MAPPING **EDUCATION** INITIATIVES

OF 100 COMPANIES WITH THE LARGEST CSR BUDGETS











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Samhita
Doing Good Better

THE PROBLEM

The education sector in India has grown in leaps and bounds since Independence and there have been significant improvements made across different indicators. With the advent of the Millennium Development Goals (MDGs) and the Dakar Education For All (EFA) goals, significant attention has been given to achieving the goal of free and universal elementary education.

The Sarva Shiksha Abhiyaan (SSA) and the Right to Education Act (RTE) were India's responses to this commitment. The progress has been commendable – India has achieved near universal access for 199 million children, school infrastructure has increased to 1.4 million schools so that 98% habitations have a primary school (class I-V) within one kilometer and 92% have an upper primary school (class VI-VIII) within three kilometer walking distance.

However, considerable issues regarding quality of education - lack of learning, teacher quality, lack of accountability, irrelevant curriculum and pedagogy remain as captured by the low levels of attainment by children attending schools.

LESS THAN HALF (48%)
Of children in grade v could read a grade ii text

These challenges will have serious consequences on the growth and development potential of the country. The magnitude and scale of such challenges require concerted efforts and funds from all stakeholders including government.

& **ONLY A QUARTER (26%)**
could do division in 2014
practically unchanged over the decade.

THE OPPORTUNITY

Involvement of companies, through structured and strategic corporate social responsibility (CSR) programs can help address the issues plaguing the sector. The passing of the Companies Act, 2013 provides the right opportunity for companies to play an important role in this sector. Section 135 of the Companies Act 2013 ushers in a new regulatory stance towards corporate social responsibility (CSR) in India with an estimated 16,000 companies (according to the Ministry of Corporate Affairs) in India now required to comply with the mandatory provisions on CSR. This can translate into a total annual spend on CSR of approximately

INR 19,000-22,000Cr,

as companies ramp up spending to the norm of 2% of net profit laid down in the law.

National University of Educational Planning and Administration, 2014, Education for All, Towards Quality with Equity [online], August 2014, available at **http://mhrd.gov.in/sites/upload_files/mhrd/files/upload_document/EFA%20Review%20Report%20final.pdf**

ASER, (2014) Press Release [online], January 2015, available at
http://img.asercentre.org/docs/Publications/ASER%20Reports/ASER%202014/pressreleaseeng.pdf

THE CHALLENGE

Anecdotal evidence shows that existing CSR initiatives have had a slant towards interventions in **education** since companies clearly recognize the role of good quality education for developing the human resources required for economic growth at the micro as well as macro level. However, **not much evidence is available on past or current trends and gaps that can help companies size up social needs and identify opportunities for interventions.** With the onset of the new regulatory requirements and the quantum of CSR monies released, companies will need high-quality and regular information to make well informed decisions on causes that they want to support. In order to understand the current CSR trends in education and their implications for CSR, Samhita Social Ventures mapped the interventions of the

TOP 100 COMPANIES
WITH THE HIGHEST CSR BUDGETS.

METHODOLOGY

For the purpose of this study, Samhita selected the **top 100 companies on the Bombay Stock Exchange 500 list** based on the size of their CSR budgets, calculated as 2% of net profit. Publicly available information (accessible through websites, Business Responsibility Reports, Annual Reports) over the last 3 financial years (i.e. - 2011-2012, 2012-2013 and 2013-2014) was analysed to map CSR initiatives supported by companies, using the above classification. The interventions mapped covered children between 3 and 16 years old.

While some CSR programs may have covered multiple interventions, for the purpose of the study, we have considered each as a distinct activity. For example, while a company as part of one single program can provide scholarships and remedial education, both these aspects have been mapped individually. Part of this study is also based on the outcomes of the **'CSR in education-Ensuring Impact'** event organized by Samhita Social Ventures in Mumbai in February 2014.

SAMHITA'S APPROACH TO EDUCATION

School education is a vast and broad topic, characterized by multiplicity and complicity of issues. In order to be able to understand and address these issues in a systematic way, the study has divided them into two broad categories.



SUPPLY SIDE ISSUES

These issues affect the provision, delivery or quality of education. They can be further sub-divided into:

Issues related to accessibility - challenges to availability of affordable, functional, well maintained and suitable infrastructure (schools, toilets etc.)

Issues related to quality - barriers that impinge on the quality of service provision due to

i) poor capacity of providers such as shortage of teachers, lack of appropriate training for teachers and administrators

ii) systemic issues such as irrelevant curriculum, assessments, incentives, accountability, mis management of funds etc.

Education interventions designed to solve supply side barriers are generally indirect, targeted to improve or augment the capability and capacity to deliver education and include programs such as teacher training, developing curriculum etc.

DEMAND SIDE ISSUES

These refer to socio-economic and cultural factors that are responsible for low demand for education. These can be further divided into -

Socio-cultural norms and practices - these relate to conservative attitudes among communities especially with regards to girl education, practices such as early marriages, caste discrimination etc.

Family level circumstances - these include low income, poverty, migratory nature of livelihood, illiteracy among parents etc.

Interventions addressing demand side issues are directly targeted towards community and/or children and include programs such as community awareness and behaviour change campaigns, scholarships, financial subsidy, igniting interest and motivation among children etc.

The rest of the report follows this taxonomy to the extent possible.

Based on the above classification and the range of areas supported by companies as part of their CSR programs, this study has identified the following eleven areas of interventions:

	Area of intervention	Examples of CSR Programs
INTERVENTIONS ADDRESSING SUPPLY SIDE BARRIERS	Infrastructure and donation of learning material	Infrastructure for the school including toilets, computers, chairs, benches, light, fans etc. and learning materials for the large portion of children including books, pens, stationery, uniforms etc.
	Remedial education	Supplementary education for weaker children Non-formal education
	Learning methods (pedagogy)	Experiential learning ICT in classrooms
	School administration and management	Public Private Partnerships Running schools independently Remuneration for staff
	Building capacity of providers	Training for teachers Training for school leaders
	Systemic change	Curriculum development Development of learning material AssessmentsResearch
	Early childhood education	Training of anganwadi workers
INTERVENTION ADDRESSING DEMAND-SIDE BARRIERS	Skill development	Vocational education for children Mentoring children Extracurricular activities
	Parental / community awareness	Awareness campaigns
	School based nutrition and health	Midday meals for students Health awareness camps Health camps at schools
	In cash / kind assistance for students	Scholarships

MAIN FINDINGS

3/4th of the top 100 companies are supporting at least one program in school education through CSR

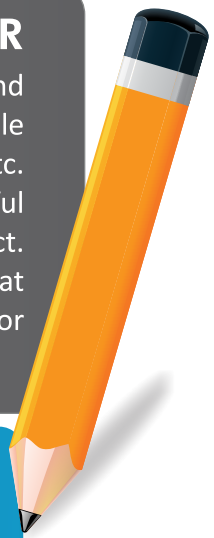
78 of the top 100 companies have had at least one program to address education (based on a program executed in any one of the three financial years under consideration), validating the widely held belief that education is one of the most popular sectors for CSR programs.

While most companies report that they support programs in education, the depth and quality of data provided in public reporting is extremely poor and sketchy. Given the lack of information on the expenditure incurred at the program level, the mapping does not indicate the spending flowing into each of these sub-sectors.

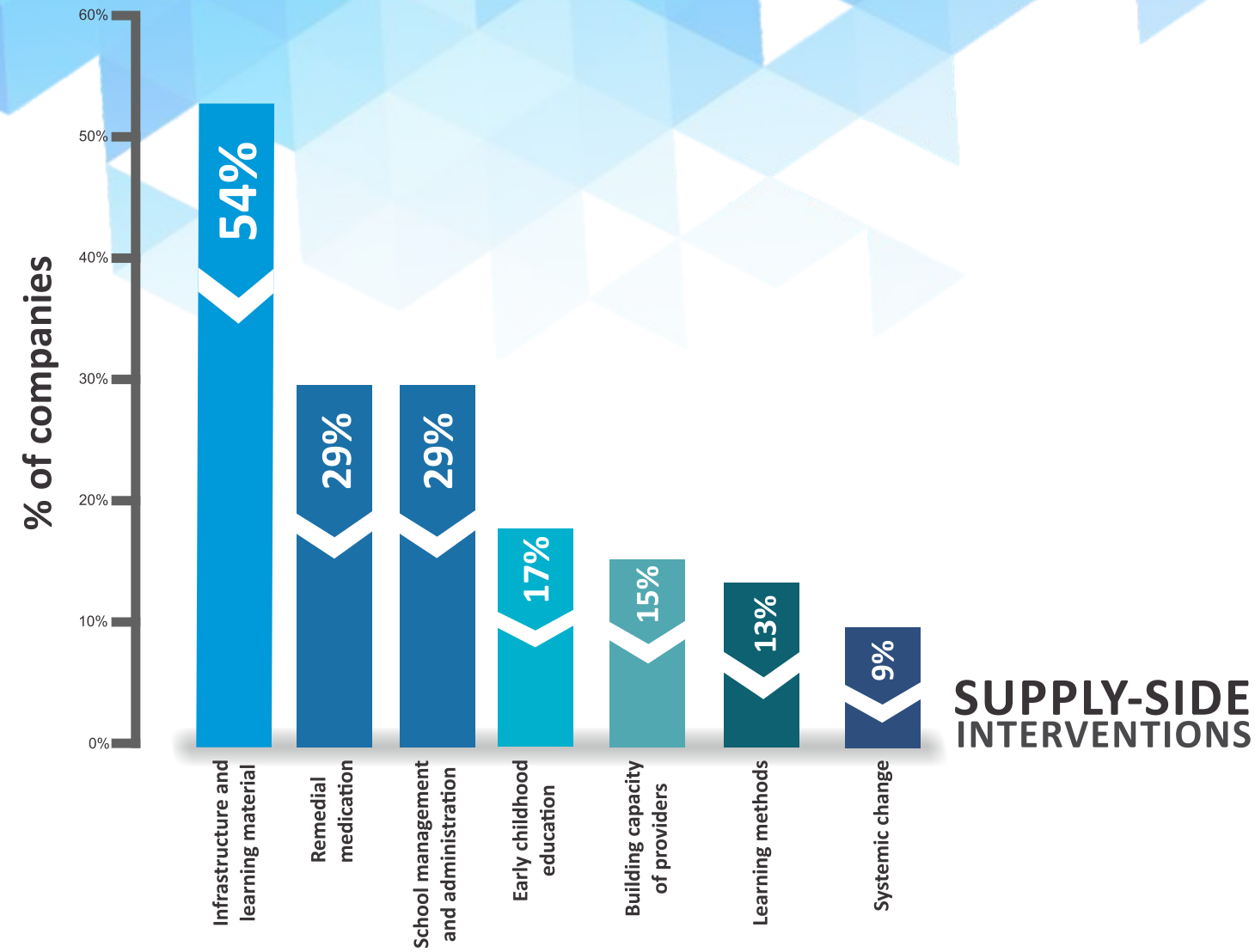
CALL FOR ACTION

RESPONSIBLE REPORTING IN THE CORPORATE SECTOR

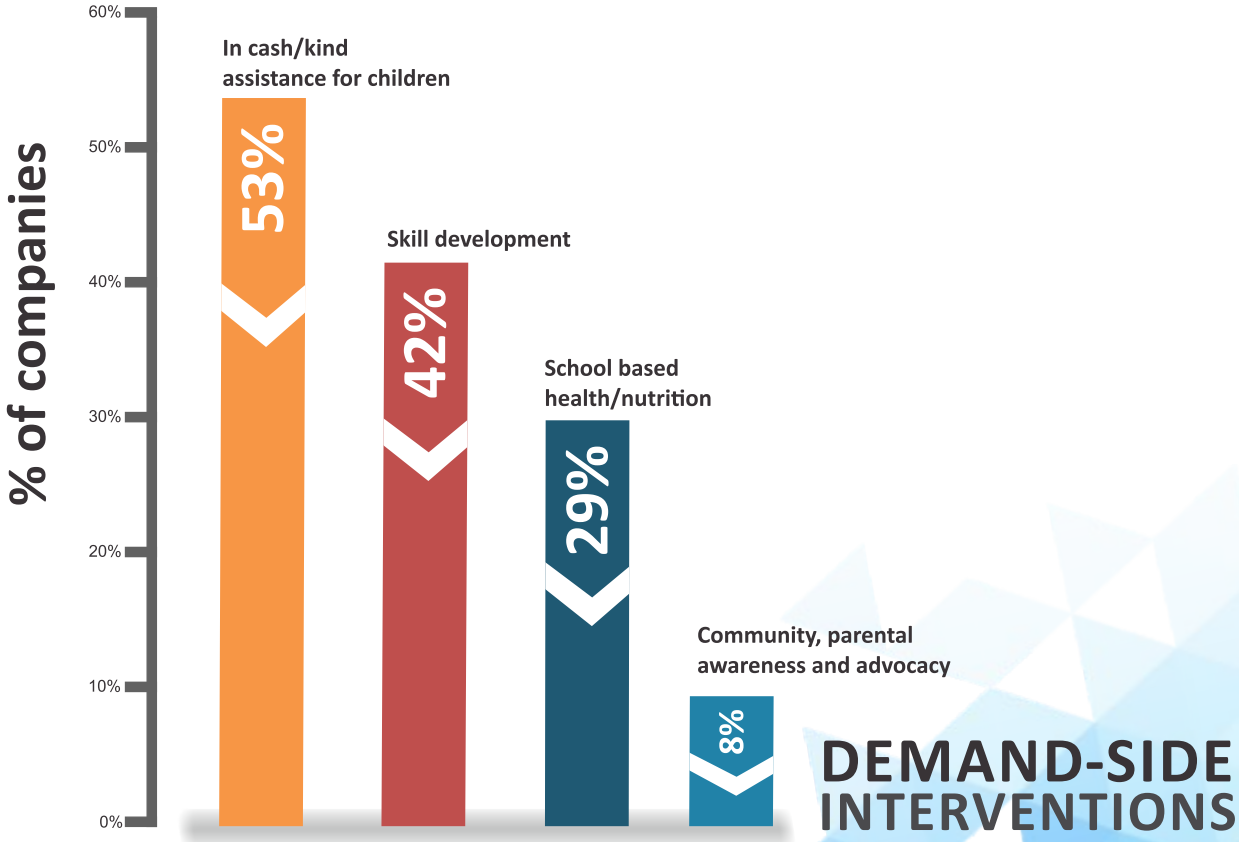
Unlike reporting on financial and business performance, reporting on CSR is found wanting. Little or no information is available on budgets, programs, number of people covered, geography, implementation partners, extent of employee engagement etc. Absence of regular and consistent data on these aspects of CSR hinders any meaningful analysis of trends, evidence and flow of funds, with the risk of creating uneven impact. With stronger emphasis on monitoring and reporting under Section 135, the hope is that more detailed and comprehensive information will be available in future that will allow for more nuanced analysis.



Infrastructure on supply side and scholarships on demand side are the most popular interventions for CSR in education



SUPPLY-SIDE INTERVENTIONS



DEMAND-SIDE INTERVENTIONS

Overall, 78 companies have implemented a total of 311 programs across the 11 types of interventions mentioned above (see appendix 1 for a detailed break-up). Of the 311 programs, 60% or 187 programs address supply side challenges in education and 40% or 124 programs attempt to resolve demand side barriers as articulated above.

On the supply side, **providing infrastructural inputs and learning material to schools** is the most popular intervention, with **54% of companies** (of those that support education) supporting this type of intervention.

Research has continuously highlighted that mere provision of infrastructure does not have an impact on learning outcomes, though Samhita's experience has shown that it is valued by school administrators, parents and community as it helps in attracting children to school and improving attendance and retention. It is important that even within infrastructure, provisions that create conducive learning environment (e.g. provision of toilets, use of walls and buildings as learning aids, provision of computers etc.) are prioritized and adequate support is provided to equip the schools to use the infrastructure more effectively (e.g. annual maintenance support, training teachers in operating computers and teaching children ICT skills etc.)

The trends indicate that there is a risk that support is focused on a few aspects of education, while other equally critical issues suffer from lack of attention and resources.

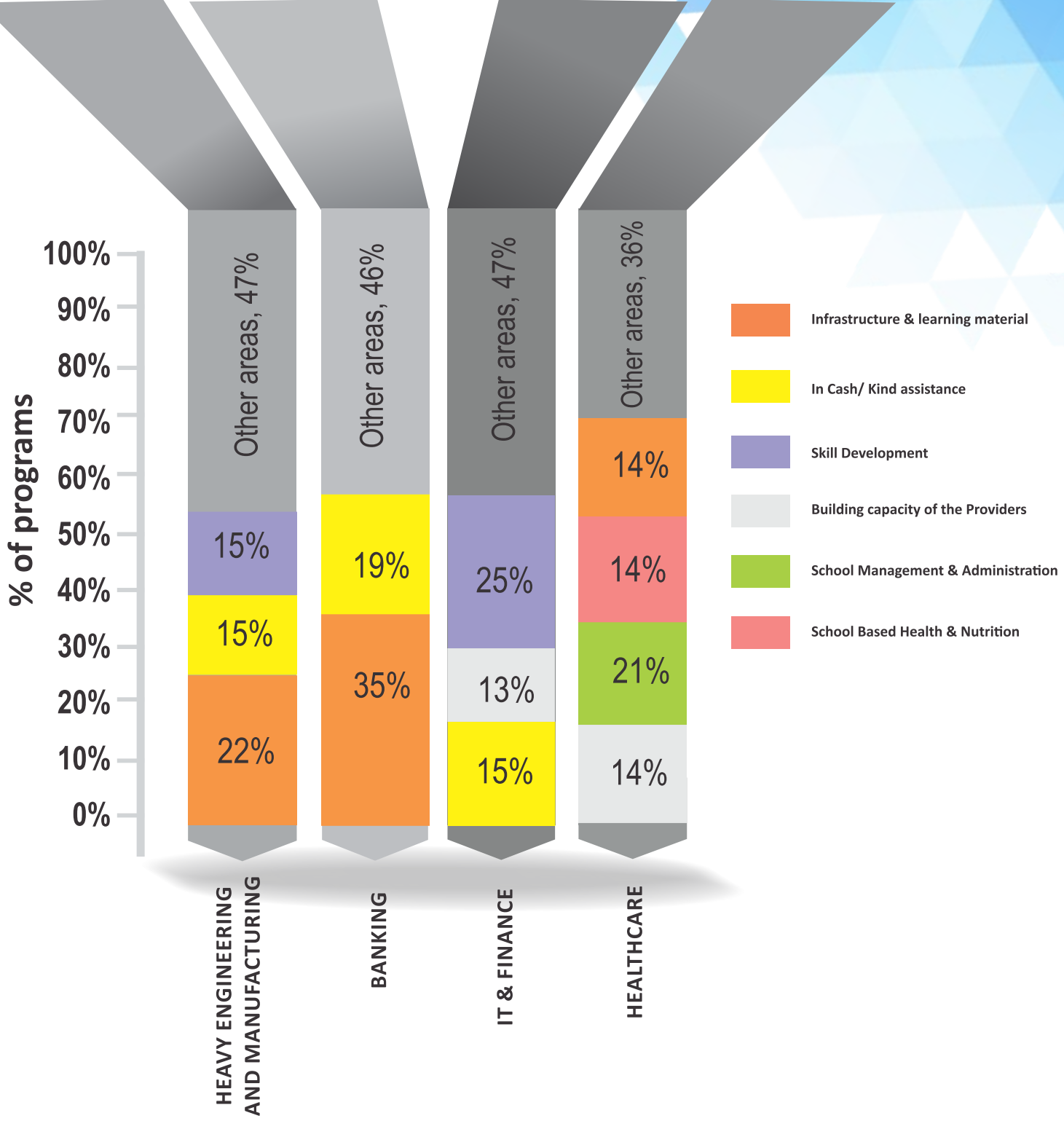
> **"The critical gaps that do not receive enough attention on supply side are interventions such as building capacity of providers, supporting initiatives around pedagogical and systemic changes and investing in early childhood education, with only 10%-17% of companies investing in these areas."**

Samhita's discussions with companies have highlighted the underlying reason for this trend - perceived difficulty and risk in implementing such initiatives, mainly because of:



On the demand side, **direct assistance to students in cash or kind is the most popular type of intervention among companies, with 53% of companies** (of those that support education) running scholarships/ sponsorships for children. **Skill development (including mentoring children and improving their life skills)** is also a popular CSR avenue for companies with 42% investing in allied activities. Preference for such activities could stem from ease of implementing since many of them could be short term or one time investments, particularly in cash/kind assistance and can be implemented at scale at relatively low costs.

Demand and supply side interventions are inter connected and will not automatically translate into improvements if considered in isolation. While it is important that CSR contributes to strengthening the provision and delivery of education, it is equally important to generate demand for education. Samhita's research into the education situation of children belonging to marginalized communities clearly indicate depressed demand for education due to multiple factors such as migratory lifestyle, lack of role models for children, lack of awareness , discriminatory attitudes towards girls etc. Many of the factors responsible for low demand are related to irrelevant curriculum, uninteresting teaching methods in schools and lack of friendly and safe school environment – supply side barriers that are not benefitting as much from CSR support.



INDUSTRY-WISE FINDINGS INDICATE A MIXED PICTURE ON STRATEGIC AND NON-STRATEGIC CSR IN EDUCATION

For the purpose of this analysis, companies were grouped into five basic industries - heavy engineering & manufacturing, banking, IT& finance, FMCG, telecom and healthcare including pharmaceuticals (please see appendix 2 for a detailed break up). The graph above highlights the top three to four intervention areas or programs supported by each industry, accounting for at least 50% of all programs in each industry.

*The heavy engineering & manufacturing industry includes companies working in power, oil & gas, chemicals, steel, automobile, electronics, infrastructure, shipping, logistics, fertilizers and cement. These companies were grouped together since their model of operation of having many plants across the country versus a single factory system was common across the spectrum. IT & Finance companies were grouped together since both these groups of companies have a client-service and nationalized operations approach.

As can be seen from the graph above, mimicking the overall pattern, infrastructure and scholarships remain the most popular areas of intervention for most industries. The overall distribution offers a mixed bag of strategic and non strategic approach.

On one hand, even though the **healthcare and pharmaceutical industry** may not have a direct stake in the education sector, these companies have invested in almost all of the different areas in education. The maximum number of programs involve running own schools, followed by school based health and nutrition, capacity building and infrastructure, all of which are given equal priority.

On the other hand, skills development (including mentoring children) accounts for 25% of all education programs implemented by **IT and Finance companies** and building capacity of providers (teachers and principals) accounting for another 13%. These numbers do not strike surprising if one considers that these companies typically work with a large base of employees who are available for volunteering and appreciate the need for training and mentorship even within their business.

For many **heavy engineering and manufacturing companies**, the locations of their programs make their interventions strategic. Many of these companies are supporting local schools and children in the vicinity of their plants or factories, thus responding to the needs of one of the most important stakeholders (i.e. community) and building bridges with employees, many of whom live in the local areas. It is interesting to note that the banking industry has similar trends to the heavy engineering and manufacturing industry. 35% of their programs are targeted towards infrastructure, an even greater proportion than the former.

For **FMCG companies** (not shown in the graph above), almost 50% of their programs in education entail supporting school based health and nutrition initiatives, leveraging their domain knowledge, reinforcing products and creating new markets. Though the sample of FMCG companies under this study is small, the findings are corroborated by interactions that Samhita has had with a couple of FMCG companies, all of whom are interested in supporting health and hygiene campaigns in schools and perceive this as strongly aligned to their business.

COMPANIES PUBLISH
VERY LITTLE DATA ON ENGAGING EMPLOYEES

A key area of interest under this study was to plot what companies were doing to engage employees in social initiatives through employee volunteering and providing non-financial support. Unfortunately, not too many companies in the sample had published this information at the program level.

Out of the 78 companies, only 15 had listed employee volunteering for certain programs. Approaches that did benefit from employee engagement included remedial education, school management and administration, in cash/kind assistance for students, capacity building and skill building with the last being the most popular for employee engagement. The box suggests a few ways in which employees can contribute to the education sector in a non-financial way.

EXAMPLES OF HOW COMPANIES AND EMPLOYEES CAN PROVIDE NON-FINANCIAL SUPPORT

- **Developing content for vocational training programs of NGOs and providing training by corporate employees to the NGO trainers.**
- **Working on deputation with NGOs to provide technical fixes and strengthening organizational systems and processes**
- **Developing mobile and computer applications by corporate employees for NGOs.**
- **Facilitating ways for effective communication for the NGOs in terms of branding and advertisement.**
- **Engaging employees to facilitate maintenance and beautification of NGO centres**

CONCLUSIONS

The report offers a sneak peek into how corporate sector is contributing to the development of school education sector in India. Education remains an **extremely popular cause** for companies and the study confirms that with 78 out of the top 100 companies on BSE 500 list implementing programs in education in the last 3 years.

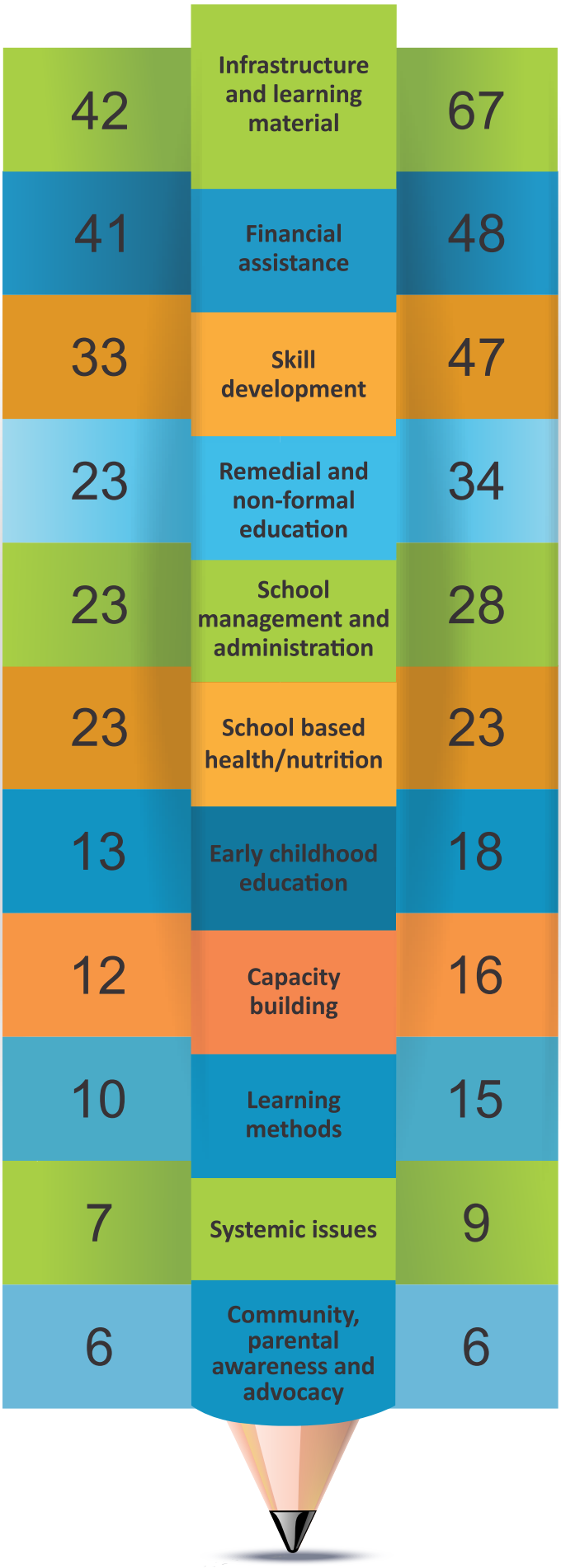
The study also hints at **potential imbalance within the sector,** wherein a few issues such as infrastructure and scholarships have received a lot of corporate attention, while interventions targeted on systemic reforms, building capacity of providers and early childhood education have not had significant support, indicating a missed opportunity

The findings also indicate that companies prioritize interventions based on the nature of their business and industry indicating that **companies are beginning to think strategically about CSR in education.**

The private sector can play a catalytic role in changing the educational landscape in the country through CSR by combining long term approach with strategic and unconventional thinking. As companies gear up for mandatory spending and reporting under Section 135, it is hoped that both the corporate sector and the education ecosystem are able to harness the resources to deliver the fundamental right to good quality, fair and effective school education to all children.

APPENDIX 1 CLASSIFICATION OF PROGRAMS

NUMBER OF COMPANIES* IN EACH CATEGORY



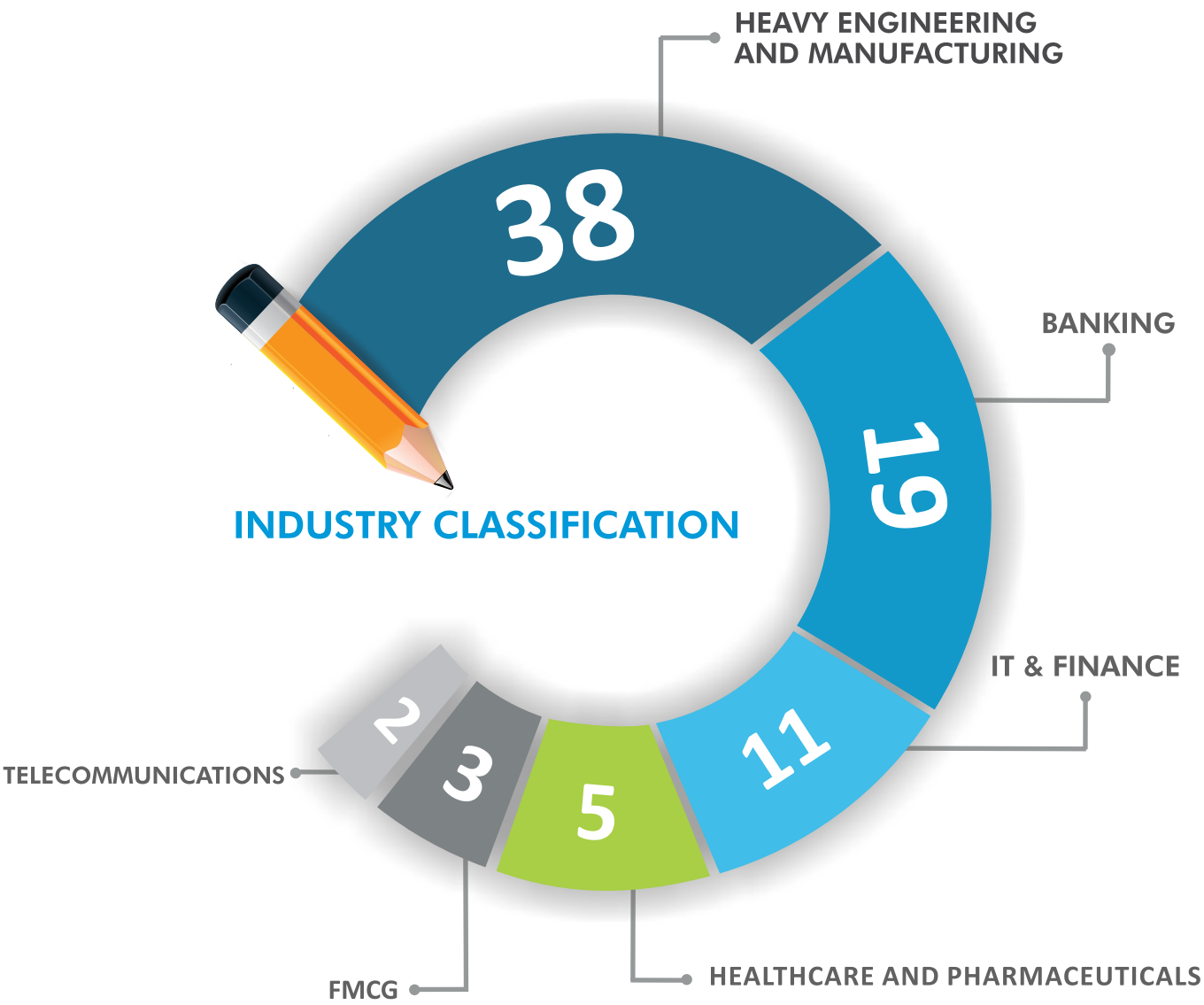
NUMBER OF PROGRAMS IN EACH CATEGORY

*** The total does not add to 78 companies, as companies can support multiple programs and may be counted more than once.**

APPENDIX 2

INDUSTRY CLASSIFICATION

TYPE OF INDUSTRY & NUMBER OF COMPANIES IN EACH CATEGORY



APPENDIX 3

LIST OF 100 COMPANIES COVERED UNDER THE STUDY (IN ALPHABETICAL ORDER)

A C C Ltd.
Adani Ports & Special Economic Zone Ltd.
Allahabad Bank
Ambuja Cements Ltd.
Andhra Bank
Asian Paints Ltd.
Axis Bank Ltd.
Bajaj Auto Ltd.
Bank Of Baroda
Bank Of India
Bharat Electronics Ltd.
Bharat Heavy Electricals Ltd.
Bharat Petroleum Corpn. Ltd.
Bharti Airtel Ltd.
Bhushan Steel Ltd.
Bosch Ltd.
Cairn India Ltd.
Canara Bank
Central Bank Of India
Cipla Ltd.
Coal India Ltd.
Container Corpn. Of India Ltd.
Corporation Bank
Cummins India Ltd.
D L F Ltd.
Dena Bank
Dr. Reddy'S Laboratories Ltd.
Federal Bank Ltd.
G A I L (India) Ltd.
Grasim Industries Ltd.
Gujarat State Fertilizers & Chemicals Ltd.
H C L Technologies Ltd.
H D F C Bank Ltd.
Hero Motocorp Ltd.
Hindalco Industries Ltd.
Hindustan Petroleum Corpn. Ltd.
Hindustan Unilever Ltd.
Hindustan Zinc Ltd.
Housing Development Finance Corpn. Ltd.
I C I C I Bank Ltd.
I D B I Bank Ltd.
I D F C Ltd.
I F C I Ltd.
I T C Ltd.
Idea Cellular Ltd.
Indian Bank
Indian Oil Corpn. Ltd.
Indian Overseas Bank
Indusind Bank Ltd.
Infosys Ltd.
J S W Steel Ltd.
Jaiprakash Associates Ltd.
Jammu & Kashmir Bank Ltd.
Jaypee Infratech Ltd.
Jindal Steel & Power Ltd.
Kotak Mahindra Bank Ltd.
L I C Housing Finance Ltd.
Larsen & Toubro Ltd.
Lupin Ltd.
Mahindra & Mahindra Financial Services Ltd.
Mahindra & Mahindra Ltd.
Maruti Suzuki India Ltd.
Mphasis Ltd.
Muthoot Finance Ltd.
N H P C Ltd.
N M D C Ltd.
N T P C Ltd.
National Aluminium Co. Ltd.
Nestle India Ltd.
Neyveli Lignite Corpn. Ltd.
Oil & Natural Gas Corpn. Ltd.
Oil India Ltd.
Oracle Financial Services Software Ltd.
Oriental Bank Of Commerce
Petronet L N G Ltd.
Piramal Enterprises Ltd.
Power Finance Corpn. Ltd.
Power Grid Corpn. Of India Ltd.
Punjab National Bank
Reliance Industries Ltd.
Reliance Infrastructure Ltd.
Rural Electrification Corpn. Ltd.
S J V N Ltd.
Sesa Sterlite Ltd.
Shriram Transport Finance Co. Ltd.
State Bank Of Bikaner & Jaipur
State Bank Of India
Steel Authority Of India Ltd.
Sun Pharmaceutical Inds. Ltd.
Sun T V Network Ltd.
Syndicate Bank
Tata Consultancy Services Ltd.
Tata Motors Ltd.
Tata Power Co. Ltd.
Tata Steel Ltd.
Torrent Power Ltd.
Ultratech Cement Ltd.
Union Bank Of India
Wipro Ltd.
Yes Bank Ltd.

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ABOUT SAMHITA SOCIAL VENTURES

Samhita Social Ventures creates symbiotic relationships between companies, donor organizations and high net-worth individuals on one hand and NGOs and social enterprises on the other. Samhita is supported by the Nadathur Group, an initiative of Mr. N.S. Raghavan, a co-founder of Infosys.

Our CSR consulting practice has worked with several leading companies to shape their CSR strategies, facilitate program implementation, and assess impact created.

We also work with donor agencies, foundations and philanthropists on high-impact social programs entailing capacity building, research, events and fundraising campaigns. Our unique advantage lies in our extensive grassroots network of more than 20,000 NGOs and social enterprises.
Through our projects, we have espoused causes such as women's health, education, community empowerment, vocational training, rural livelihoods, financial literacy, and many others. We have influenced over INR 60 crore in support for social sector projects.

Some of our key clients include ANZ Bank, Vodafone, Morgan Stanley, Piramal Group, APMT IS, Johnson & Johnson, Lenovo, M&M, Sandvik and Intervida.

Our initiative, the CSR Marketplace, facilitates long-term partnerships between companies and social enterprises. We aim to facilitate partnerships between companies and social organizations that are built on synergistic buyer-seller relationships or leveraging their complementary strengths in implementing programs. The Marketplace is supported by the Impact Economy Innovations Fund (IEIF) Grant.

We also disseminate knowledge around CSR laws, theories, frameworks, best practices and impact assessment. Our conferences focus on effective CSR initiatives in sectors such as healthcare and education, thereby empowering companies to make informed decisions while allocating CSR budgets and designing programs. Samhita also organizes comprehensive capacity building workshops for social organizations that cover subjects ranging from proposal writing to working effectively with companies and to monitoring and evaluation.

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