ABSTRACT

The India’s economy is headed in a new direction - striving to touch double – digit annual growth rates, and a sustainable, equitable and inclusive growth, taking into account the needs of all sections of society. India’s economic growth has passed through four major phases over the past 60 Years and is emerging to a new phase with a broad objective of “Inclusive Growth”. This paper emphasizes the role of Sri Kshethra Dharmasthala Rural Development Project (SKDRDP) in Inclusive Growth of Self Help Groups (SHGs) in Karnataka. It covers the performance of SKDRDP as a Business Correspondent Model for the Inclusive Growth and its expansion in micro credit and related services.

INTRODUCTION

Inclusive Growth as the literal meaning of the two words refers to both the pace and the pattern of the economic growth. The Inclusive Growth approach takes a long term perspective as the focus is on productive employment rather than on direct income distribution, as a means of increasing incomes for excluded groups. Inclusive growth is therefore supposed to be inherently sustainable as distinct from income distribution schemes which can in the short run reduce the disparities between the poorest and the rest which may have arisen on account of policies intended to jumpstart the growth (Devender Kawday, 2012).
The inclusiveness involves four attributes diagrammatically

DIAGRAMME NO 1-INCLUSIVE GROWTH ATTRIBUTES & ITS LINKAGES

They are Opportunity, capability, access and security. The Opportunity attribute focuses on generating more and more opportunities to the people and focuses on increasing their income. The Capability attribute concentrates on providing the means for people to create or enhance their capabilities in order to exploit available opportunities. The Access attributes focuses on providing the means to bring opportunities and capabilities together. The Security attribute provides the means for people to protect themselves against a temporary or permanent loss of livelihood. SKDRDP in Karnataka working as registered secular NGO, and it initiated its activity from Belthangady taluk of Dakshina Kannada district, Karnataka, as a model for inclusive growth of Self Help Groups and it expanded its operation in other districts in Karnataka.

RESEARCH METHODOLOGY

The research project is descriptive and analytical in nature. The research project is mainly based on primary and secondary sources which include books, journals and WebPages.

SOURCES OF DATA

The present study is purely based on primary and secondary data, Primary data was collected through interview and interaction with the SKDRDP staff, secondary data from RBI regulations, guidelines and research journals, books and Annual report.
OBJECTIVES

Following are the major objectives of the present study

1. To explore performance of SKDRDP in Karnataka
2. To discuss the conceptual framework of Business Correspondent Model
3. To analyze the conceptual framework of inclusive growth
4. To suggest certain measures for the achievement of Inclusive Growth in India.

SHRI KSHETHRA DHARMASTHALA RURAL DEVELOPMENT PROJECT (SKDRDP)

Promoted by the visionary Dr. D. Veerendra Heggade, the Dharmadhikari of Dharmasthala in the year 1982 is just completing 28 years of fruitful service to the disadvantaged sections of the society. Working as a registered secular NGO, SKDRDP, initiated its activities in Belthangady taluk of Dakshina Kannada district and later, took the lessons learnt here to the other parts of Karnataka state.

BUSINESS CORRESPONDENT (BC)

In Jan 2006, the Reserve Bank of India issued a new set of guidelines allowing banks to employ two categories of intermediaries - Business Correspondents (BCs) and Business Facilitators (BFs) - to expand their outreach. According to the guidelines, while the BCs are permitted to carry out transactions on behalf of the bank as agents, the BFs can refer clients, pursue the clients’ proposal and facilitate the bank to carry out its transactions, but cannot transact on behalf of the bank.

Business Correspondents should be as per the RBI regulations:

1. NGOs / MFIs set up under Societies / Trust Acts,
2. Societies registered under Mutually Aided Cooperative Societies Acts or the Cooperative Societies Acts of States,
3. Section 25 companies
4. Registered NBFCs not accepting public deposits and
5. Post offices

SKDRDP AS A BUSINESS CORRESPONDENT (BC)

To reach out to the needy community SKDRDP adopted the BC model initiated by the Reserve Bank of India (RBI). SKDRDP has been working as the BC of the state owned State Bank of
India (SBI) and has been promoting SHGs in the backward districts of North Karnataka ever since January 2009. Under this model SKDRDP promotes the SHGs and links them to the branches of SBI and handholds these SHGs for development. Acting as BC SKDRDP does banking services at the door step of the SHGs. This has ensured that a large number of SHGs can transact with the bank with the help of remote hand held devices through which all transactions take place. During 2011-12 under report, 32,005 SHGs were linked to the branches of SBI resulting in a cumulative savings of Rs. 21.39 crores and credit outgo of Rs. 227.53 crores. Considering that most of this money worked as an alternative channel to the poor farmers against usurious loans granted by the money lenders for farming activities. The work of SKDRDP has helped the community to come out from the clutches of the money lenders.

NEED FOR INCLUSIVE GROWTH

Inclusive growth is necessary for sustainable development and equitable distribution of wealth and prosperity. Achieving inclusive growth is the biggest challenge in a country like India. In a democratic country like India, bringing 600 million people living in rural India into the mainstream is the biggest challenge. The concern is to take the levels of growth to all section of the society and to all parts of the country. The best way to achieve inclusive growth is through developing people’s skills. According to Prime Minister, Dr. Manmohan Singh, the key components of the inclusive growth strategy included a sharp increase in investment in rural areas, rural infrastructure and agriculture spurt in credit for farmers, increase in rural employment through a unique social safety net and a sharp increase in public spending on education and health care.

ROLE OF SKDRDP IN INCLUSIVE GROWTH OF SHGS

During 2011-12 SKDRDP(R) has spent Rs. 9.32 crores for various development activities, these includes donations for community projects, gobar gas installation construction of sanitation units, krishi mela, water harvesting projects, organic villages etc In addition to this, Rs. 13.00 crores has been spent on house construction to the people in the flood affected areas of Dharwad, Gadag and Haveri districts. Following are the activities and achievements of SKDRDP as BC model in Inclusive Growth of SHGs in Districts of Karnataka;

1. In four districts of Karnataka state namely Dharwad, Gadag, Haveri and Uttara Kannada districts 160 villages were selected for offering support to construction of houses, 1,261 houses were selected for repairs and 1,448 houses were selected for reconstruction. Some parties could not comply with the requirements and therefore these houses could not be taken up for repair and reconstruction. Ultimately 836 houses were repaired and 2,036 houses were reconstructed. The total project cost was Rs. 19.14 crores, shared between SKDRDP (Rs. 16.85 crores) and beneficiaries (Rs. 2.29 crores). The Project also included construction of new houses under Asare project of the Government of Karnataka in two villages namely Kongawada and Basapur which were shifted to new locations. A total of 790 houses were constructed by SKDRDP in these two villages. The houses are since handed over to the beneficiaries from the government
2. The workers of SKDRDP identify the poorest of the poor for a monthly sustenance support. During 2011-12a sum of Rs. 43.15 lakhs has been paid as monthly pension to the poorest of the poor constituting 1,801 members.

3. Scholarship schemes to the children of the beneficiaries who are going for technical education are offered a monthly scholarships ranging from Rs. 400/- to 1,000/- per month. A total of Rs. 1.62 crores to 3,980 students has been disbursed during the year.

4. SKDRDP works exclusively with small farmers helping them with peer support transfer of technology, access to finance. It promotes self help groups of the farmers called the “Pragathibandhu” SHG. The members of these groups prepare farm plan, undergo training, share labour and achieve progress. While planning focus is given on mixed cropping and multiple activities which help the farmers to get frequent incomes. Trained workers called as the farm supervisors work with the farmers. During 2011-12 3,260 dug wells and bore wells were commissioned. 6,688 pump sets and irrigation equipments were purchased by the farmers. In addition 410 tillers, 601 other machines were purchased by the farmers. A total of 5,68,160 acres of land were brought under improved cultivation practices.

5. SKDRDP invests substantial amounts in training and capacity building of the farmers. Help of the Govt. line departments, universities and Krishi Vignan Kendras is sought for training the farmers. They are also taken to field visits. During 2011-12 a total of 3919 trainings were organized to train 1,78,000 farmers. Besides 270 field trips were conducted for 14,338 farmers.

6. To popularize the Rice Cultivation System of Rice Intensification (SRI) of cultivation was introduced to bring back the interest of the farmers towards cereal cultivation. SKDRDP has launched a mega project to support paddy cultivation in collaboration with NABARD. Under the programme during 2011-12 9,453 farmers were assisted to cultivate paddy in 12,783 acres of land with a loan assistance of Rs. 7.66 crores for equipments and crop cultivation. The programme has created awareness on SRI and importance of cereal cultivation.

7. SKDRDP gives importance to conserving the ecology with special reference to social forestry. Trainings, village level programmes, watershed activities, forestation programmes are conducted. During 2011-12 3,069 environmental education programmes were conducted. 6,481 camps and afforestation of 39,397 plants was taken up. 7,182 watershed activities involving 25,672 families were taken up.

8. During 2011-12a total of 1,27,553 members have graduated beyond livelihoods by taking up micro and small enterprise.

9. SKDRDP supports the acquisition of basic Infrastructure facilities, to make a better living habitat for the poor. In this regard during 2011-12 35,409 sanitation units, 53,101 houses were constructed by the stakeholders. SKDRDP Subsidies to the extent of Rs. 400/- to
Rs. 1,500/- was given for sanitation units besides loans. Long duration loans were also extended for construction of dwelling units.

10. SKDRDP encourages use of renewable sources of power for lighting and fuel requirements in the underserved remote villages. Solar home lighting systems, gobar gas plants are installed as source of energy. During 2011-12 a total of 2,308 gobar gas units, 541 solar units were financed by SKDRDP.

11. SKDRDP supports community participation in building community assets. During 2011-12 SKDRDP supported 420 drinking water projects, 113 rural roads, 175 prayer halls. In its effort to support organized milk marketing, 295 milk societies were provided subsidies to the extent of Rs. 56.74 lakhs to acquire sophisticated machineries. Support to the crematoriums is another novel project of SKDRDP wherein fuel efficient cremation chambers are provided to the crematoriums, was extended during 2011-12 to 15 villages with a financial support of Rs. 17.65 lakhs.

12. In its continuing efforts to provide the best infrastructure in the rural areas, SKDRDP through its Jnanadeepa programme has been supporting the primary schools in villages. During 2011-12 teaching staff support were provided to 450 schools. 400 schools received desks and benches. 267 schools received support for equipments and buildings. In fact, Rs. 1.94 crores was invested by SKDRDP for this purpose.

13. Since SKDRDP is a human resource based organization capacity building trainings; induction training and refresher courses are carried out to the staff and stakeholders constantly. Further various skill based trainings, self employment trainings and awareness programs to the SHG members for motivating them to take up self employment ventures and enterprises for their economic empowerment. Further, unique trainings on microfinance models are also offered to various organizations working in the microfinance sector. SKDRDP(R) has set up 3 such training centers based in Belthangady, Mangalore and Dharwad with well equipped technologies and resource persons. A total number of 421 trainings to more than 16,151 members have been provided during 2011-12.

14. Under Jnana Vikasa Program SKDRDP aimed at empowering women. A total of 6,200 programs have been conducted and 4,05,000 women participated in the awareness program on various basic issues which are affecting day to day life of rural women. Protection of health of family members, hygiene practices, nutritious food, child’s education etc, is given importance while arranging the training programs. The Jnana Vikasa Program is helping the women members to develop more confidence in them and participate more in the social programs.

15. SKDRDP is presently working with 13,13,042 families. For their convenience 1,18,918 Self Help Groups have been promoted. These members contribute loan margins, borrow money, share it among themselves and repay at weekly intervals. The total loan margin available Rs.304.05 crores so far. In order to meet the financial need of the members
16. SKDRDP has borrowed funds from commercial banks and disbursed to the SHGs for onward lending to the members. During 2011-12 Rs. 951.51 crores were disbursed to total of 1,12,000 SHGs. As on 31.3.2011 SKDRDP could show 64% growth in outstanding over the last year. The micro finance outstanding went up from Rs. 662.00 crores as on 31-3-2010 to Rs. 1,025.85 crores during the year. Delinquency as at 31-3-2011 is Rs. 1.10 crores amounting to 0.01% of the outstanding. During 2011-12 SKDRDP borrowed Rs. 908.00 crores from commercial banks to sustain its micro finance operations. In spite of increased financial costs, SKDRDP did not revise its lending rates which were maintained at 15% on reducing scales or 9% on flat basis for loans up to 3 years. SKDRDP received subsidized loans for housing and small enterprise from NABARD and DBCDC. The interest subsidy was passed on to the beneficiary.

17. SKDRDP has tied up with the insurance companies for providing coverage of hospitalization expenses called as Sampoorna Suraksha, this programme collects pre designated premium to provide hospitalization coverage, meet maternity expenses, death compensation, calamity compensation, domiciliary treatment and accidental coverage. During 2011-12 15,82,000 members enrolled for sampoorna suraksha programme. So far a record no. of 76,588 members have received benefit to the extent of Rs. 25.06 crores under the scheme during the year. The total claims settled since inception of the scheme surpassed 100.00 crores and stood at 120.00 crores as at 31-3-2012.

18. During 2011-12 1,18,000 members enrolled for Jeevan Madhura Life Insurance programme implemented by the Life Insurance Corporation of India. 12,000 milch cows were insured under the cattle insurance policy during the year. The insurance company settled 701 claims during 2011-12amounting to Rs. 73.00 lakhs.

TABLE NO. 1- PERFORMANCE OF SKDRDP® AS AT THE END OF 31-03-2011

<table>
<thead>
<tr>
<th>Infrastructure developed by receiving Pragathinidhi:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. House and house repair for destitute (grant)</td>
<td>75,000</td>
</tr>
<tr>
<td>2. Construction of new houses, house repair and electrification</td>
<td>7,59,000</td>
</tr>
<tr>
<td>3. Toilets constructed</td>
<td>1,81,000</td>
</tr>
<tr>
<td>4. Installation of Solar lighting equipments</td>
<td>7,000</td>
</tr>
<tr>
<td>5. Installation of Gobar gas system</td>
<td>10,000</td>
</tr>
<tr>
<td>6. No. of dedication camps conducted</td>
<td>410</td>
</tr>
<tr>
<td>7. No. of people dedicated</td>
<td>34,000</td>
</tr>
<tr>
<td>8. No. of houses constructed in flood affected</td>
<td>2,891</td>
</tr>
</tbody>
</table>
**area of North Karnataka**

Source: SKDRDP® annual report 2011-12

**TABLE NO. 2- PERFORMANCE OF SKDRDP® AS AT THE END OF 31-03-2011**

<table>
<thead>
<tr>
<th>No.</th>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>No. of Self Help Groups</td>
<td>1,18,918</td>
</tr>
<tr>
<td>2.</td>
<td>No. of SHG members</td>
<td>13,13,042</td>
</tr>
<tr>
<td>3.</td>
<td>Savings (Rs. 10/- per week)</td>
<td>Rs. 304.00 crores</td>
</tr>
<tr>
<td>4.</td>
<td>Amount of loan disbursed</td>
<td>Rs. 2527.00 crores</td>
</tr>
<tr>
<td>5.</td>
<td>Overdue loan disbursed</td>
<td>Nil</td>
</tr>
<tr>
<td>6.</td>
<td>No. of days of labour sharing</td>
<td>3,22,48,508 man days</td>
</tr>
<tr>
<td>7.</td>
<td>Farming activities undertaken</td>
<td>6,00,000 acres</td>
</tr>
<tr>
<td>8.</td>
<td>Construction of wells</td>
<td>42,000</td>
</tr>
<tr>
<td>9.</td>
<td>Pump set and Irrigation system</td>
<td>50,000</td>
</tr>
</tbody>
</table>

Source: SKDRDP® annual report 2011-12

**CONCLUSION**

India has the potential of becoming a leading economy and has the unique opportunity to make the growth inclusive, provided there is willingness on the part of all sections of society to put in hard and disciplined work, together with serious, sustained and purposeful planning. First, there is a much that needs to be done to build up India’s potential. Better governance, more and better educational institutions, higher agricultural productivity, controlled inflation and improvement in infrastructure are some of the major and more important steps required in this direction. Improved agricultural productivity would bring in its wake increased family incomes for this vast majority. This, together with better infrastructure in the countryside – greater rural
connectivity, rural electrification and investment in irrigation, would aid tremendously in tackling rural poverty, as well as add to the overall prosperity of the nation, SKDRDP® acting as Business Correspondent and performing the objectives of inclusive growth in the part of the nation and proved that BCs are a best tool/model for the sustainable development both the phase of economy.

**REFERENCE**


2. Status Report - Rural financial programmes India, Challenges & potential for Indian banks to implement business facilities and business correspondent models


5. Annual Report- SKDRDP Programmes 2011-12