



CORPORATE SOCIAL RESPONSIBILITY AND THE EDUCATION DEVELOPMENT IN INDIA

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Introduction

With the passage of the Companies Act, 2013 the mandate for corporate social responsibility (CSR) has been formally introduced to the dashboard of the Boards of Indian companies. The industry has responded positively to the reform measure undertaken by the government with a wide interest across the public and private sector, Indian and multinational companies. The practice of CSR is not new to companies in India. However, what this Act does is bring more companies into the fold. Also, it is likely that the total CSR spends will increase. What is clear to many companies is that if this increased spending is to achieve results on the ground – which is the intent of the Act then it needs to be done strategically, systematically and thoughtfully. building a society which provides equal access to opportunities negates disparities and, is a collective responsibility.

The broad rationale for a new set of ethics for corporate decision making, which clearly constructs and upholds a organization's social responsibility, arises from the fact that a business enterprise derives several benefits from society, which must, therefore, require the enterprise to provide returns to society as well. This, therefore, clearly establishes the stake of a business organization in the good health and well being of a society of which it is a part. More importantly, in this age of widespread communication and growing emphasis on transparency, the managers should help their company in development of a CSR management and reporting framework.

Every single major policy initiative in this country has been driven with a perspective that an overwhelming concern for the disadvantaged and marginalised, a multidimensional view of poverty and human deprivation, the focus on our fundamental rights and the need to expand opportunities while ensuring its equal distribution are fundamental for achieving strong human development. But disparity, inequality and the growing divide in our societies define our existence today. The inclusion of the CSR mandate under the Companies Act, 2013 is an attempt to supplement the government's efforts of equitably delivering the benefits of growth and to engage the Corporate World with the country's development agenda.

Philanthropy and CSR is not a novel concept for Indian companies, however a few organisations are likely to struggle. The role of civil society in fuelling this change is bound to be extremely important. With the new corporate resources in their tool bag much will depend on their ability to innovate and adapt.

Corporate Social Responsibility

Corporate Social Responsibility (CSR) is becoming an increasingly important activity to businesses nationally and internationally. According to Lord Holme and Richard Watts "Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large" As globalisation accelerates and large corporations serve as global providers, these corporations have progressively recognized the benefits of providing CSR programs in their various locations. Traditionally in the United States, CSR has been defined much more in terms of a philanthropic model. Companies make profits, unhindered except by fulfilling their duty to pay taxes. Then they donate a certain share of the profits to charitable causes. It is seen as tainting the act for the company to receive any benefit from the giving.

While there may be no single universally accepted definition of CSR, each definition that currently exists underpins the impact that businesses have on society at large and the societal expectations of them. Although the roots of CSR lie in philanthropic activities (such as donations, charity, relief work, etc.) of corporations, globally, the concept of CSR has evolved and now encompasses all related concepts such as triple bottom line, corporate citizenship, philanthropy, strategic philanthropy, shared value, corporate sustainability and business responsibility. This is evident in some of the definitions presented below:

The CSR can be defined as "the responsibility of enterprises for their impacts on society". To completely meet their social responsibility, enterprises "should have in place a process to Educational, integrate social, environmental, ethical human rights and consumer concerns into their business operations and core strategy in close collaboration with their stakeholders"

The European model is much more focused on operating the core business in a socially responsible way, complemented by investment in communities for solid business case reasons. CSR is about building sustainable businesses, which need healthy economies, markets and communities.



The key drivers for CSR are:

Enlightened self-interest - creating a synergy of ethics, a cohesive society and a sustainable global economy where markets, labour and communities are able to function well together.

Social investment : contributing to physical infrastructure and social capital is a necessary part of doing business.

Transparency and trust: business has low ratings of trust in public perception. There is increasing expectation that companies will be more open, more accountable and be prepared to report publicly on their performance in social and environmental arenas.

Increased public expectations of business : globally companies are expected to do more than merely provide jobs and contribute to the economy through taxes and employment.”

CSR in the context of Globalization

Globalization could lead to benchmarks, better jobs, higher standards of living, but could result in the gap between developed and developing countries broadening to the detriment of all. Thus, two key areas need to be managed by corporations, along with governments in the process of globalization, talents and trade. Developing countries need to learn to develop and also retain talent, and that requires a revamp of much of its culture including education infrastructure, legal systems, immigration policies and management policies, while arts and entertainment facilities will need to adapt to meet changing demands and more international tastes. Successful businesses realize the benefits of deep community ties, creating path-ways of exchange of information, energy and ideas. Increasingly companies are separating community management from public relations by opening up separate offices. According to Jack Greenberg, President and chief executive officer of McDonald's Corporation USA, “the company works with local governments, to touch people's lives at the grassroots level. Our commitments to social responsibility and to making profits are necessarily linked.” Corporations need to realize that good causes can help improve a company's as well as a country's image.

The notion of corporate social responsibility is especially crucial in the case of developing or underdeveloped countries.

CSR practices in India

CSR in India has traditionally been seen as a philanthropic activity and in keeping with the Indian tradition, it was an activity that was performed but not deliberated. As a result, there is limited documentation on specific activities related to this concept. However, what was clearly evident that much of this had a national character encapsulated within it, whether it was endowing institutions to actively participating in India's freedom movement, and embedded in the idea of trusteeship.

CSR is not a new concept in India. Corporatist like the Tata Group, the Aditya Birla Group, and Indian Oil Corporation, to name a few, have been involved in serving the community ever since their inception. Many other organizations have been doing their part for the society.

CSR has become increasingly prominent in the Indian corporate scenario because organizations have realized that besides growing their businesses it is also vital to build trustworthy and sustainable relationships with the community at large. Another reason fuelling this rapid adoption of CSR is the state of the Indian society. Though India is one of the fastest growing economies, socio-economic problems like poverty, illiteracy, lack of healthcare etc. are still ubiquitous and the government has limited resources to tackle these challenges. This scenario has opened up several areas for businesses to contribute towards social development.

As some observers have pointed out, the practice of CSR in India still remains within the philanthropic space, but has moved from institutional building (educational, research and cultural) to community development through various projects. Also, with global influences and with communities becoming more active and demanding, there appears to be a discernible trend, that while CSR remains largely restricted to community development, it is getting more strategic in nature (that is, getting linked with business) than philanthropic, and a large number of companies are reporting the activities they are undertaking in this space in their official websites, annual reports, sustainability reports and even publishing CSR reports.

CSR in India tends to focus on what is done with profits after they are made. On the other hand, sustainability is about factoring the social and environmental impacts of conducting business, that is, how profits are made. Hence, much of the Indian practice of CSR is an important component of sustainability or responsible business, which is a larger idea, a fact that is evident from various sustainability frameworks. An interesting case in point is the NVGs for social, environmental and economic responsibilities of business issued by the Ministry of Corporate Affairs in June 2011. Principle eight relating to



inclusive development encompasses most of the aspects covered by the CSR clause of the Companies Act, 2013. However, the remaining eight principles relate to other aspects of the business. The UN Global Compact, a widely used sustainability framework has 10 principles covering social, environmental, human rights and governance issues, and what is described as CSR is implicit rather than explicit in these principles.

Corporate social responsibility is represented by the contributions undertaken by companies to society through its core business activities, its social investment and philanthropy programmes and its engagement in public policy. In recent years CSR has become a fundamental business practice and has gained much attention from executive management teams of larger international companies. They understand that a strong CSR program is an essential element in achieving good business practices and effective leadership. Companies have determined that their impact on the economic, social and environmental landscape directly affects their relationships with stakeholders.

Corporate Social Responsibility (CSR) has acquired new dimensions in recent years. The Indian context is distinct. On the one hand, there are long-standing traditions of respect for family and social networks, and high value placed on relationships, social stability and education. Diverse religions and cultures also bring distinct attitudes towards community social behavior and engagement as well as support and philanthropic contributions. Governments in the region also play distinct roles – often stronger in terms of influence on economic and social priorities, yet not as advanced in terms of social safety nets.

Today, CSR in India has gone beyond merely charity and donations. It has become an integral part of the corporate strategy. Companies have CSR teams that devise specific policies, strategies and goals for their CSR programs and set aside budgets to support them.

These programs, in many cases, are based on a clearly defined social philosophy or are closely aligned with the companies' business expertise. Employees become the backbone of these initiatives and volunteer their time and contribute their skills, to implement them. CSR Programs could range from overall development of a community to supporting specific causes like education, environment, healthcare etc.

For example, organizations like Bharat Petroleum Corporation Limited, Maruti Suzuki India Limited, and Hindustan Unilever Limited, adopt villages where they focus on holistic development. They provide better medical and sanitation facilities, build schools and houses, and help the villagers become self-reliant by teaching them vocational and business skills.

Many CSR initiatives are executed by corporates in partnership with Non-governmental organizations (NGOs) who are well versed in working with the local communities and are experts in tackling specific social problems.

CSR and Education Development

After discussing CSR we can move on to consider whether higher education institutions might also be considered as corporations and whether the current ideas of CSR might have any say in principles and practices of the institutions where we work.

Businesses have begun to take a more targeted approach in their corporate social responsibility programs and are seeking to impact areas that have a correlation with their own business goals. For many businesses, education is an important part of their plans, since the needs exist in all geographic areas, across all subject areas, and for all kinds of people. The bottom line is that educational outreach efforts have the capability to make a real and lasting difference for all players involved.

Corporations are getting involved in education sector for a number of reasons, including Improved financial performance, building a positive reputation and goodwill among consumers, employees, investors, and other stakeholders; Increased ability to attract and retain employees developing brand recognition, whether to increase consumer loyalty, boost sales, or establish the company as an industry leader, easier access to capital; building a more educated workforce; raising consumer awareness about a particular issue; and fulfilling a company mission or mandate.

Today, education faces the rising challenges of standardized testing, strained budgets, teacher retention, and global workforce competition. In India Higher education is facing these challenges because there has been a huge demand and supply gap. India would have to nearly quadruple existing college seats and more than quadruple the number of professors to achieve the 20 percent GER(Gross enrollment ratio) by 2014 cited in the Venture Intelligence report.



There is a huge gap between the Aspirations and Availability as actual growth rate in education has been 11.3% as compare to 37% required by Eleventh five year plan set by govt. (Planning Commission).

The big question arises here is that How can we with Rs. **40,000 crores** of investment only for **2.5%** of the relevant age group solve the purpose of Higher education (Edge 2008). Already in the second years of the XIth plan nothing concrete has been seen on the ground yet.

The current framework of Pvt. Channel is also not encouraging as there are only 23 Private Universities & 70 Private Deemed Universities which are able to Enroll not more then One Million .In order to have a good education, skill development is critical but it is not easy as University education is not for all and Industry requires skilled manpower which is not possible without proper education.

A recent report by the Confederation of Indian Industry (CII) and the Boston Consulting Group (BCG) titled 'India's demographic dilemmas' analyses the looming skill gaps in the country and the need to urgently address them. The report projects that over the next five years, India will experience a paradox of nearly 90 million persons joining the workforce, but most will lack the requisite skills and the mindset for productive employment, or for generating incomes through self employment.

The clearest and boldest statement of this issue can be found in the "Report to the Nation 2006" of the National Knowledge Commission which concludes that there is "a quiet crisis in higher education in India that runs deep", and that it has to do with both the quantity and the quality of higher education in India. A recent government report finds two-thirds of India's colleges and universities below standard. India's highest-quality institutions have severely limited capacity. Today, public education faces the mounting challenges of standardized testing, strained budgets, teacher retention, and global workforce competition. At the same time, corporate America has added pressure to prove itself to consumers, investors, and government regulators. These demands have given way to new opportunities for businesses to support education in a win-win situation that benefits everyone.

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Companies get involved in education for a number of strategic reasons, including building a positive reputation and goodwill among consumers, employees, investors, and other stakeholders; developing brand recognition, whether to increase consumer loyalty, boost sales, or establish the company as an industry leader; building a more educated workforce; raising consumer awareness about a particular issue; and fulfilling a company mission or mandate. Students, schools, and the general public can benefit from the experience and expertise that corporations bring to the table, particularly if the groups work together to ensure the right needs are being met on both ends. Companies looking to contribute to public school education, for instance, must consider the many demands that schools and educators face daily – time constraints, tight budgets, technology access, standardized testing, and explicit curriculum standards as well as the unique places where outside help is needed. As long as they address the right needs, businesses have the ability to make a tremendous impact. By providing highly engaging resources, by building in strong connections with instructional needs, and by effectively marketing the resources, more and more companies are simultaneously meeting educational goals and their own business goals. Parents are enthusiastic about the industry involvement, too, so long as it's positive and productive. Biotechnology giant Genentech's CEO, Dr. Arthur Levinson, recently said, "We're hiring as many good people as we can out there, but there's not an infinite number of terrific people." To address the shortage, the company sponsors biotechnology workforce initiatives, offers financial assistance and internships to diverse students, and supports health science education efforts from K-12 through the graduate level. This type of comprehensive, focused, relevant involvement is key to the new direction of corporate social responsibility. A new era of corporate involvement and investment in education is here, with promise and opportunity framing the way forward.

The world has undergone a tremendous change with the advent and proliferation of information and communication technologies (ICT) such as the internet, email and wireless communication, whose impact (both positive and negative) is perceived in every sector of society and every corner of the globe. In this new era of knowledge society that has emerged in the course of human history role of corporations are extremely crucial in complementing government's efforts.

This is because people can no longer either underestimate or overestimate the potential role that digital divide could play. In this globalised economy, the role played by corporations engaged in such enterprise could reduce the asymmetries created by the digital divide within and amongst countries by utilizing the immense potential of ICT to the advantage of society per se the world over.



Corporate companies and Education development

Azim Premji foundation: The Azim Premji Foundation till 2006 had touched nearly 20,000 schools, 60,000 teachers and three million children. With over 250 professionals and over 1000 paid field volunteers, its vision is to 'significantly contribute to achieving quality universal education to facilitate a just, equitable and humane society.' The Foundation aims to deliver quality universal education across the country by bringing systemic changes in partnership with the government agencies and not merely develop smaller 'islands of excellence'. The Foundation has also set up training institutes for school teachers as it believes in improving school performance by improving quality of teachers and school infrastructure **Bharti**

Airtel: Under the aegis of its flagship program, the Satya Bharti School Program, Bharti Foundation imparts primary and higher education to help in both holistic and academic development of underprivileged children and youth across the rural pockets of India. Girl child gets special focus in these temples of learning, radiating knowledge and excellence. This helps them connect with their own community and stay rooted to their local culture. The senior school program trains students in vocational skills to help them emerge as employable citizens and contribute towards community development. Currently 236 Satya Bharti Primary Schools are operational across 5 states of Punjab, Rajasthan, Haryana, Uttar Pradesh and Tamil Nadu; reaching out to approximately 30,000 children and recruiting over 1,000 teachers from local communities. Bharti Foundation launched the Satya Bharti School Program in Murshidabad district of the state of West Bengal this year. The foundation stone for this new initiative is a first as a part of the expansion plan to set up 10 such primary schools in the district in due course of time. Of these 236 operational schools, 49 schools are adopted government schools, under public private partnership reaching out to about 6,000 children, across Neemrana and Amer blocks of Rajasthan. The adopted schools continue to follow the state prescribed curriculum, supplemented by interesting teaching-learning material and processes developed by the curriculum design team of Bharti Foundation.

DLF Foundation: DLF Foundation also administered scholarships for meritorious students from economically vulnerable sections of society and scholarships for higher education for aspirants particularly from certain districts of Haryana and U.P. Notable among these programs is the "DLF - Choudhary Raghuvendra Singh Scholarship for Excellence in Education". Grants are provided for studies in the fields of Engineering, Medical, Management, Fine Arts and for excellence in Sports. These Scholarships are instituted for higher education within India. The maximum amount of scholarship is Rs. 1,00,000/- for the complete academic course. Applicants are required to secure admission to any reputed institution within the country to be eligible for the scholarship.

Conclusion

Corporate Social Responsibility has many facets. Companies have been finding various innovative alternatives to discharge their social responsibility. There is strong desire to change the current state of education, and of the current less-than-adequate regard for the impact of business on larger societies are, however, prerequisites. India has to restructure the education system at all the levels i.e. elementary, secondary and higher education level. This is possible when the corporates also perform their responsibilities towards society. They are also the consumers/users of trained/skilled manpower produced by the universities. In order to reap concrete benefits they must help these universities /colleges to produce such skilled and trained manpower by providing funds for research and development, organizing various workshops, training and development programs, cross over exchange programs, infrastructural support and last but not least providing facilities for qualitative education that quantitative. The role of CSR in education is thus mitigating the skills gap with considerable experimentation, and learning-by-doing along the way. In this process, the affected individuals, companies, and society at large are likely to benefit. Education is the sector which is the most eligible and socially rewarding effort for any corporate to be looked upon to discharge its social responsibility. Supporting education at any level will mean, re-energized education sector which can transform our country into a true knowledge power and realize a future of prosperity and growth.

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