



Corporate Social Responsibility and Education in India a Step Towards Sustainable Development

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Abstract

Corporate Social Responsibility (CSR) has emerged as a catalyst for the development of various sectors of society in India. Among all sectors, the Education sector is one of its most focused areas. Despite the country's expansive and diverse education system, significant challenges persist, particularly prominent in rural and underserved areas. While government initiatives aim to address these issues, corporate sector initiatives are essential in bridging the gaps and improving educational opportunities through CSR activities. Over the years, CSR initiatives have significantly enriched the Indian educational landscape. Post-mandate public sector and private sector companies have directed their resources toward critical areas such as infrastructure development, teacher training, scholarships for underprivileged students, and digital literacy programs. These interventions have improved the quality and access to education. As a result, millions of students have achieved better academic outcomes and professional opportunities. By investing in education, companies empower communities and equip students with essential skills. These initiatives help create a future-ready workforce capable of driving national progress. Furthermore, they align with Sustainable Development Goals, which focus on inclusive, equitable, and quality education for all. This study examines the state-wise contribution of CSR to the educational sector. It also focuses on the role of public and private sector companies in fostering a more educated and sustainable future. The study highlights how corporate involvement through CSR complements government efforts towards sustainability. It addresses the issues and challenges of CSR compliance. Finally, it explores a way forward towards achieving sustainability in the Education sector.

Keywords: Corporate Social Responsibility (CSR), Education, socio-economic development, sustainability.

1. Introduction

"Business needs to go beyond the interest of their companies to the communities they serve." – As quoted by Ratan Tata. According to the history of Indian businesses, this statement resonates deeply with the ethos of the Indian tradition and culture where social responsibility has been integrated from the start. Ancient Literature is a testimony to such practices of prioritizing the community wellbeing beyond profit. However, the framework of CSR has evolved significantly overtime, especially post-independence. Initially, under the Companies Act, 1956 CSR expenditure was voluntarily practiced by a minute share of the giant companies. However, the shift began after adopting inclusive growth in the 11th 5-year plan (2017-2021). In 2009, the Ministry of Corporate Affairs (MCA) issued voluntary

guidelines concerning CSR. Followed by National voluntary guidelines issued in 2011. The efforts bore fruit a year later in 2012 and Business responsibilities reporting was introduced. Finally, a change occurred after the introduction of the Companies Act, 2013, which on 1st April 2014, declared CSR mandatory under section 135. As per schedule VII of the act, the companies meeting specific financial criteria (Net worth of minimum 500 Cr, or Turnover of 1000 Cr, or Net profit worth more than equal to 5Cr (During any FY), must allocate a minimum of 2% of their average net profits over the preceding three FYs to CSR activities. Furthermore, the companies are required to establish a CSR policy, and form a CSR committee to ensure proper implementation and reporting of such CSR activities. In today's modern

business environment, Corporate Social Responsibility (CSR) has evolved into a crucial strategic imperative that extends beyond profit maximization, emphasizing a company's commitment towards societal and environmental well-being. Education, has emerged as a cornerstone of societal progress, and is increasingly becoming a key focus area for CSR initiatives addressing challenges like access to quality education, skill development, and digital literacy. Guided by the principles of the Triple Bottom Line—profit, people, and the planet—CSR activities in education foster inclusivity and contribute to sustainable development. Through strategic investments in education, businesses are not only nurturing the workforce of tomorrow but also enhancing their reputation and advancing social equity and global development goals. As quoted by Nelson Mandela, “Education is the most powerful weapon which you can use to change the world.” [1-5]

2. Objective

- To study the state-wise CSR funding in the Educational Sector.
- To study the Education related CSR initiatives by leading Private and Public sector companies
- To study the issues and challenges of CSR compliance in India.

3. Research Methodology

This study is empirical in nature and uses qualitative and quantitative measures based on Secondary data extracted from the National CSR Portal and other Research papers and websites. The tools used are Percentage and Mean Average.

4. Educational Initiatives Funded by CSR: A State-Wise Review

An analysis of CSR expenditure reveals significant variation in spending across different states and sectors. In the realm of education, businesses have tailored their CSR initiatives to address specific regional challenges and requirements, reflecting a targeted approach to impact. Out of the total CSR expenditure exceeding ₹29,000 crores, a substantial 44% has been dedicated to initiatives in education, in support for the differently-abled, and livelihood in the

enhancement. The detailed CSR allocation to different categories in this sector is as follows: The data highlights a steady growth in CSR investments directed toward education, underscoring an increasing acknowledgement of its pivotal role in shaping a skilled workforce and addressing socioeconomic inequalities across India. Moreover, there has been a significant rise in funding allocated to special education, vocational training, and livelihood enhancement initiatives, showcasing a comprehensive commitment to fostering education and skill-building across diverse areas. Table 1 shows CSR Allocation to Different Categories in The Education Sector, Education, has emerged as a cornerstone of societal progress, and is increasingly becoming a key focus area for CSR initiatives addressing challenges like access to quality education, skill development, and digital literacy. Guided by the principles of the Triple Bottom Line—profit, people, Table 2 shows Top 10 States Funding CSR in the Educational Sector.

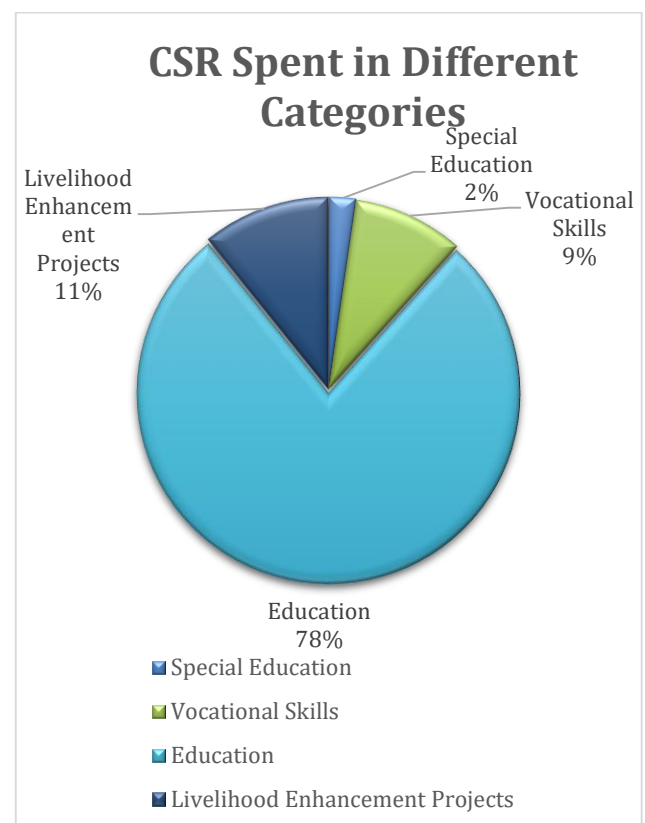


Figure 1 CSR Spent in Different Categories

Table 1 CSR Allocation to Different Categories in The Education Sector

Categories	Amount in Rs (INR Cr)								
	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Special Education	41.4	125.8	165.3	140	186.1	196.9	209.2	190.5	305.6
Vocational Skills	277.1	344.4	379.7	546.5	798.4	1,181.20	717.7	1,033.80	1,164.20
Education	2,589.40	4,057.50	4,534.20	5,763.50	6,111.70	7,179.50	6,693.30	6,557.10	10,085.40
Livelihood Enhancement Projects	280.2	393.4	518.5	832.4	908	1,077.70	938.9	854.5	1,654.40
Total	3188.09	4921.07	5597.68	7282.32	8004.13	9635.34	8559.05	8635.96	13209.53

Table 2 Top 10 States Funding CSR in the Educational Sector

	State	FY 2014-15	FY 2014-16	FY 2014-17	FY 2014-18	FY 2014-19	FY 2014-20	FY 2014-21	FY 2014-22	FY 2014-23
1	Maharashtra	423.85	894.52	985.07	1469.87	1511.31	1477.52	1669.76	1665.14	2215.73
2	Karnataka	140.58	320.67	463.56	546.44	649.83	735.13	545.41	756.05	1110.16
3	Tamil Nadu	382.31	231.92	251.57	343.14	380.8	567.22	490.63	492.55	810.67
4	Gujarat	163.04	229.08	309.11	314.2	471.46	398.27	511.95	548.14	977.72
5	Delhi	101.06	196.75	183.6	279.35	323.86	369.18	305.84	406.56	576.11
6	Uttar Pradesh	84.33	163.29	141.94	240.52	182.02	272.93	310.76	540.25	476.01
7	Odisha	61.42	152.17	172.13	296.02	362.43	400.78	173.34	173.67	425.32
8	Rajasthan	145.58	144.02	139.1	201.56	244.97	370.57	249	233.95	399.89
9	Andhra Pradesh	182.99	266.96	316.68	208.35	186.65	204.74	155.18	176.89	361.44
10	Telangana	53.11	109.55	116.52	164.37	219.22	208.68	248.13	265.08	414.19

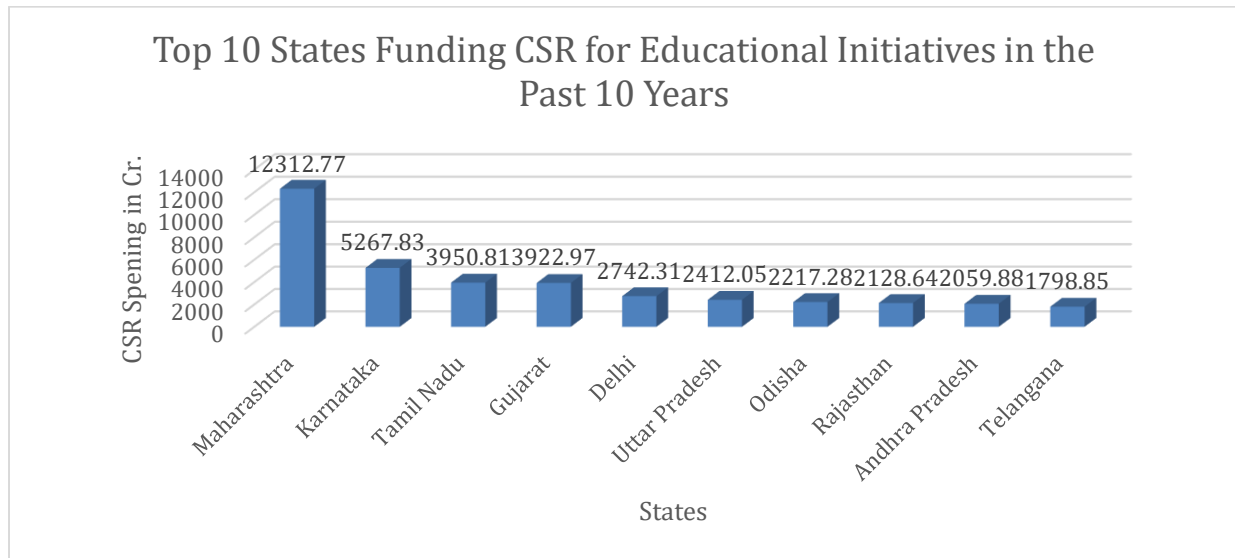


Figure 2 Top 10 States Funding CSR for Educational Initiatives

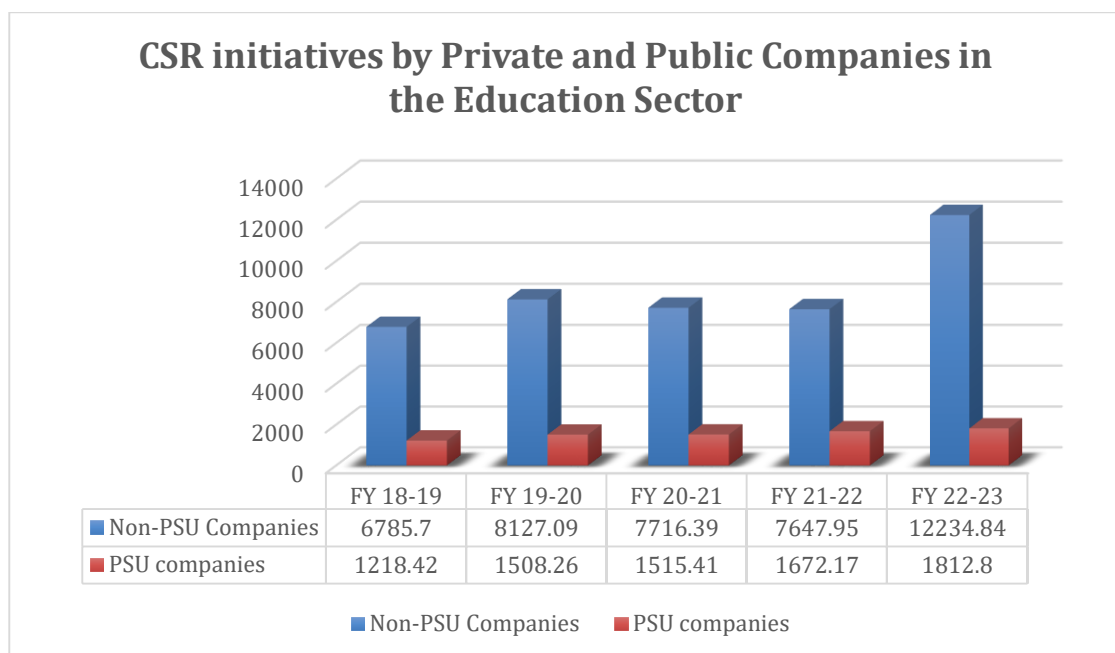


Figure 3 CSR initiatives by Private and Public Companies in the Education Sector

As per the data collected from the National CSR Portal, the mean Average of the 5-year data of Private sector CSR initiatives resulted to 0.846. Whereas, that of the Public sector CSR initiative results to 0.154. Therefore, a stark difference exists in CSR spending between Public Sector Undertakings (PSUs) and private companies. While non-PSUs account for an overwhelming 84.6% of total CSR expenditure, PSUs contribute just 15.4%, indicating

varying levels of commitment to social responsibility initiatives. [6-10]

5. Impactful CSR Initiatives by Leading Companies

Many leading Public sector and Private sector companies have focused their CSR initiatives towards creating an impact in the Educational sector. Some of them based on their impact and scale are stated below:

5.1 Private Sector Companies

- **Tata Group:** Focused on building institutions like the Indian Institute of Science and Tata Institute of Fundamental Research, and community outreach projects like "Masti Ki Pathshala" for street children and "Titan Kanya" for empowering girls.
- **Infosys Foundation:** Promotes STEM learning in rural areas, supports girl-child education, and partners with organizations to upskill women in technology.
- **Reliance Foundation:** Operates 14 schools impacting over 16,000 students, integrates education with sports, and runs programs like ESA (Education and Sports for All) for underprivileged children.
- **UltraTech Cement:** Contributed to educational programs by building infrastructure, providing scholarships, and supporting midday meal schemes. Supported around 9,500 children in 250 anganwadis.
- **Pidilite Industries:** Renovated 129 government schools, provided scholarships, and supported scientific education through the Shri Balvant Parekh Science City. Benefited 90,915 students through online educational sessions.

5.2 Public Sector Companies

- **Oil and Natural Gas Corporation (ONGC):** Strengthened educational infrastructure, set up smart classrooms, and built school facilities like toilets and drinking water systems. ONGC Foundation, for instance, has built over 200 schools and provided scholarships to thousands of students, with an annual CSR spend of around ₹500 crore.
- **Bharat Heavy Electricals Limited (BHEL):** BHEL focuses on vocational training and skill development, contributing approximately ₹100-150 crore annually.
- **Indian Oil Corporation of India (IOCL):** IOC's education initiatives include scholarship programs for underprivileged

- children, and the construction of schools in rural areas. It contributed to the education of more than 30,000 students through scholarships and financial assistance.
- **Steel Authority of India Limited (SAIL):** SAIL has developed over 60 schools and hospitals, and NTPC has supported more than 1,000 schools in rural regions, allocating around ₹300 crore annually for their CSR activities. [11-15]
- **National Thermal Power Corporation (NTPC):** supported over 1,000 schools in rural areas and provided education to underprivileged children. The company focuses on promoting digital education and has equipped many schools with smart classrooms.

5.3 Digital Transformation through CSR

A major shift in CSR efforts within the education sector is the increasing emphasis on digital transformation. The COVID-19 pandemic underscored the critical need for digital access among students, prompting numerous companies to invest heavily in digital infrastructure. The major contributions were in the following areas:

- **E-learning platforms:** Organizations have funded the development of e-learning platforms, ensuring students can continue their studies remotely during disruptions such as the pandemic.
- **Device donations:** Many corporations have donated electronic devices like tablets and laptops to students from disadvantaged backgrounds, enabling them to access online education.
- **Teacher tech training:** A growing number of CSR initiatives are focused on providing educators with training to effectively use digital tools in the classroom.

5.4 CSR, Education and Sustainability

"Sustainability is about ensuring that future generations inherit a healthy planet, vibrant communities, and resilient economies." – As quoted

by the Hon'ble Prime Minister of India Shree Narendra Modi Corporate Social Responsibility (CSR) promotes sustainability and both go hand in hand. Education is Key for sustainability as it equips individuals with knowledge, skills, and values which are key for tackling global challenges. It also focuses on Climate change, inequality, and resource depletion thereby addressing pressing issues. It also encourages responsible decision-making for sustainable solutions by fostering critical thinking and innovation. Hence, integrating sustainability through CSR into education helps prepare future generations for inclusive growth and environmental protection. Furthermore, this study on CSR Initiatives towards Education aligns with SDG-4 which focuses on inclusive, equitable, and quality education for all, decent work and economic growth (SDG-8), Innovation and Infrastructure (SDG-9), Sustainable cities and communities (SDG-11)

6. Navigating the Issues and Challenges of CSR Compliance in India

Although CSR initiatives have grown significantly in India, several hurdles continue to impede their effectiveness: **Regional Disparities in CSR Funding:** A major issue is the uneven distribution of CSR contributions across states. Industrialised regions like Maharashtra, Karnataka, Tamil Nadu and Gujrat dominate CSR spending, with Maharashtra alone receiving over Rs. 12312.77 crores in the past 10 years. In contrast, less developed and remote regions, such as Mizoram, Lakshadweep, and Leh, receive minimal funding, leaving these areas underserved and limiting the broader reach of CSR benefits. **Uneven Public vs. Private Sector Contributions:** There is a stark difference in CSR spending between Public Sector Undertakings (PSUs) and private companies. While non-PSUs account for an overwhelming 84.6% of total CSR expenditure, PSUs contribute just 15.4%, indicating varying levels of commitment to social responsibility initiatives. **Challenges in Partner Selection:** Companies frequently encounter difficulties in identifying trustworthy and capable partners, such as NGOs or local agencies, to implement CSR projects. This lack of reliable collaborators can lead to inefficient fund

usage and missed opportunities to create lasting social progress. Incorporating a meaningful Impact: Companies, that fulfil the criteria of CSR, undertake a mere donation of funds, which is not enough, they must adopt a holistic approach to incorporate a meaningful impact on society. Lastly, a follow-up process should be undertaken. These challenges underline the need for more balanced funding, strategic alignment, stronger partnerships, and greater transparency to maximize the impact of CSR in India.

7. The way Forward: Building a stronger Educational Ecosystem

Despite the positive outcomes of CSR investments in education, several challenges remain and these can be addressed in the following ways:

- The private sector contributes nearly 85% of CSR funding towards the education sector, while the public sector contributes a relatively smaller share of around 15%. An increase in the Public Sector CSR funding will channel more resources into educational development and bridge regional disparities as well.
- Promote collaboration among businesses, NGOs, and government bodies to develop comprehensive and long-term educational programs. It will lead to fostering a more inclusive and equitable learning environment for all students.
- Redirect a larger share of CSR funding to rural areas, where educational facilities and resources remain underdeveloped.
- Companies should keep supporting digital literacy initiatives to equip students with the skills necessary for the evolving digital workforce.

Lastly, mere donation of funds in the name of CSR is not enough, companies must adopt a holistic approach for inclusive growth and environmental protection.

Conclusion

In conclusion, CSR initiatives have made a significant contribution to improving education in India, yet challenges like regional disparities and uneven sectoral contributions need to be addressed.

Policymakers can use this study to identify the regional disparity in CSR spending in the education sector and promote inclusive growth as well as enhance policy designs. By understanding the gap between the private sector and public sector CSR initiatives, they can work towards creating effective collaboration between companies, NGOs, and the government to create more comprehensive and long-term educational interventions. This study is also helpful for identifying the issues and challenges faced in CSR compliance and provides insights for policymakers to create an environment for CSR where corporate contributions towards educational development are strategic and align with sustainable development goals. By strengthening these efforts, CSR can continue to play a transformative role in ensuring every child has access to quality education, laying the foundation for a brighter, more equitable future for India and hence promote sustainability.

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