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Corporate Social Responsibility Funding in Education: An Assessment of its Contribution to Sustainable Educational Development in India

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Abstract

Corporate Social Responsibility (CSR) has emerged as an important mechanism for promoting inclusive and sustainable development in India. The enactment of Section 135 of the Companies Act, 2013 institutionalised CSR by requiring eligible companies to undertake specified social-development activities. Education is one of the important areas covered under Schedule VII and has increasingly become a major focus of corporate social investment. This paper examines the contribution of CSR funding to sustainable educational development in India, with particular emphasis on access, equity, quality improvement, educational infrastructure, digital education, scholarships, teacher development and skill enhancement. The study is based on secondary data collected from government documents, academic literature, CSR-related publications and reports. The review indicates that CSR interventions have the potential to complement public expenditure on education by addressing infrastructure gaps, supporting disadvantaged learners and introducing technology-enabled educational initiatives. Existing empirical evidence also indicates that education-related CSR can generate measurable improvements in educational outcomes. However, the benefits are not uniformly distributed, and issues such as geographical concentration, preference for visible infrastructure projects, limited long-term evaluation, fragmented implementation and inadequate alignment with local educational needs remain significant challenges. The paper argues that CSR funding should move from short-term philanthropic expenditure towards need-based, outcome-oriented and sustainable educational interventions. Stronger collaboration among government, corporations, educational institutions and communities can enhance the contribution of CSR towards achieving equitable and quality education and the broader objectives of Sustainable Development Goal 4.

Keywords: Corporate Social Responsibility, CSR Funding, Education, Sustainable Educational Development, SDG 4

1. Introduction

Education is one of the most important foundations of social and economic development. It contributes to human capital formation, employment, social mobility, innovation and inclusive growth. In India, considerable progress has been achieved in expanding access to education; however, disparities in educational quality, infrastructure, learning outcomes, digital access and opportunities for disadvantaged groups continue to exist. The National Education Policy (NEP) 2020 identifies equitable access to high-quality education as a central requirement for

India's social and economic development and emphasises the importance of public investment together with philanthropic and private participation. (NEP, 2020)
The role of the corporate sector in social development has gained considerable importance following the introduction of mandatory CSR provisions under the Companies Act, 2013. Section 135 and Schedule VII created a formal framework through which eligible companies are required to undertake CSR activities. The CSR framework became applicable from 1 April 2014, and Schedule VII includes activities related to education among the areas in which companies may undertake CSR initiatives. (Ministry of Corporate Affairs, 2013)
CSR in education can take several forms, including construction and renovation of educational infrastructure, scholarships, provision of learning materials, digital learning facilities, teacher training, vocational education, skill development, libraries, laboratories and support for economically disadvantaged students. Such interventions can complement government initiatives when they are appropriately designed and implemented. The importance of CSR funding becomes particularly relevant in the context of sustainable educational development. Sustainable educational development is not limited to increasing enrolment or constructing physical infrastructure. It involves ensuring that learners have continuous access to equitable, inclusive and quality education and acquire knowledge and skills that enable them to participate meaningfully in society. SDG 4 similarly focuses on inclusive and equitable quality education and lifelong learning opportunities for all. (NEP, 2020)
The relationship between CSR funding and sustainable development has also received empirical attention. Gautam et al. (2023), using data covering Indian states and Union Territories for the period 2018–2021, found that CSR funding in education and environmental activities was positively associated with sustainable development. Recent empirical research on mandated CSR and education further suggests that education CSR expenditure can improve certain school-level outcomes, although the distribution of benefits may not necessarily favour the most disadvantaged areas. Therefore, the present paper attempts to assess the contribution of CSR funding to sustainable educational development in India and critically examine its opportunities, limitations and future potential.

2. Background of CSR in India

Corporate responsibility has a long historical association with Indian business traditions. However, the modern institutional framework of CSR was established through the Companies Act, 2013. Section 135 introduced CSR obligations for companies meeting specified financial thresholds. The framework provides a structured mechanism for directing corporate resources towards socially beneficial activities. The Companies (Corporate Social Responsibility Policy) Rules, 2014 and Schedule VII provide the regulatory framework for CSR activities. The Ministry of Corporate Affairs has also clarified that CSR activities should be undertaken in project or programme mode and should relate to the activities listed in Schedule VII. (Ministry of Corporate Affairs, 2014)
Education occupies an important position within this framework because investment in education generates long-term social and economic benefits. Unlike some forms of short-term

assistance, educational interventions can contribute to human capital development and create intergenerational benefits. The development of CSR in India has therefore created an additional channel through which corporate resources can contribute to educational development. However, CSR should be viewed as complementary to, rather than a substitute for, public expenditure on education. NEP 2020 itself emphasises substantial public investment in education while also recognising the role of philanthropic and private participation.

3. CSR Funding and Education

Education-related CSR expenditure can broadly be classified into the following areas:

Educational Infrastructure: Companies frequently support construction, renovation and improvement of classrooms, laboratories, libraries, sanitation facilities and other educational infrastructure. Such interventions are particularly relevant in institutions where inadequate infrastructure restricts the quality of the learning environment.

Scholarships and Financial Support: CSR funds can provide scholarships, educational materials and financial assistance to students from economically weaker and socially disadvantaged backgrounds. Such support can reduce financial barriers and contribute to educational continuity.

Digital Education: The expansion of digital education has increased the importance of computers, internet connectivity, digital classrooms and technology-enabled learning resources. CSR interventions can help institutions overcome certain aspects of the digital divide.

Teacher Development: Teacher quality is fundamental to educational quality. CSR programmes may support teacher training, professional development, pedagogical innovation and capacity-building initiatives. NEP 2020 places considerable emphasis on continuous professional development of teachers. (E

Skill Development and Vocational Education: CSR funding can also support vocational training, employability programmes and industry-linked skill development. Such initiatives can strengthen the connection between education and employment and support the development of a future-ready workforce.

Support for Marginalised and Underserved Groups: CSR programmes can target students in rural areas, low-income communities and other underserved populations. Such interventions are particularly important because educational disparities in India exist across geographical and socio-economic groups.

4. Review of Related Literature

Singh and Kaushik (2018) examined CSR initiatives and their impact on the Indian education sector through an exploratory and descriptive review. Their study found that Indian corporations were increasingly contributing to education through different initiatives but also highlighted the need for greater corporate involvement and sustained efforts.

Azam and Ahmad (2022) examined CSR initiatives in India's education sector and reported that corporate interventions have contributed to educational infrastructure and student support, including classrooms, libraries, learning materials and financial assistance. Their work emphasises the importance of corporate participation alongside government efforts.

Topwal's(2022) study of CSR investment trends in education examined the initiatives of leading companies and found that corporate investments covered different educational stages and intervention areas. However, the study also identified concentration in particular areas, suggesting the need for a more integrated approach to educational development.

Gautam et al. (2023) investigated CSR funding and sustainable development in India using secondary data from 28 states and three Union Territories for four financial years from 2018 to 2021. Their results indicate that overall CSR funding positively contributes to sustainable development and that CSR funding in education is positively associated with sustainable development.

Chhaochharia, Sen and Xu(2024) investigated the effects of India's mandated CSR framework on public goods provision in education. Their analysis suggests that education CSR expenditure can lead to improvements in enrolment and selected school resources, although CSR spending may favour relatively richer districts and therefore may not automatically achieve socially targeted allocation.

Recent work by the Confederation of Indian Industry also highlights the evolution of CSR in education from traditional philanthropy towards more structured and outcome-oriented interventions, with increasing attention to alignment with NEP 2020 and long-term national development priorities.

5. Research Gap

The existing literature demonstrates that CSR can contribute to educational development, but several gaps remain. Much of the literature focuses on descriptive accounts of CSR activities rather than long-term educational outcomes. There is also a need for greater attention to the geographical distribution of CSR funding, equity of beneficiaries, learning outcomes, sustainability of projects and alignment between corporate interventions and local educational requirements. Therefore, a comprehensive assessment of CSR funding should move beyond expenditure levels and examine its actual contribution to sustainable educational development.

6. Objectives of the Study

The study has the following objectives:

1. To examine the role of CSR funding in the development of education in India.
2. To assess the contribution of CSR interventions towards access and quality of education.
3. To examine the role of CSR in improving educational infrastructure and digital learning opportunities.
4. To analyse the contribution of CSR to educational equity and inclusion.
5. To identify major challenges associated with CSR funding in education.
6. To suggest strategies for making CSR-funded educational programmes more sustainable and outcome-oriented.

7. Research Methodology

The present study is descriptive and analytical in nature and is based primarily on secondary data. The required data and information have been collected from various credible sources, including the Ministry of Corporate Affairs, Government of India, Ministry of Education, Government of India, National Education Policy (NEP) 2020, Companies Act, 2013 and CSR-related rules, academic research papers, published journal articles, CSR reports, institutional publications, research databases and other reliable secondary sources. The study follows a qualitative assessment approach, wherein existing literature, policy documents, research studies, and institutional reports have been systematically reviewed to identify major patterns related to CSR funding in education, educational interventions, outcomes, and associated challenges. The available literature has been analysed thematically across key dimensions, including access to education, educational quality, educational infrastructure, digital education, equity and inclusion, teacher development, skill development, and the sustainability of CSR interventions.

8. Contribution of CSR Funding to Sustainable Educational Development

Improving Access to Education: CSR funding can improve access by providing educational infrastructure, learning materials, scholarships and support services. For students facing economic constraints, scholarships and educational assistance can reduce barriers to participation. However, access should not be measured only through enrolment. Sustainable access also requires retention, completion and meaningful learning. Therefore, CSR projects should include measurable indicators covering the complete educational journey of beneficiaries.

Enhancing Quality of Education: Quality education requires adequate infrastructure, trained teachers, appropriate learning resources and effective pedagogical practices. CSR programmes can contribute to these components. Research evidence indicates that education-focused CSR expenditure can generate improvements in selected school-level outcomes, including teachers and educational resources. Nevertheless, infrastructure alone cannot guarantee improved learning. CSR programmes should therefore combine physical investment with teacher development, pedagogical support, assessment and continuous monitoring.

Promoting Digital Inclusion: Digital technology has become increasingly important in education. CSR can support computer laboratories, digital classrooms, internet connectivity and digital learning content. Such interventions can be particularly valuable in areas where students have limited access to technological resources. However, digital infrastructure must be accompanied by teacher training, maintenance and locally appropriate content to remain sustainable.

Supporting Educational Equity: CSR has significant potential to reduce educational inequalities when funds are deliberately directed towards underserved communities. At the same time, empirical evidence indicates that CSR funding does not automatically result in socially targeted allocation. Some research has found that CSR education spending can be concentrated in relatively richer districts. Therefore, equity should become an explicit criterion in the selection and evaluation of CSR projects.

Strengthening Skill Development: Corporate involvement provides an opportunity to connect education with industry requirements. Skill development programmes, vocational training, internships, mentorship and career guidance can enhance employability. Such programmes are consistent with the broader objectives of NEP 2020, which emphasises multidisciplinary education, vocational education and the development of relevant skills.

Contribution to Sustainable Development Goals: Education is directly associated with SDG 4, which aims to ensure inclusive and equitable quality education and promote lifelong learning opportunities for all. CSR-funded education programmes can also contribute indirectly to poverty reduction, gender equality, decent work, innovation and reduced inequalities. Thus, education-focused CSR has the potential to generate benefits beyond the immediate educational institution.

9. Major Challenges of CSR Funding in Education

Despite its potential, CSR funding faces several challenges:

Geographical Concentration: CSR investment may be concentrated in regions where companies have significant business operations or established networks. This can leave remote and economically disadvantaged areas comparatively underserved.

Preference for Visible Projects: Infrastructure projects are often easier to identify and report than improvements in learning outcomes. Consequently, companies may prefer visible investments such as buildings, equipment and facilities.

Lack of Long-Term Evaluation: Educational development is a long-term process. Short project cycles may not capture changes in learning outcomes, retention, employability or social mobility.

Fragmented Interventions: Multiple organisations may undertake small projects without sufficient coordination. Such fragmentation can reduce the overall impact of CSR spending.

Limited Community Participation: Projects designed without adequate consultation with teachers, students, parents and local communities may not fully address local needs.

Sustainability and Maintenance: Creating infrastructure is only the first step. Facilities, equipment and digital resources require continuous maintenance, training and financial support.

Unequal Distribution of Benefits: CSR expenditure does not necessarily reach the most disadvantaged groups. Evidence of geographical and socio-economic concentration highlights the need for stronger equity-oriented planning.

10. Findings of the Study

Based on the review of available literature and policy documents, the following major findings emerge:

- CSR has become an important supplementary source of educational support in India following the institutionalisation of CSR under the Companies Act, 2013.

- Education is a significant area for CSR intervention with activities ranging from infrastructure development and scholarships to digital learning and skill development.
- CSR can complement government educational programmes particularly where public resources are insufficient to address specific local needs.
- CSR interventions can contribute to educational quality but infrastructure-oriented interventions should be accompanied by teacher development and learning-outcome measures.
- CSR has potential to support sustainable development and empirical evidence suggests a positive relationship between education-related CSR funding and sustainable development.
- The distribution of CSR benefits remains a concern funding may not always reach the most disadvantaged communities, indicating the need for stronger equity-based allocation.
- Long-term impact assessment is insufficient more attention is required to measuring learning outcomes, retention, completion, employability and social impact.
- Government–corporate–community partnerships can improve effectiveness by aligning CSR initiatives with educational priorities and local requirements.

11. Suggestions

To enhance the contribution of CSR funding to sustainable educational development, the following measures are suggested:

Need-Based Allocation CSR funds should be allocated on the basis of educational need rather than only corporate convenience or geographical proximity.

Outcome-Oriented CSR Companies should define measurable educational outcomes before implementing projects. Indicators may include attendance, retention, learning achievement, digital literacy, teacher capacity and transition to higher education or employment.

Greater Focus on Underserved Areas a higher proportion of educational CSR should be directed towards rural, remote and socio-economically disadvantaged communities.

Integration with Government Priorities CSR programmes should be aligned with national and state educational priorities, particularly the objectives of NEP 2020 and SDG 4.

Community Participation teachers, parents, students and local communities should participate in needs assessment, project design, implementation and evaluation.

Long-Term Partnerships instead of isolated one-time projects, companies should develop multi-year educational programmes with clear sustainability plans.

Independent Impact Assessment large CSR education programmes should undergo periodic independent evaluation to assess their actual social and educational outcomes.

Greater Collaboration government departments, corporations, NGOs, universities and educational institutions should collaborate to avoid duplication and improve resource utilization.

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12. Conclusion

CSR funding has emerged as an important supplementary mechanism for supporting educational development in India. The institutionalisation of CSR through the Companies Act, 2013 has created opportunities for the corporate sector to participate more systematically in social development. Education is particularly important because investment in education generates long-term benefits for individuals, communities and the national economy. The evidence reviewed in this paper suggests that CSR can contribute to educational infrastructure, access, digital inclusion, scholarships, teacher development and skill enhancement. Existing empirical studies also indicate that education-focused CSR funding can contribute positively to sustainable development and generate improvements in selected educational outcomes. However, the effectiveness of CSR cannot be assessed merely by measuring the amount of money spent. The quality, distribution, relevance and sustainability of interventions are equally important. Geographical concentration, unequal distribution, fragmented projects, excessive emphasis on visible infrastructure and inadequate long-term evaluation can limit the transformative potential of CSR.

Therefore, the future of CSR in education should move from a philanthropic and expenditure-oriented approach towards a strategic, inclusive, outcome-oriented and sustainable approach. CSR investments should focus particularly on underserved communities, learning outcomes, teacher capacity, digital inclusion and skill development. Strong collaboration between government, corporations, educational institutions and communities can ensure that CSR resources complement public investment and contribute meaningfully to the objectives of NEP 2020 and SDG 4. In conclusion, CSR funding has considerable potential to support sustainable educational development in India, but its ultimate contribution will depend on how effectively corporate resources are aligned with educational needs, social equity and measurable long-term outcomes.

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