

## **A Study on Promoting Inclusive Growth with Reference to Axis Bank**

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**Abstract:** *Axis Bank was formed as UTI when it was incorporated in 1994 when Government of India allowed private players in the banking sector. The bank was sponsored together by the administrator of the specified undertaking of the Unit Trust of India, Life Insurance Corporation of India (LIC) and General Insurance Corporation Ltd. and its subsidiaries namely National insurance company Ltd., the New India Assurance Company, the Oriental Insurance Corporation and United Insurance Company Ltd.*

*Promoting inclusive growth has been top priority area of the Axis Bank Foundation. They try to make the difference to their customers, to the society and to the nation's development directly through the products and services, as well as through developmental initiatives and community outreach its main areas of focus is for promoting inclusive growth consisting of education, public health and medical relief, sustainable livelihoods and improving access to financial services and technology initiatives. These can be achieved through active collaboration with the government and independent organizations.*

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### **I. Introduction**

AXIS Bank is one of the fastest growing banks in private sector. The Bank operates in four segments, namely treasury, retail banking, corporate/ wholesale banking and other banking business. The treasury operations include investments in sovereign and corporate debt, equity and mutual funds, trading operations, derivative trading and foreign exchange operations on the account, and for customers and central funding. Retail banking includes lending to individuals/ small businesses subject to the orientation, product and granularity criterion. It also includes liability products, card services, Internet banking, automated teller machines (ATM) services, depository, financial advisory services, and non-resident Indian (NRI) services. The corporate/ wholesale banking segment includes corporate relationships not included under retail banking, corporate advisory services, placements and syndication, management of public issue, project appraisals, capital market related services, and cash management services. The Bank's registered office is located at Ahmedabad and their Central Office is located at Mumbai.

Axis Bank recognizes its duty as a responsible corporate citizen to help strengthen the communities in which we live and work. Axis Bank Foundation (ABF) was setup as a Public Trust in 2006 to carry out the Corporate Social Responsibility initiatives of Axis Bank. ABF has partnered with several NGOs to provide equitable education to various underprivileged individuals across 13 states of India. With the continued efforts to elevate the education levels in India, in 2011 they ventured into the domain of providing sustainable livelihoods. These programs will aim at alleviating poverty and providing livelihood options for economically weak households.

Besides the philanthropic initiatives of ABF, they have setup a Volunteering program, encouraging the employees of the Bank to get involved and become socially responsible citizens. ABF is also actively involved in making steps towards reversing the effects of our ecological footprint, by implementing several Sustainability Initiatives. The mission of the foundation is articulated by the MD as;

"We at Axis Bank, strongly believe, that we should participate in the well being of our society. Axis Bank Foundation was set up to give strategic direction to the philanthropic activities of our Bank and its officers. In tune with our desire that the Bank should not only be profitable but also socially relevant, we set apart up to 1% of our profits every year for the activities of our foundation. The foundation has so far been focusing primarily on initiatives in the field of education. We are also engaged in highway trauma care and rural medical relief, in a modest way".

### **Objectives of the study**

This paper focuses on the initiatives taken by Axis Bank for promoting inclusive growth.

### **II. Literature review**

Inclusive growth involves a long term perspective. It focuses on the generation of productive employment, instead of direct income redistribution, in order to increase the incomes of excluded groups. Some redistribution schemes may however be necessary in the short term (Ianchovichina and Lundstrom, 2009).

Inclusive growth is the growth that not only creates new economic opportunities, but also one that ensures equal access to the opportunities created for all segments of society, particularly for the poor" (Ali and Hwa Son, 2007 p. 12).

Inclusive growth includes but extends pro-poor growth; it involves increasing the size and economic commend of the middle class". The assumption is that growth which is beneficial for the large majority of people in developing countries is more likely to be economically and politically sustainable (Birdsall, 2007).

A large range of policies to promote inclusive growth are discussed in the literature. They include:

**Enabling environment:** government should develop and maintain an enabling environment for business and investment in technology and innovation. Competitive exchange rates can also contribute to inclusive growth through a rise in manufactured exports. Such exports are often associated with investment in new enterprises and creation of jobs for the semi-skilled (Birdsall, 2007). Governments also need to promote an environment for equal participation. Effective legal institutions and rule of law are essential in guaranteeing the rights of people to participate in economic growth (Rauniyar and Kanbur, 2009).

**Redistributive public expenditures and social protection:** inclusive growth can be promoted through progressive tax systems and expenditures – including short-term transfer policies and greater broad-based spending on health, education and public infrastructure (Birdsall, 2007; McKay, 2008; Higgins and Prowse, 2010).

**Improvements in access to education and health** could facilitate the access and participation of the poor in employment and growth opportunities (Ianchovichina and Lundstrom, 2009). Targeted social protection schemes may also provide poor and vulnerable groups with more economic security, which may allow for greater risk taking (Rauniyar and Kanbur, 2009).

**Human capital and job creation:** support for human capital and the strengthening of capabilities is important for inclusive growth (Rauniyar and Kanbur, 2009). Further, increasing the rate of job creation from growth is necessary to provide opportunities for people to benefit from higher education levels and move out of agriculture (McKay, 2008).

**Broad-based sectoral growth:** since job creation may still not benefit the poorest directly, it is important to adopt a pattern of growth which is broad-based in terms of its coverage of sectors, regions or population. This includes the agricultural sector if its coverage of sectors, regions or population. This includes the agricultural sector if that is the sector in which the poor are disproportionately represented (McKay, 2008). In many countries in Asia, for example, large percentages of the population are rural based and depend on agriculture for a living. Rural infrastructure and agricultural technologies are essential to developing the rural economy and providing rural populations with access to markets, basic services and employment and income opportunities (Rauniyar and Kanbur, 2009).

**Infrastructure development:** quality of infrastructure is an enabling factor that drives inclusive growth (Rauniyar and Kanbur, 2009). Directly targeting business and trade related infrastructure (e.g. transport, energy and telecommunications) to vulnerable and poor groups can improve their access to and participation in growth. Rural women in many countries, for example, spend significantly more time and income on transport, which reduces their ability to invest in higher value-added activities (Higgins and Prowse, 2010).

**Partnerships between government and the private sector:** there is an increasing number of profits and not-for profit business actors that are drawing on opportunities to serve more of the low-income population and those who live in more remote areas. It is important for government to work with such actors and to provide support for businesses to expand services to the poor the vulnerable (Mendoza and Thelen, 2008; Rauniyar and Kanbur, 2009; Chakrabarty 2009).

**Assessment and monitoring:** it is essential to assess the constraints to sustained high growth for all groups in society and to determine how different segments of society are affected. Support must be given to governments such that they can collect disaggregated data and adopt an inclusive approach (Higgins and Prowse, 2010; Ianchovichina and Lundstrom, 2009). It is also essential to design ways in which to measure inclusive growth and the extent and degree to which inclusiveness is attained (Ali, 2007; Higgins and Prowse, 2010).

### **III. Research methodology**

#### **Research Method**

In this paper Exploratory research and Descriptive research design are used.

Exploratory research is a type of research conducted for a problem that has not been clearly defined. Exploratory research helps determine the best research design, data collection method and selection of subjects. It should draw definitive conclusions only with extreme caution. Given its fundamental nature, exploratory research often concludes that a perceived problem does not actually exist.

Descriptive research includes surveys and fact-finding enquiries of different kinds. The major purpose of descriptive research is description of the state of affairs as it exists at present.

#### **Data collection**

It includes published data and the data collected in the past or other parties. Information has been sourced from books, research papers, journals, magazines and websites. In this paper the data has been collected from Axis Bank's Annual Reports.

#### **Analysis**

The analysis says that the programs and steps taken by the Axis Bank for promoting Inclusive Growth will definitely benefit the society and especially to the poor people in their health prospects, education and many others.

For Promoting Inclusive growth the main areas of focus for Axis Bank are:

#### **I. Education**

##### **1. Balwadi's**

The Foundation has identified the need to focus on early childhood programs for 2 - 6 year olds. As part of the initiatives to support education, they are helping to develop learning places for young children living in large urban slum clusters so that it creates a strong foundation and inculcates social and cultural awareness in them.

##### **2. Supplementary Education**

The Foundation is focusing on quality education for the underprivileged children (with a special focus on the girl child) to support projects that strengthen the existing educational system. In other words, remedial education or supplementary classes are provided to children studying mainly in government / municipal schools. The support classes will not only enable the children to perform better but also ensure that they remain in school and do not drop out due to bad performance. There are many programs under supplementary education, which are as below;

- a. **Manovikas Kendra:** Grant for 25 Municipal schools to identify and coach slow learning children
- b. **Nav Bharat Jagriti Kendra(NBJK):** Grant for 100 remedial coaching centers to reach out to approximately 4000 children from Std. VIII - X in 3 Blocks of Hazaribagh district in Jharkhand
- c. **MV Foundation:** Grant for Village Resource Centers in 226 villages of Nalgonda district
- d. **Pratibandhi Kalyan Kendra (PKK):** Grant for inclusive education program for children with hearing disability
- e. **India Foundation for the Arts:** Grant for arts in education training for teachers in the tribal areas
- f. **VAANI, Deaf Children's Foundation:** Grant for creating access to primary & pre-primary education for 220 deaf children through 4 day care centers in the slums of Kolkata
- g. **Sense International (India):** Grant to create opportunities for deaf, blind persons in Jaipur and Bhopal through local partners
- h. **Agastya International Foundation:** Grant to construct model making workshop at Kuppam, Karnataka and for purchase of a mobile van to impart science education to underprivileged children of Municipal schools in Delhi
- i. **Eklavya Foundation:** Support to 180 Shiksha Protsahan Kendras in Madhya Pradesh to educate about 5,000 children.
- j. **Light of Life Trust:** Grant towards supplementary education for approximately 1,000 children from Std.VI - X in Karjat (near Mumbai) and 13 other adjoining areas in Maharashtra
- k. **Shaishav Trust:** Support towards 15 Balghars and the Balsena Program

- l. **Door step School:** Grant for adopting 3 Municipal Schools to implement remedial / supplementary education
- m. **DEEDs Public Charitable Trust:** Grant for providing English literacy to Deaf Youth
- n. **SUPPORT (Society Undertaking Poor People's Onus for Rehabilitation):** Grant for providing formal education to rehabilitated drug-abusing street children and homeless youth through their residential rehabilitation program
- o. **Godhuli:** Grant for educating 230 children of Meera Bagh slum of New Delhi and eventual mainstreaming into formal schools
- p. **Foundation for Education & Development:** Grant for education and popularization of Science in schools and among adolescents in rural Rajasthan
- q. **Shanti Devi Charitable Trust:** Grant towards running 15 centres in Kusumpur Pahari and Rangpuri-Mahipalpur areas in New Delhi providing Supplementary Education to 1000 children
- r. **Mitra Jyothi:** Grant to upgrade the Talking Book Library for visually impaired persons
- s. **Shishu Sarothi:** Grant for upgrading centre for special education at Guwahati along with upgrading sports and recreational facilities for special children

### **3. Bridge Course**

The Foundation is supporting mainstream education initiatives through non-formal education centers or bridge courses for children who have dropped out or have never been to school. These centers bridge the gap between the age of the child and his or her level of learning and mainstream them in age appropriate classes. These centers also act as backup / tuition centers for in-school children

- a. **CINI Asha:** To build capacities of 3 smaller NGOs to support and mainstream out-of-school children into formal schools over a period of 1 year
- b. **Tropical Research & Development Centre (TRDC):** Grant for bridge course for 2000 child laborers or out of school children in Ranebennur district of Karnataka
- c. **Center for Unfolding Learning Potential (CULP):** To set up 22 Pehchansahalas in Chakshu and Niwai Blocks in Rajasthan for Bridge Course learning of out-of-school girl children
- d. **Astha Sansthan:** Providing education through two initiatives in Southern Rajasthan :  
1) Supplementary teaching in 30 village schools by Young Educators and by organizing month long summer camps in the schools and, 2) holding seven month' special residential education camps for adolescent girls in Kotra and Kelwara Blocks of Rajsamand District

### **4. Vocational Training**

The youth can and should be instrumental in bringing about a social change and be assets to the development of their communities. Unemployment afflicts the underprivileged youth because majority of them are not only semiliterate or undereducated but also poses no vocational ability i.e. technical / business skills for self-employment.

As part of Axis Bank's corporate social responsibility initiative, the Foundation has been supporting various projects to impart vocational training to the underprivileged youth and make them productive members of the society.

- a. **Enable India:** Grant for computer training program of visually impaired persons, eventually leading to ensured employability
- b. **Jagannath Institute for Technology and Management (JITM) :** Grant for cost of equipment for a mini tool room for vocational & skill up gradation training for SC/ST students and tribal's for employability and self employment
- c. **MBA Foundation:** Grant for creating opportunities for value adding and other vocational training activities suitable to persons with different types and levels of disabilities

d. **Kherwadi Social Welfare Association (KSWA):** Grant for providing vocational training and placement to unmotivated school drop-outs and underprivileged youth

e. **SPJ Sadhana School:** Grant for the salaries of professional trainers and trained teachers involved in the school's 5 year polytechnic course

g. **Noida Deaf Society:** Grant for capacity building of Hearing Impaired youth by imparting skills enabling employability through specialized vocational training programs.

## 5. Pure Education

Axis Bank Foundation strives to ensure that the fruits of education reach every corner of the country. They have joined hands with several rural partners to make primary education reachable for every child.

a. **Udavum Karangal Educational Trust:** Grant to run Secondary School for socially and economically poor children of Thiruverkadu, Chennai

b. **Montfort Community Trust:** Grant for part operational cost towards Primary section of Montfort Community School to educate tribal children at Yercaud, Salem.

c. **Br. Nath Pai Shikshan Prasarak Mandal, Mumbai (Vikhroli Vidyalaya) :**Grant for constructing the School building

d. **Navjeevan Centre (Navjyoti School):** Grant for operating expenses of Navjyoti School.

e. **Pardada Pardadi Educational Society:** Grant towards educating 350 rural girls of Anupshahr Block of Bulandshahr District in U P.

f. **Vidya Prasarak Mandal:** Grant to construct school building

g. **Jayaprakash Narayan Memorial Trust(Vidya & Child) :** Grant towards increasing outreach of Vidya & Child's Non Formal Education Program by- 1) expansion of existing learning centre at Khoda, Sector 62, Noida and, 2) commencing operations at new centre at Barola, Sector 49, Noida

## 6. Training the Trainers

Teacher training programs are being supported to improve the quality of teaching among the school teachers

a. **LeapForWord:** Grant to support their School Project to train teachers in 6 BMC schools in Mumbai to deliver the content developed by them

## II. Sustainable livelihoods

About 60% of the Indian population is dependent on agriculture for a livelihood. Axis Bank Foundation is seeking to address issues that plague the agricultural domain like low agricultural productivity, lack of efficient water management, farmer suicides etc. through various interventions ranging from creating water infrastructure, soil treatment to ensure higher yield, low cost agricultural operations, aggregation of the produce, creating value addition, market linkages etc. The programs are aimed to improve the productivity of farms belonging to small and marginal farmers and help them achieve a more remunerative price for their agricultural produce. They are helping in creating strong local institutions of the people and economic empowerment of women through appropriate interventions. They are working primarily in the poorest regions of the country in the states of Jharkhand, Madhya Pradesh, Maharashtra, West Bengal, Chhattisgarh and Tamil Nadu.

### a. **ABHA (Axis Bank Bandhan Holistic Assistance)**

Axis Bank Foundation has partnered with Bandhan Konnagar to launch the Axis Bank Bandhan Holistic Assistance (ABHA) program for the Poorest of the Poor. In the next five years, ABHA aims to reach out to 50,000 people living in the villages of Murshidabad and South 24 Parganas districts of West Bengal. ABHA is expected to be a small step in realizing the vision of a more equitable society, where the extremely poor share the benefits of growth. The target beneficiaries are the poorest sections amongst the population, primarily women who are widows or women with no able bodied male member in the household.

In order to enable the beneficiaries to emerge out of extreme poverty sustainable livelihood options are identified and two assets are purchased and handed over to them, free of cost. The bank is working towards creating at least two sources of income in the family from the two income generating assets. The major outcomes expected out of the program are

- All the members of the household eat at least two full meals in a day.
- Beneficiaries reside in safe houses.
- Basic financial literacy and opening of bank accounts.
- Children of school going age attend school.

#### **b. Centre for Collective Development**

Axis Bank Foundation has partnered with CCD for a period of five years, to work for the benefit of around 46,000 small and marginal farmers in the remote villages of Anantapur and the tribal areas of Adilabad. The program objectives are to increase the socio-economic status of the poor in Anantapur and Adilabad districts of Andhra Pradesh. The focus of the program is the promotion of cooperatives of small and marginal farmers, sustainable agriculture, pooling of agricultural produce and to set up processing units for groundnuts in Anantapur and Cotton in Adilabad and thus progress in the value chain.

#### **c. DHANA**

Axis Bank Foundation has partnered with DHAN Vayalagam Tank Foundation (DVTF) and identified four drought prone blocks in Tamil Nadu- Kottampatti, Natham, South Pudur and Ponnamaravathy, working to improve the performance of traditional water commons viz. tanks and village ponds and rehabilitate them to their original hydrologic standards by organizing the community members into associations. The project involves reviving 625 irrigation tanks and 125 drinking water ponds in addition to various other site specific soil and water conservation interventions. Over the next five years, the project will benefit around 30,000 small and marginal farming families and 30,000 landless labour families from over 500 villages. The project aims to increase agricultural income through increased crop cultivation and higher yield, as well as facilitate the formation of women self-help groups to take up various income generating activities and to link them to a bank for credit facilities.

#### **d. Dilasa**

Axis Bank Foundation has partnered with Dilasa to enable a 50% increase in the annual income of 50,000 families living in the Vidarbha region of Maharashtra. Dilasa was established in 1994, working for the development of neglected tribal people, farmers, distressed women and children. Dilasa has implemented various developmental projects in the Vidarbha region, creating livelihoods on a sustainable basis.

This region has come to epitomize the severe agrarian distress faced by India, reflected in the spate of farmer suicides in this area. Studies trace the farmer suicides to high indebtedness, non-availability of easy credit, inadequate crop insurance, poor irrigation facilities, high production cost, erratic rains and natural calamities. Farmers of the region largely grow only one crop a year and the absence of optional non-farm or agro-allied livelihoods are important reasons being cited for these suicides. In an effort to alleviate the situation of distress in this area, Axis Bank Foundation has tied up with Dilasa and have partnered with them for the introduction of a number of interventions to be implemented; these are:

- Creating irrigation facilities by building small check dams and tanks
- Soil erosion control measures.
- Promoting sustainable and lower risk agricultural practices.
- Promoting allied livelihoods.
- Formation of self-help groups and linking them to financial institutions for credit facilities

### **III. Public health and medical relief**

A number of people who meet with accidents on highways face a tragic end due to the lack of medical attention within the 'golden hour' i.e. one hour after the accident.

Axis Bank Foundation provides medical rehabilitation program by working with Lifeline Foundation for more than 3 years and funds their Highway Rescue Project in the states of Maharashtra, Kerala and Rajasthan.

**a. Life Line Foundation:** Grant for the second phase of Highway Rescue Project

**b. Community Development Medicinal Unit:** Grant to purchase an Omni van to supply essential life saving medicines to NGOs in the interiors of Orissa

#### **IV. Conclusion**

For nearly decades, the Axis Bank is contributing its best for the economic growth and development of the country. Promoting Inclusive Growth has been a priority area for the group from both social and business perspective and it is keep on working for the nation's development through its various products and services as well as through development initiatives and community outreach.

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