications in the legislation rather than having a punitive approach should be adopted.

b. Lack of Transparency

When it comes to their corporate social responsibility efforts, some companies are less than forthcoming. Some organizations, for instance, hide the money they spend on CSR projects, audit reports, the full scope of their CSR initiatives, and even their CSR policy. This means that many companies struggle to create a sense of belonging within their local neighborhoods.

c. Change in Organizational Behaviour

Employees and customers tend to change their behaviour in a competitive environment. As employees expect something more than just a salary, while buyers expect something more than just goods and services. Understanding these shifts and needs, as well as organizing and implementing CSR programs and processes, represents a significant challenge.

d. Rising Demands by the Stakeholders

The transparency demanded by the stakeholders on the financial disclosure of the companies discourages the companies from engaging in CSR activities. Stakeholders are becoming more involved in the activities and operations of their clients' enterprises. They are also interested in the policies and practices of firms involved in CSR projects because they intend to maintain their reputation and position in the community and do not want to be associated with a tarnished reputation. As a result, these stakeholders have a strong desire to collaborate with organizations engaged in CSR.

e. Lack of awareness

Businesses are on the fence about getting involved in CSR programs because of the general public's lack of education on the topic. The disconnect between CSR-focused businesses and the general public is the primary reason why the community and the general public are uninterested in CSR projects..

f. Absence of effective legislation

There are no defined principles, standards, or directions for CSR activities. This makes it difficult for business houses to take the appropriate steps in the direction of CSR; such as lack of clear-cut statutory criteria, the level of CSR varies depending on the size of the firm; larger the organization, the more extensive our CSR initiatives. This is a hurdle for small groups who desire to make a difference in CSR initiatives. The Indian legislation is silent on how a company should spend and in which sector and which region. It is suggested that this role be bestowed with a voluntary organization as a CSR committee controlling the national, state, and district levels including the panchayat level so that a

study to be conducted on areas requiring a specific role for education and accordingly a designated area be given to a particular company, so that it can formulate CSR policy depicting its and objective accordingly to avoid duplication of efforts and to reach a consensus on their respective missions and objectives.

g. Excessive reliance on untrained and underdeveloped personnel

A major impediment to the success of CSR is a scarcity of efficient and well-trained personnel who can oversee and manage the execution and management of such programs. The firms involved in CSR activities should take effective actions to train and develop their employees. This will surely increase the number of CSR efforts in India.

12. SUGGESTIONS AND RECOMMENDATIONS

- **Collaboration between the corporate houses:** Through collaboration, organizations may be able to utilize resources, exchange expertise, and maximize the effectiveness of their corporate social responsibility (CSR) operations.
- **Increased Transparency and Stringent legal mechanism:** The amendment guidelines that came into effect in 2022 brought with them a brand-new format for the annual report on CSR initiatives which includes detailed facts regarding an executive summary, and impact assessments of CSR projects. In addition to this, businesses are obligated to declare the amount of money that has been put aside for ongoing projects and new initiatives, as well as any CSR funds that have been carried over from the preceding three fiscal years.
- **Driving competition:** It is expected that CSR will promote innovation and increase competitiveness. Companies dedicated to CSR can differentiate themselves in the marketplace and attract customers and investors that place a premium on social and environmental responsibility.
- **Emphasis on Impact Assessment:** The companies should determine the impact of CSR projects on branding as well as stakeholders.
- **Systematic CSR expenditure:** CSR expenditure shall be made systematically, and the education sector shall be treated as a priority since it has direct nexus with the attainment of SDG. The focus should be made on state-wise expenditure as the entire nation should be at par emphasizing the overall economic development. Considering the analysis, it is seen that there are certain states which received comparatively higher budgets under the CSR scheme with respect to the states with lower literacy rates. Therefore, it is suggested that there should be an annual evaluation and the CSR budget to be distributed accordingly among the states promoting education.
- **Strategic planning:** As the CSR specifically dedicated to education is not mandatory in nature, it is essential for the companies to dedicate a particular budget to education since education is the key to shaping an economy, both in the rural and urban sectors. The CSR schemes of the companies are to be designed in such a way that an effective amount is dedicated to the development of education in India.

CONCLUSION

Education is an integral aspect that primarily leads to a civilized and dignified society as it is a significant key to development. SDG 4 focuses on imparting education across the globe and several targets are committed to by all the signatory nations within a stipulated time. The goal not only emphasizes primary education but also the development of soft skills and vocational training. The role of education in shaping the young minds who are undeniably the future of a nation is extremely critical. The future of a nation is primarily dependent on the quality of the education its children receive. No country can achieve sustainable economic growth without first investing heavily in its people. It inspires individuals to work harder and think beyond the box, which boosts innovation and business growth. The 86th Amendment to the Indian Constitution guaranteed all citizens the "Right to Education" in an effort to foster the development of young Indian brains. The government is now obligated under the amendment to ensure that all children between the ages of six and fourteen are enrolled in, regularly attend, and successfully complete primary school. Under the provisions of this Act, all children from families with economic hardship are required to be provided with a free primary education. However, there are still many obstacles to educating young brains, despite the existence of such regulations and guidelines. Although the government is making an attempt to make school attendance mandatory and free, many parents in more rural areas still opt not to take advantage of this opportunity for their children. The

community at large and educational institutions do not coordinate their efforts, which contributes to the problems that arise when trying to implement universal primary education. If businesses take the initiative to lead in areas of social innovation, can contribute a great deal valuable to society. Projects falling under the category of social enterprise call for a significant amount of organizational expertise. The funding for the education system in eco-disadvantaged regions is continually inadequate. Due to a lack of funds, there is a deficiency in the amount, of educational resources and materials available. In the failure of implementation of CSR, if the corporate houses cannot come up with a reasonable cause, then they are subjected to a penalty ranging from Rs 50,000 to Rs 25 lacs including penal and pecuniary liability on defaulting officer.

From the state-wise analysis, the reports suggest that certain states like Bihar have the least education rate, and poverty remains one of the major causes due to which the children in such states do not have access to education. It is the need of the hour for companies to come together and invest in the educational sector with utmost priority through CSR initiatives.