

Corporate Social Responsibility for Scaling up Skill Development in India: An Exploratory Study

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Abstract

Investment on education and skill development through Corporate Social Responsibility (CSR) is perhaps an innovation at policy level. Education could incorporate the active skills which influence the proper direction for policies and practices. During the year 2016-17, the fund contribution through CSR activities for education was just seven percent of the entire MHRD expenditure and a insignificant 0.033 percent of country's GDP. In 1966, Kothari Commission recommended six percent of GDP for education. But, India spends only 3.7 percent of its GDP on education, which is considerably less (MHRD, 2016). Even the amount allotted towards skill development through CSR is also inadequate. A policy on Skill Social Responsibility will take appropriate measures of raising the investment in skill education by private providers through philanthropy and corporate sector responsibility will be encouraged to supplement government efforts. Perhaps it would be a better alternative for the government to encourage all the Science & Technology Institutions to take part in social responsibility for provisioning of public goods like education through skill development to reduce the unemployment. Social responsibility has the potential to essentially convert the society by improving the lives of citizens, capable of enhancing the possibilities and fulfilling the aspirations of over a billion unemployed youth while helping the nation to realize its sustainable development goals. As a result, entire nation is motivated, energised and challenged to change its course and to move in harmony and synergy in the direction of positive and purposive social transformation.

Keywords: Skill Development, Unemployment, CSR, Fund, Policy, Innovation, Sustainability

I INTRODUCTION

Skill development is emerged as an imperative intervention to address the dual challenges of industry skill requirement and unemployment threat hindering the nation building process. According to Indian Staffing Federation Report (2019), during 2015 to 2018, Skill India contribution is 0.93M formal workforce and 0.07 million recruitments (Rituparna Chakraborty, 2019). Corporate Social Responsibility (CSR) is a concept wherein corporates readily contribute for social and environmental concerns of the stakeholders through their business models. Social Responsibility marks a creative disruption in the way societal problems and individual needs are perceived and tackled. The rapid growth in almost every sector has accelerated the need for skilled manpower to hasten the development process.”

Hence, most of the corporates are advancing to skill the unemployed youth either directly or in collaboration with civil societies to meet the growing demands of industry. Ministry of Corporate Affairs, Govt. of India under the Companies Act, 2013 made it mandatory for companies to take up CSR projects which not only make all philanthropic activities more proficient but also bring in lot of responsibility and transparency. With this Act, India has been promoted as one of the few countries in the world to have a constitutional provision on CSR. Skill Development and Education are two extensive areas detailed in the Act for eligible CSR activities. Education consists of promotion, special education, skill development for rural youth, women, differently abled for enhancing employment and livelihood improvement projects. Despite the limitations, Government of India depends on CSR for investments in education and skill development. Protiva Kundu (2018) reported that financial investments through CSR towards education and skilling are perhaps could be innovative at policy level. A comprehensive skill strategy to be formulated by the concerted efforts of central & state governments along with corporates to achieve the inclusive growth and economic

development while bridging the skill gap between the workforce and industry. This paper highlights the greater role of CSR in skill development to combat unemployment to achieve Sustainable Development Goal. Paper also elucidates the initiatives of Govt. of India, NSDF, emergence of skill universities, skill development projects of CSR, best practices and strategies for fund mobilization to enhance skill activities. It is suggested to have a policy for Skill Social Responsibility.

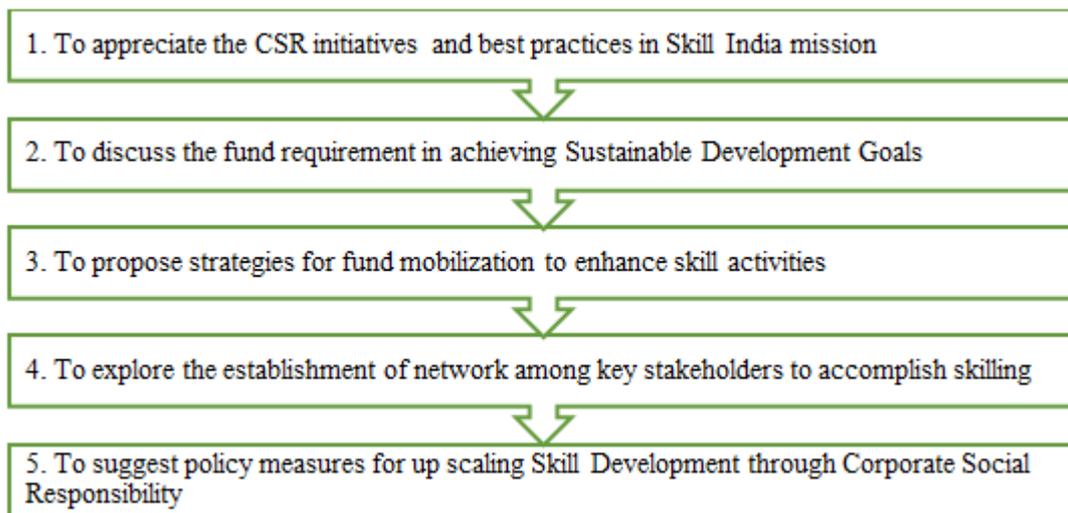
II. RESEARCH PROBLEM

Though Govt. of India has launched numerous programs way back in 1950s to promote vocational education, it did not yield desired results. It was observed that low efficiency of the system; less demand for vocational training compared to conventional education due to apprehension on low quality vocational education; inability to fulfill industry's changing skill needs and top-down approach based on goals of Government instead of need based bottom-top approach are some of the reasons. Majority of the reforms and on-going skill initiatives are very recent. Skilling Indian youth with inadequate funds for employability is a big challenge and long way to go.



Figure 1. Consequences of inadequate skills

III. OBJECTIVES OF THE STUDY



IV. RESEARCH METHODOLOGY

The study is exploratory in nature. Key components of Sustainable Development Goals (SDG), fundamental features of CSR, insufficiency of government funds, limitations of the present system, skill gaps, training needs, challenges in implementation, strategies to scale up skill development were explored to redefine the cultural transformation towards sustainability.

4.1 Sustainable Development Goals (SDGs)

Many development schemes, policies and programs implemented by Govt. of India are in conformation with the SDGs formulated by the UN General Assembly (Mili Majumdar, 2015). All the countries require primarily prioritise the goals; acclimatize the targets in accordance with local challenges, capacities and availability of resources for successful implementation of SDGs. A total of 169 Targets and 17 Goals are scheduled in SDG which is a great deal. **SDG-4** illustrates quality education. The objective is to endorse impartial, inclusive quality education and also to promote lifelong learning opportunities to stake holders. Two important targets set for 2030 are mentioned here under.

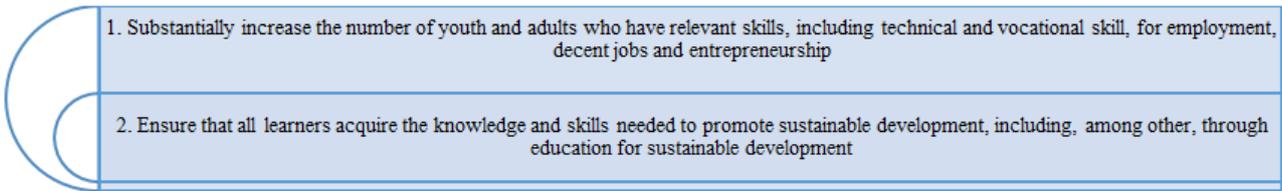


Figure 2. Skill targets for 2030

Only 2.3 per cent of the labour force is formally skilled and nearly 15 per cent of the work force possess marketable skills, whereas, 90 per cent of jobs in India are skill oriented and require skill training (World Bank Group, 2017). It is estimated that a sum of INR 9 lakh crores (USD 145 billion) is compulsory to skill India’s workforce. The Make in India program is designed to foster innovation, augment skill development and transmute India into a manufacturer's dream destination. This huge exercise is expected to yield sustained, inclusive economic growth and industrialization. The financial requirement for SDG-4 could not be estimated due to investments by both government and private sector. A study by Anshul Bhamra et al., (2015) estimated that a sum of INR 142 lakh crores (USD 2258 billion) is required to achieve SDG-4 and the exiting gap is INR 46 lakh crores (USD 740 billion).

4.2 Thrust Area

National Policy for Skill Development and Entrepreneurship (2015) estimated that a total of 427.4 million people require skill training between 2015 and 2022. Out of which, 119.50 million workforce require skilling since they are fresh entrants. Around 307.09 million labour force requires either up-skilling or re-skilling. It is apparent that around 61 million individuals need to be skilled every year from 2015 to 2022. At present, our country is having the capacity to skill only 7 million people in a year and hence demands extensive involvement of private sector in skilling workforce as well as a substantial expansion of the government’s skilling capacities (Anshul Bhamra et al., 2015). The training cost for skilling 427.4 million will be taken care by the government, private sector and the beneficiaries of skill training as well. The skilling needs and the additional skilling capacity requirement of India from 2015 to 2022 are presented in the table here under.

Table 1. Skill needs & additional skilling capacity requirement of India

Additional Skilling Capacity Requirement		
Parameter	Value	Source of Information
Skilling need	427.4 million	National Draft for Skill Development & Entrepreneurship
Skilling target	500 million	Ministry of Skill Development & Entrepreneurship
Current skilling capacity	7 million/ annum 49 million from 2015-22	National Draft for Skill Development & Entrepreneurship
Additional skilling capacity requirement	378.4 million	Skilling need- current skilling capacity

4.3 National Skill Development Fund (NSDF)

Since 2015, over INR 100 crore was mobilised from many private and public sector enterprises for projects of National Skill Development Mission to train around three lakh people (unskilled workers, students, women, underprivileged youth etc.) across the nation. This fund is utilized to bridge the skill gap in the country. A total of INR 2333 crore was released by NSDF to NSDC towards skilling including National Skill Certification and Monetary Reward Scheme (STAR) and UDAAN Scheme (J&K oriented) till 31 March 2015. As per sources from PRIME Database, India Inc is prioritizing spends in education and vocational skills to the tune of 37% of the total CSR spend by India Inc.”

4.4 Govt. of India programs

Skill India target for 2022 is to skill atleast 400 million individuals through institutional capacity building. To achieve this target, government has initiated many programmes for improving skill and employment generation namely short term vocational programs, scaling up skill development, create an end to end result

oriented implementation framework, and align demands of the market with a well-trained and skilled work force. Some of the anti-poverty programs which focus on skill development, employment generation and increase employability among the poor are listed here under.

1. Pradhan Mantri Kaushal Vikas Yojana (PMKVY)
2. Prime Minister Employment Generation Programme (PMEGP)
3. Mahathma Gandhi National Rural Employment Generation Act (MGNREGA)
4. Deen Dayal Upadhyay Grameen Kaushalya Yojana (DDUGKY)
5. National Rural Livelihood Mission (NRLM)
6. National Apprenticeship Promotion Scheme (NAPS)

4.5 Association of Indian Skill Universities (AISU)

Association of Indian Universities (AIU) was established with an aspiration to bring all the universities together on a common platform. However, AIU could not fulfil the expectations of member universities. Further, AIU does not have either resources or expertise to take on the responsibility to spearhead the requirements of emerging skill universities which are substantially unlike from conventional universities. Since AIU was passive and reluctant to permit new universities to be part of AIU, it was advised to establish a new platform for enabling the skill activities in the country. These skill universities can come together, participate aggressively, and supplement the efforts of the Govt. of India in reforming the Higher Education System and take lead of the skill education initiative in the country.

Establishment of skill universities by a number of states has motioned the transformation of Indian Higher Education with a strong bias towards skill education, employment generation and to facilitate better industry-academia collaboration. All skill universities in the country come together and formed an Association. The Association will also be able to spearhead the skills education in the country and help the Government to formulate model curricula and assessment process for skills education. At present, there are seven skill universities in the country.

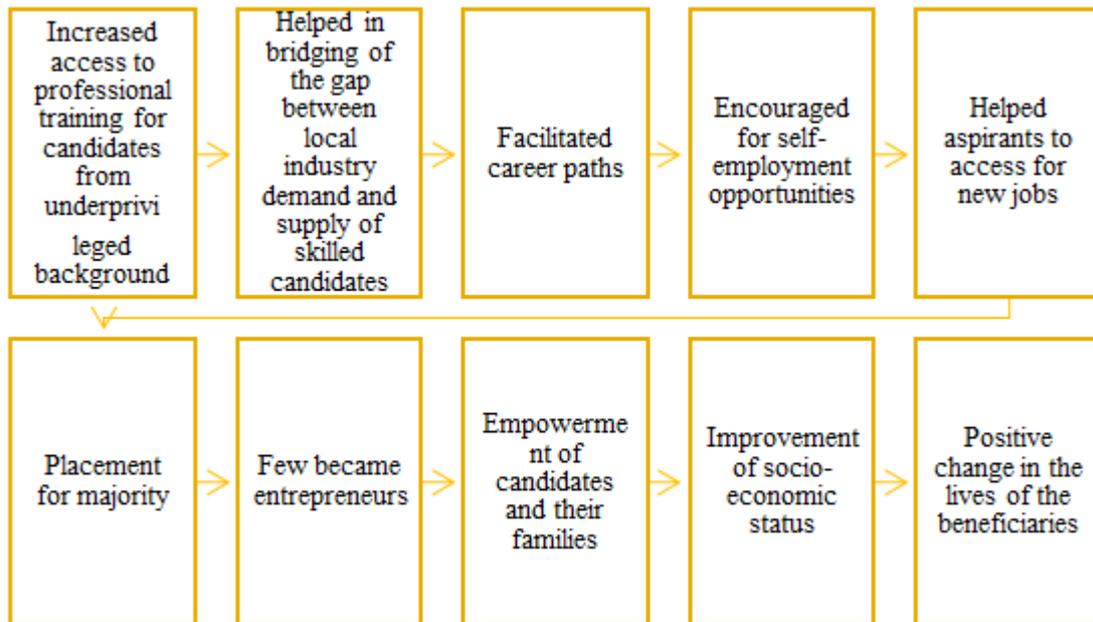
1. Bhartiya Skill Development University (BSDU), Jaipur, Rajasthan
2. Sri Vishwakarma Skill University (SVSU), Haryana
3. Rajasthan ILD Skill University (RISU), Jaipur, Rajasthan
4. Centurion University of Technology & Management (CUTM), Bhubaneswar, Odisha
5. Symbiosis Skills & Open University (SSOU), Pune, Maharashtra
6. Seacom Skills University (SSU), Birbhum, West Bengal
7. TeamLease Skills University (TSU), Vadodara, Gujarat

Skill Development and General Education (GE) are the two major components of curriculum in each semester/year, which is an appropriate blend. Skill module constitutes 60% credits and General Education 40% of the total credits. Along with GE and Skill, emphasis also laid on the following important aspects.

1. Professional knowledge, a learner should know and understand with reference to the subject
2. Professional skills, a learner should be able to do
3. Core skills refer to basic skills involving dexterity and use of methods, materials, tools and instruments used to perform the job including IT skills needed for that job

4.6 CSR Skill Training Scenario in India

Skill development and education are fast emerging preferred choices for CSR initiatives in India. During the year 2016-17, several Corporates have volunteered and invested in CSR on PAN India basis. Large skill projects with focus on improvement of skill sets for youth and women were implemented (CSRBOX, 2018). Skill trainings were organised in Public Private Partnership (PPP) manner in collaboration with vocational centres/training partners/academies or by adopting and upgrading Industrial Training Institutes (ITIs) or set up Centre of Excellence (COE). The outcome of the project is very encouraging and the results are presented in flow chart below.



4.7 Best Practices Adopted by 10 Corporates who took up the social responsibility towards skill development and created impact at national level are described.

1. Larsen & Toubro (L&T)

L&T has established eight Construction Skills Training Institutes (CSTIs) across India to fulfil the demand of quality craftsmanship in construction sector. Residential training of 3 to 6 months duration was given on marketable skills like masonry, carpentry, formwork, welding, bar-bending, scaffolding etc. Certificate of Proficiency on completion was awarded to the participants. Stipend was provided to compensate their daily wages. The skill training has totally transformed the school dropouts and illiterates into skilled, certified, self-reliant, industry ready to join the workforce, employable and support their families.

2. HDFC Bank Limited

The bank strongly considers that people must have a steady source of income, which contributes to growing economy. HDFC provided skills training to enable beneficiaries to make a better living, with a special focus on rural youth and women. It addresses the need for multiple projects ranging from competency-based skill-oriented training, placement, capacity building, promoting entrepreneurial activities, up-skilling for agricultural and allied activities. HDFC activities are customised and focus on specific needs of the community.

3. ICICI Prudential Life Insurance Company

The main emphasis is to generate sustainable livelihood opportunities for underprivileged youth. The Skill Academy offers 12 weeks occupational skill building coupled with industry-relevant practical training to

make the youth employable. There are 24 training centers across the country. It also conducts add-on training such as communication skills, financial literacy and skills to adapt to an organized working environment.

4. NHPC Ltd.

NHPC implements skill programs through adopted ITI's. 13 ITIs were adopted through Public Private Partnership (PPP)/Vocational Training Improvement Program and Centre of Excellence Scheme (COE). NHPC also contributed in setting up of Engineering Colleges at Bilaspur, Himachal Pradesh and in Darjeeling, West Bengal. The project has brought positive change in the lives of the beneficiaries.

5. Idea Cellular

Important activities of company include establishing a vocational centre, identification of potential youth, conducting training and arranging placement. The company established Vocational Education and Training (VET) centers in six states and organising skill development programs. Livelihood education training including sustainable and marketable skills for securing employment is imparted to college dropouts and graduates between age group of 18 to 30 years.

6. Oil India Ltd.

The company organises skill development programs in New Delhi and Guwahati after signing MoU with Indian Institute of Entrepreneurship, Guwahati; Gram Tarang, Guwahati; Pragati Edutech, Guwahati; Downtown Hospital, Guwahati; Gyanjyoti Foundation, Guwahati; IL&FS Education and Technology Services, New Delhi and Construction Industry Development Council, New Delhi. Further, entrepreneurship education programs were conducted in educational institutions benefitting 4290 teachers and students.

7. Maruti Suzuki India Limited

Maruti Suzuki implements all skill development programs by adopting and upgrading ITI's. The company is conducting skill training for students and teachers on latest technologies for a period of two weeks at ITI, Pusa, New Delhi. The trainer is an expert from Japan based Human Resources and Industry Development Association (HIDA).

8. JSW Steel Ltd.

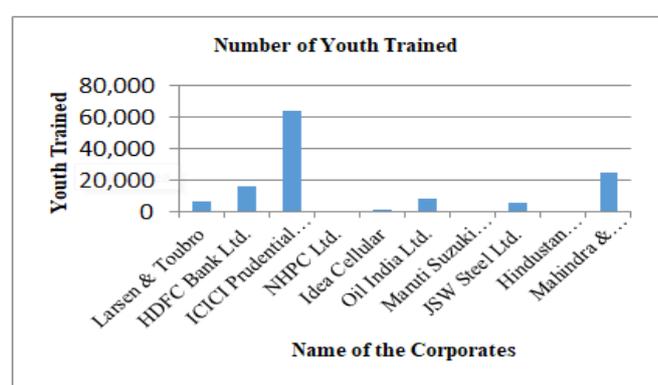
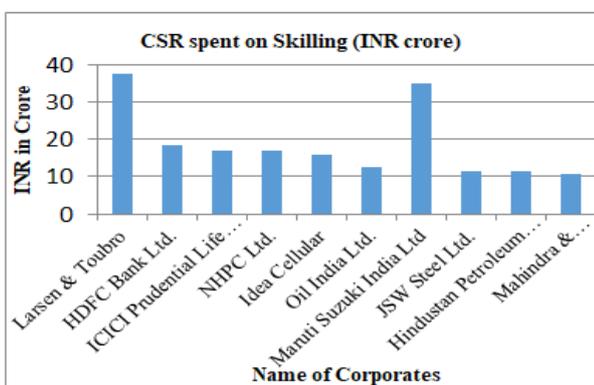
The company has implemented skill development trainings through ISO certified rural BPO's.

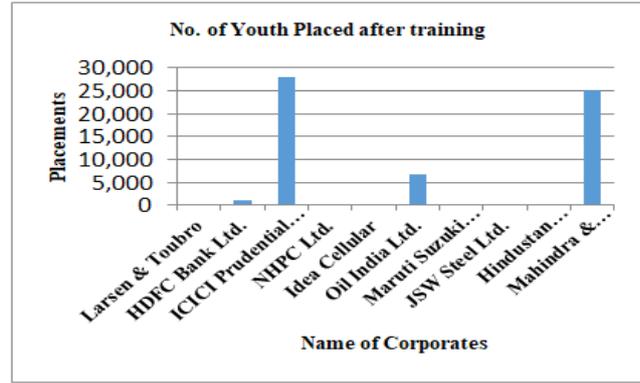
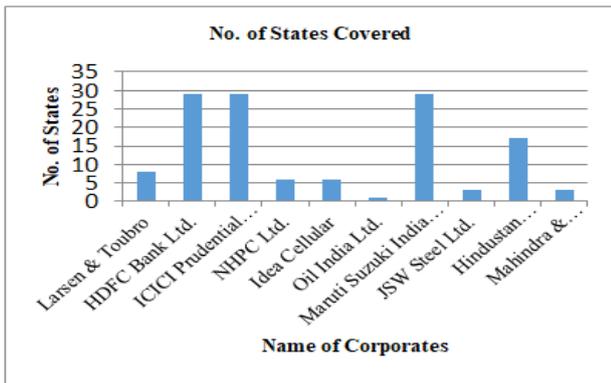
9. Hindustan Petroleum Corporation Limited

HPCL implements its skill development project 'Swavalamban' through partner institutions.

10. Mahindra and Mahindra Finance Limited

Mahindra & Mahindra implements its entire project through KC Mahindra Educational Trust under Mahindra Pride School. The company has invested a total of INR 186.86 crore and trained 92,596 youth & women. Out of which 62,285 have been placed.





V. BEST SKILL DEVELOPMENT PRACTICES OF INDIAN CORPORATES REGISTERED IN BRICS REPORT

According to BRICS Report, Hero MotoCorp, Tata Motors and Bharti-Walmart from India are being considered the most successful cases of creating custom skills development programmes.

Hero MotoCorp: Established its own university to train ‘balanced leaders’. It is focused on offering a practical-oriented education and fostering employability. According to expert Deepak Bur, ‘It is a great example of education process organization in collaboration with major business’.

Tata Motors: Contributes to skills development through a four-pronged approach. The company upgrades existing technical training institutes and establishes new programmes through Public-Private Partnership. They also provide special technical training to the economic and the socially disadvantaged through social partnerships and in-house training.

Bharti-Walmart: Started its own skill centre in Bengaluru and trains 100 candidates every month and offers them employment. Similar centres will be established in Delhi and Amritsar in partnership with local authorities.

VI. GUIDING PRINCIPLES ON CSR FOR SKILL DEVELOPMENT ACROSS THE GLOBE

The early experiences of this field’s pioneers suggest a handful of potentially effective strategies. In order for the companies to overcome the obstacles, barriers and critiques, the crucial strategies for connecting aptitude development and social impact are listed below.”

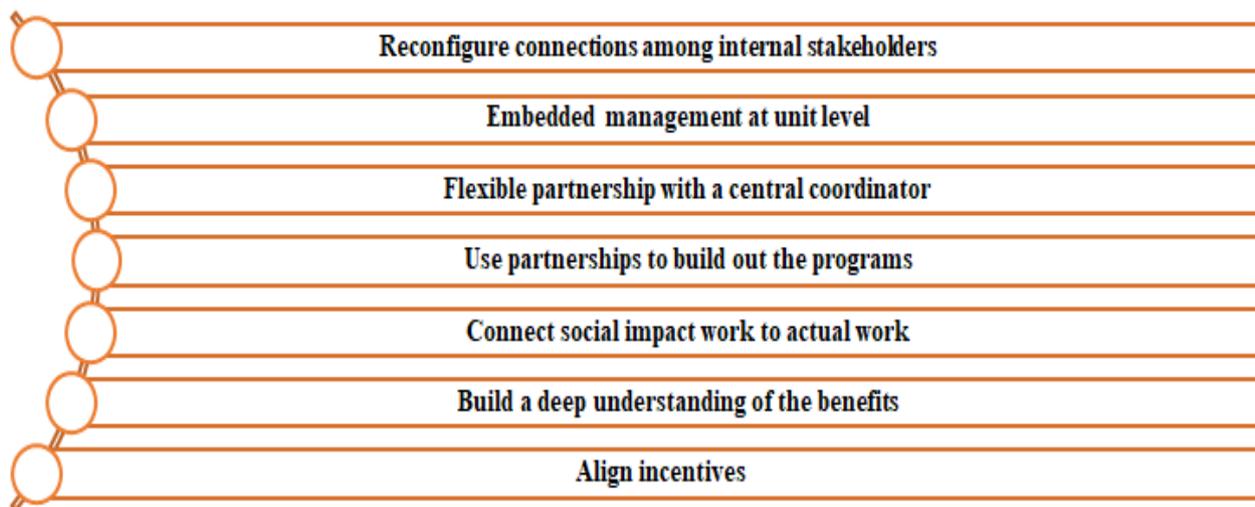


Figure 3. Guiding Principles

VII. RESULTS AND DISCUSSION

Sustainable Development Goal-4 describes the quality education and skill development. Estimates show that a total of 427.4 million people require skill training during 2015-22. Out of this, 307.09 million individuals need up skilling or re-skilling. Remaining 119.50 million are fresh entrants in the labour market require

skilling. Skill India contributed 0.93 million out of 7.06 million of formal workforce between 2015 and 2018. Total number of jobs accounted to recruitment is 0.07 million. India is estimated to require a sum of INR 9 lakh crore (USD 145 billion) to skill India's workforce. It is projected that Rs. 142 lakh crore (USD 2258 billion) is essential to achieve SDG-4 and the present gap is Rs. 46 lakh crores (USD 740 billion). An amount of INR 2333 crore was released by NSDF to NSDC towards skill development training programmes. India Inc. is prioritizing spends in vocational skills and education to the tune of 37% of the total CSR. Association of Indian Skill Universities are capable of taking lead in formulating model curricula and assessment process for skills education in the country. 10 Corporates have trained 92,596 youth by investing INR 186.86 crores. BRICS Report, Hero Moto Corp, Tata Motors and Bharti-Walmart from India are the most successful cases of creating custom skills development programmes. To inspire all stakeholders, the Government both at centre and state level, enterprises, public and private, direct beneficiary, the individual to contribute in mobilizing financial or in-kind resources for skill development.

VII. STRATEGIES TO ENHANCE SKILL DEVELOPMENT

1. To establish collaborations to leverage best practices from across the world. Such collaborations will immensely enrich domestic training programmes by enhancing their quality through learnings from successful international models of vocationalization of education and engaging with industry.
2. To set up institutional arrangements through joint working groups for regular exchange of knowledge, experiences, research findings, teaching, learning materials, and innovations in skill development.
3. To encourage Corporates and agencies in education process to set up skill centres and universities for active participation in content creation, design of curricula and delivery of training.
4. To build the capacity and facilitate exchange programmes for teachers, administrators and students.
5. To reform the Vocational Education System and promote Multi-skilling in complementary areas to enable sustainable livelihood.
6. To build up the skills of more than 93% workforce in unorganized sector, certifying them and contribute for inclusive growth of the sector.
7. To recognise the prevailing skills of unorganized sector workforce, encouraging them for certification under Recognition of Prior Learning (RPL) and forward integration with formal labour market. This will also open up options for up-skilling and further vertical mobility.
8. To institute National Skills Qualifications Framework (NSQF) for all skills sectors.
9. To organise skill up gradation and pre-departure orientation to emigrant workers to take care of the problems encountered by Indian labourers abroad.
10. To incorporate the data on skill trainings, skilled manpower in MSME and unorganized sectors into National Sample Survey Office (NSSO) through periodic sample surveys.
11. To emphasise on computing skills like Artificial Intelligence (AI), Big Data, Internet of Things (IoT), Robotics, Virtual Reality, 3-D Printing and train Indian youth to opt for high salaried jobs.
12. To have close cooperation between educational institutions and industry representatives.
13. To evolve special mechanisms in the delivery of training such as mobile training units, flexible afternoon batches, training based on the local needs of the area. Ensure mobilization and participation of women as their participation in skill training and vocational education is predominantly low compared to men.
14. Documentation of success stories on niche players in the skills development system.

IX. STRATEGIES FOR FUND MOBILIZATION

1. To inspire all stakeholders, the Government both at Centre and States, the enterprise, public and private, direct beneficiary, the individual to contribute in mobilizing financial or in-kind resources for skill development.

2. To encourage corporates, companies, industries etc. to spend at least 25% of their CSR reserves on skill development activities either directly or through NSDF.
3. To involve government agencies like NITI Aayog to provide technical assistance to states on mobilising financial resources on their own from national and international sources by innovative activities.
4. To sensitize industries to allocate at least 2% of its staff bill (including contract labour) for skill development programs in respective skill sectors.
5. To encourage the agencies to apportion a minimum of 10% of the scheme budget in all Government schemes across sectors towards skilling activities.
6. To introduce a basic training fee by the end user will also be a key medium of fund raising to meet the skill training expenses to some extent.
7. To promote grant of scholarships, rewards and Skill Vouchers (SV) for funding of training costs by the Government.
8. To encourage and support financial institutions to progress innovative micro-level financial tools for skill development initiatives.

X. CONCLUSION

Skills development is the collective responsibility of all stakeholders viz. Government, complete spectrum of Corporates, community based organizations, those outstanding, highly qualified and dedicated individuals working in the skilling and entrepreneurship space for several years, industry and trade organisations. Mission Skill India is a mega task. Though Govt. of India has reiterated their commitment in Union Budget 2019 for job oriented skills, fund requirement is very high and the public funds (union government, local government and beneficiary oriented schemes) are finite and will not be able to cover the magnitude of this ambitious goal. Government believes that the inability to pay training costs should not stop any desirous citizen in the country from acquiring any certified skill training. The strategies and best practices solicited for fund mobilization and skill development will lead the way for sustainable development. A policy on Skill Social Responsibility will take appropriate measures of raising the investment in skill education by private providers through philanthropy and corporate sector responsibility will be encouraged in order to supplement the Government efforts. Perhaps it would be a better alternative for the government to encourage all the Science & Technology Institutions to take part in social responsibility for provisioning of public goods like education through skill development to reduce the unemployment.

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