Impact of Corporate Social Responsibility On Higher Education in India

Mr. Dipak Karmakar
M.Com, Research Scholar Raiganj University, West Bengal
Corresponding Author: Mr. Dipak Karmakar

Abstract: Education has a pivotal role in nation building. In a country like India where there is a abundance of labourers but there is an absence of skilled and trained workforce primarily due to poverty and lack of education. This is a vicious circle of poverty affecting the formation of human capital. The poverty stricken but meritorious students gives up their studies thus engage themselves in menial jobs. This study focuses on the concept needs, objectives and role of corporate houses towards the society. CSR has a lot of potential to develop the higher education in near future. CSR is a strategic practice and has a crucial role to play in the organizational success since it aims at long term sustainability.

Keywords: Corporate Social Responsibility, Higher Education, Companies Act 2013.

Date of Submission: 20-05-2018
Date of acceptance: 02-06-2018

I. Introduction

CSR is the prism that captures a spectrum of ethics and refracts them to various stakeholders. CSR is a wide concept which aims at fulfilling the needs of various stakeholders such as economy, society, community, environment, employees, owners and investors, and aims at sustainable development. This concept aims at highlighting the importance of contribution of the business houses towards the development of the society. It is a holistic approach which evolved from the idea that if business enterprise uses the resources of the society to earn profit, it becomes a moral obligation for them to benefit the society at a large. It is a term that was coined in 1953 by Bowen which was further modified by management consultant Peter Drucker. Among the various stakeholders’ human resources is a crucial aspect since they form the human capital. Skill formation of human resources requires adequate education, training and investment. It is rightly stated by Benjamin Franklin: “An investment in knowledge pays the best interest.”

In a country like India with second largest population in the world, education is an imperative tool to unleash the full potential of its human capital since education is a gateway to economic prosperity for both the individuals and the nation. Philosopher like Kautilya from India has also preached and promoted ethical principles while doing business.

An exemplary contribution is evident from Turkish University where in they have developed a business-like approach and after the development of first Private University in 1984 (Atakan and Eker 2007) a serious competition is seen within the nation. Istanbul Bigli University starting from its establishment committed itself to the propagation of democratic values and human rights to critical thought and to effective intervention in the social fabric of its multicultural environment.

The provision regarding CSR in the new Companies Act 2013 has brought within its ambit all the companies with at least Rs 5 crore net profits or Rs 1000 crores turnover or Rs 500 crores net worth, making it mandatory for them to spend 2 percent of the three years average net profit on CSR activities.

In India the implementation of RUSA (Rastriya Uchchatara Siksha Abhiyan) a centrally sponsored scheme launched in 2013 aims at providing strategic funding to eligible state higher educational institution. It is believed that CSR can pave the way to economic development in India by utilizing the contribution in higher education by promoting future generation.

II. Objectives Of The Study

(a) To analyze the need of CSR in higher education.
(b) To know the initiatives of CSR in higher education sector.

III. Literature Review

The study is an outcome of the idea propounded by HR Brown’s (1953-father of CSR) literary work “Social Responsibility of the Businesses and the contribution extended by Davis (1960, 1973) Johnson (1971) Jones (1980, 1983) Carroll (1991, 1999) that businesses have fulfilled...
economic, legal, economic and legal and philanthropic responsibilities inorder to address its entire obligation to the society. This study is undertaken to investigate the role of CSR in higher education i.e. how the revenue generated from CSR can be utilized to give improve the higher education so that Indian education system can be sustainable and meet global standards by making it more accessible and affordable to the poor and deserving students so that over commercialization does not hamper the quality of education as suggested by Dr. Sumanth S Hireman and Darsharath R Arbal (2016). This investigation is undertaken to highlight the initiatives taken by Turkish education Istanbul Gilgi University and the way they benefited the society and themselves. This inquiry is made to highlight the importance of higher education by projecting the value of CSR in terms of competitive advantage and reputation (UNESCO 1991) has also indicated role of higher education. Even the schedule VII of Companies Act 2013 has highlighted how CSR can positively impact three elements economic, social, and environmental impacts for long term sustainability. The act provides mandatory contribution towards the CSR with education being specified as eligible activity. The higher education sector is delivered to be a major beneficiary of the mandatory CSR provision resulting in improved funding for the institutions.

IV. Research Methodology

Research based on secondary data hence exploratory in nature. The secondary data and information have been analyzed for preparing the paper extensively. The secondary information have been collected from different scholars and researchers published in different journal, periodicals, working paper and websites.

V. Need For CSR

Education sector in India is facing various constraints due to lack of proper funding. There are plethora of issues India needs to address such as over population, sanitation, poverty, healthcare and education. Most of the people are not financially self sufficient as a result they have no access to basic amenities and education. Students are forced to quit schools and colleges to earn for their livelihood. Many children are forced to work as child workers to secure two square meals a day. People are mostly illiterate as a result they have no knowledge about family planning as a result their quality of life is deteriorating. They are trapped in the vicious circle of generations after generation. Nelson Mandela rightly said “education is the most powerful weapon which you can use to change the world.” Contrasting Indians are unable to afford the quality education and as a result the human capital formation is facing a major setback. Higher education is beyond the reach of most of the Indian students due to their poor financial condition leading to unskilled labour force who are unable to contribute towards the economic development. Only a meagre 12% of the total population has access to higher education (i.e. in colleges and universities). More than 60 million students are in the age group of 6 to 14 years are school drop outs. However, regressive growth in educational sector can be improved with the help of strong CSR activities in educational field. However government cannot bring about the reforms in isolation; with the contribution of corporate houses in terms of various resources funds expertise reform is possible. Combined efforts of governments, NGOs, corporate houses can impart quality education and requisite skills to the students who can in turn serve as skilled labour force; which is the basic objective of CSR. Both the society and the corporate houses can benefit from such initiatives. Corporate houses can build a better image, spread awareness, impart quality education to contribute towards human capital formation who can serve as a human resource for their companies thereby having a competitive advantage over the rival firms. Poor but meritorious students can be largely benefitted by such programmes in the following ways:-

- Scholarships can help the deprived class to pursue higher education;
- Libraries can help them to get access to better books;
- Infrastructure i.e. investment in buildings colleges, computer labs, laboratories can them to learn better.

The need for CSR in higher education can be summed up by the following line by Malcolm Forbes:- “The purpose of education is to replace empty mind with an open one.”

VI. Initiatives Taken

Education is the backbone of an economy but imparting quality education needs a smooth infrastructure. At present there is a great need for upgrading our education system to keep at pace with the developed economies of the world. Despite being the world’s 2nd largest populous country in the world we lack skilled work force. Mostly students migrate to other countries for higher education and later end up working there; such brain drain is adversely affecting our economy. But various initiatives have been taken by various corporate houses in addition to government initiative towards improving the state of education in India.
Various initiatives taken up by various corporate houses can be listed as under:-

[1]Reliance industries limited:-

The Reliance industries has undertaken projects on DA scholarships, community development, digitisation of education initiatives, providing quality education, training and skill enhancement to improve the quality of living and livelihood. They have invested a sum of INR. 215 Crore, on various projects across India...it focuses on enabling higher education through scholarships, setting up and supporting universities and skill development through vocational training. Various programmes such as Dhruubhia Ambani Scholarship Programmes (DAS), RelianceDhruubhai Ambani Protshahan Schemes, and EducationforSpecially Abled Children are their major contributions.


It has contributed Rs. 108.13 crore towards CSR in various programmes such as Wipro Academy For Software Excellence, enabling science graduates to persuemasters degree in softwareengineering. Another project called WISTA in collaboraton with Vellore Institute of Technology (VIT) is imparting technical knowledge to the students. Mission 10X aims at enhancing the employability skill of engineering students by building capacity of engineering education infrastructure.

[3]Bajaj auto limited:-

It has directly provided financial support to educational institute's infrastructure by spending Rs. 75.84 crores in Maharashtra. It has contributed by constructing the admin building of Nagpur University, upgrading the college of engineering in Pune.

[4]Infosys limited:-

The Projects undertaken by them aims at extending helping hands to distant school, nurturing higher education, build better and learned India by investing Rs.43.8 crores across India. It has launched TIF scholarship which benefitted more than 1000 students.

VII. Conclusion

From the study undertaken it is clearly evident that CSR has avital role to play in days to come particularly in the field of higher education. Which in turn benefit the corporate house by availability of skill workforce and overall development of the economy. Many meritorious but financially poor student will be able to continue their higher education by availing various scholarship by the corporate houses. If the contribution of the corporate houses along with the government schemes are directed towards developments and upgradation of higher education, no doubt India is a remerge as powerful and skilled human resource.

Reference:

[1]. Handbook on Corporate Social Responsibility in India, Message from the Chairman CII’s Development Initiative Council, Chairman, CII’s Development Initiative Council, Bharti Enterprises.
[14]. https://www.ibef.org/industry/education-sector-india.aspx
[17]. https://www.theguardian.com/higher-education-network/blog/2012/mar/06/corporate-social-responsibility
[18]. https://en.wikipedia.org/wiki/Reliance_Industries
[19]. https://www.iosrjournals.org/iosr-journals/iosr-jbms2015.html