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INSTITUTIONAL ROLE OF KARNATAKA MINORITIES DEVELOPMENT CORPORATION LIMITED IN MINORITY WELFARE AND DEVELOPMENT

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ABSTRACT

The Karnataka Minorities Development Corporation Limited (KMDC) plays an important institutional role in promoting the socio-economic and educational development of religious minority communities in Karnataka. Established in 1986 following the recommendations of the Karnataka State Minorities Commission, the Corporation provides financial assistance and welfare support through various schemes aimed at education, self-employment, skill development, agriculture, entrepreneurship and social security. The present study examines the institutional framework and functioning of KMDC, reviews its major welfare and development schemes, and identifies challenges affecting their effective implementation. The study is based on secondary data obtained from KMDC annual reports, Government publications, research studies, policy documents and relevant official websites. Descriptive methods and simple statistical analysis are used to assess the reach of selected schemes. The study finds that schemes such as Arivu Education Loan, Overseas Educational Loan, Swavalambi Sarathi, Shramashakthi, Ganga Kalyana, Silk Reeling Unit Promotion and Business Support contribute to educational advancement, self-employment, financial inclusion and livelihood generation among minority beneficiaries. The beneficiary data for 2025–26 indicate that 15,148 beneficiaries were covered under the selected schemes, with the largest share belonging to the Muslim community. However, inadequate financial resources, limited awareness, digital barriers and difficulties in accessing required documentation continue to constrain the outreach of KMDC programmes. The study suggests strengthening financial allocation, awareness mechanisms, digital service delivery, simplified application procedures, skill-based initiatives and monitoring systems to improve the effectiveness of KMDC schemes and promote inclusive and equitable development of minority communities in Karnataka.

Keywords: Karnataka Minorities Development Corporation, Minority Welfare, Socio-economic Development, Educational Development, Financial Inclusion, Self-employment, Inclusive Growth.

INTRODUCTION

The very distinct feature of Indian nation is, she is a multi-religious, multi-linguistic and multi-cultural county.Article 29 and 30 of the III part of the Indian constitution has guaranteed certain provisions and rights to the religious and linguistic minority communities-living in India. As per the national minorities Act 1992, the religious minorities in India includes Muslims, Christians, Buddhists, Jains, Sikhs and Parsis. In order to eradicate the socio economic and educational Backwardness of the society proper data is absolutely essential. In the absence of proper data scientific planning for comprehensive advancement in various directions is not possible. Therefore the Government of Karnataka constituted the High power committee under the chairmanship of Honourable M.P K.Rahman Khan, the then chairman of Karnataka minorities commission in 1994. The committee conducted thorough

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survey of Socio-Economic and educational conditions of religious minorities in Karnataka. The survey has revealed the fact that the minorities are facing acute economic problems. It was found that only 50.04% of the minority population resides in urban areas and 49.96 % in rural areas. Further it was found that among 59.24 lakh cultivators in the state 2.68 lakh were minority cultivators and majority of them are small and marginal farmers who are under vicious circle of poverty. Due to low farm income, migration from rural to urban areas was common among minorities.

To address these disparities, both the central and state governments have introduced several welfare programs and institutional mechanisms aimed at promoting the development of minority communities. In order to promote, safeguard and uplift the Socio-economic and educational standards of Religious minority communities in India, which is guaranteed under the Fundamental Rights of the Indian Constitution, and to protect the interests of minorities mentioned in the prime minister's 15 point programme, the Government of Karnataka constituted "Karnataka State Minorities Commission" during the year 1983-84.

Over the years, KMDC has implemented several schemes aimed at promoting self-employment, supporting higher education, and strengthening economic participation among minorities. The role of such institutions is crucial in ensuring inclusive growth and equitable development in society. This article has reviewed Institutional Role of Karnataka Minorities Development Corporation Limited in Minority Welfare and Development.

OBJECTIVES OF THE STUDY

The study has the following objectives:

1. To examine the institutional structure and functioning of the Karnataka Minorities Development Corporation Limited.
2. To study the major welfare and development schemes implemented by KMDC Ltd.
3. To provide suggestions for improving the effectiveness of various welfare schemes of KMDC Ltd.

RESEARCH METHODOLOGY

The present study is based on secondary data collected from various sources such as annual reports of Karnataka Minorities Development Corporation Limited, Government reports and publications, Research journals and the various websites, Policy documents related to minority welfare. The collected data has been analyzed using descriptive methods. Tables and simple statistical analysis are used to understand the performance and impact of KMDC schemes

Socio – Economic Conditions of Minorities in the State

As per the national minorities Act 1992, the religious minorities in India includes Muslims, Christians, Buddhists, Jains, Sikhs and Parsis.. Minority communities constitute a significant portion of the population and contribute to the economic and cultural development of the nation. Religious minorities constitute an important part of Karnataka's social and economic structure. According to the 2011 Census, Karnataka had a total population of 6.11 crore, of which religious minorities accounted for about 96.0 lakh (15.7%) according to the Karnataka Department of Minority Welfare.

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Community wise beak-up of minority population in Karnataka, as per 2011 census is given in below Table no 1

Sl. No.	Religious minority community	Population	Percentage of total Karnataka population
1	**Muslims**	78,93,065	12.92
2	**Christians**	11,42,647	1.87
3	**Jains**	4,40,280	0.72
4	**Buddhists**	95,710	0.16
5	**Sikhs**	28,773	0.05
6	**Parsis**	about 1,000	0.05
	Total Religious Minorities	**96,00,475**	15.72

Source: *Census of India – C-01, Karnataka, 2011*

The socio-economic conditions of minorities are not identical. Some communities, particularly Jains and Christians, have relatively high literacy and educational attainment, while sections of the Muslim community face greater educational and employment disadvantages. However, many minority communities continue to experience socio-economic disadvantages in terms of income, education, and employment opportunities. According to Census of India 2011 reports the educational condition of minorities is not uniform and due to high dropout rates, financial constraints minority communities have less access to higher education. The census reports also provides official religion-wise information on workers and different occupational categories in Karnataka according to which economically weaker sections of minorities are often more dependent on self-employment and informal-sector activities, where income and employment security is be relatively limited.

Rural minority populations may face additional challenges related to agricultural dependence, educational infrastructure and employment opportunities. Based on the official demographic and socio-economic datasets, important areas requiring policy attention includes Educational disparities Unemployment and Dependence on informal employment, Limited access to institutional finance Skill gaps and on other welfare programmes

INSTITUTIONAL FRAMEWORK OF KMDC AND ITS ROLE IN MINORITY WELFARE AND DEVELOPMENT

In order to promote, safeguard and uplift the Socio-economic and educational standards of Religious minority communities in India, which is guaranteed under the Fundamental Rights of the Indian Constitution, and to protect the interests of minorities mentioned in the prime minister's 15 point programme, the Government of Karnataka constituted "Karnataka State Minorities Commission" during the year 1983-84. The report of the commission was submitted on 7th January 1985. One of the major recommendations of the committee was creation of **Karnataka Minorities Development Corporation** to make institutional arrangement to enable the minorities to avail financial help for economic upliftment. Government of Karnataka considered the recommendation of the commission. As a result **"The Karnataka Minorities Development Corporation Limited"** was set up on 7th February 1986 by incorporating under Indian companies Act, 1956 (No 1 of 1956) with an authorized share capital of Rs.65 crore.

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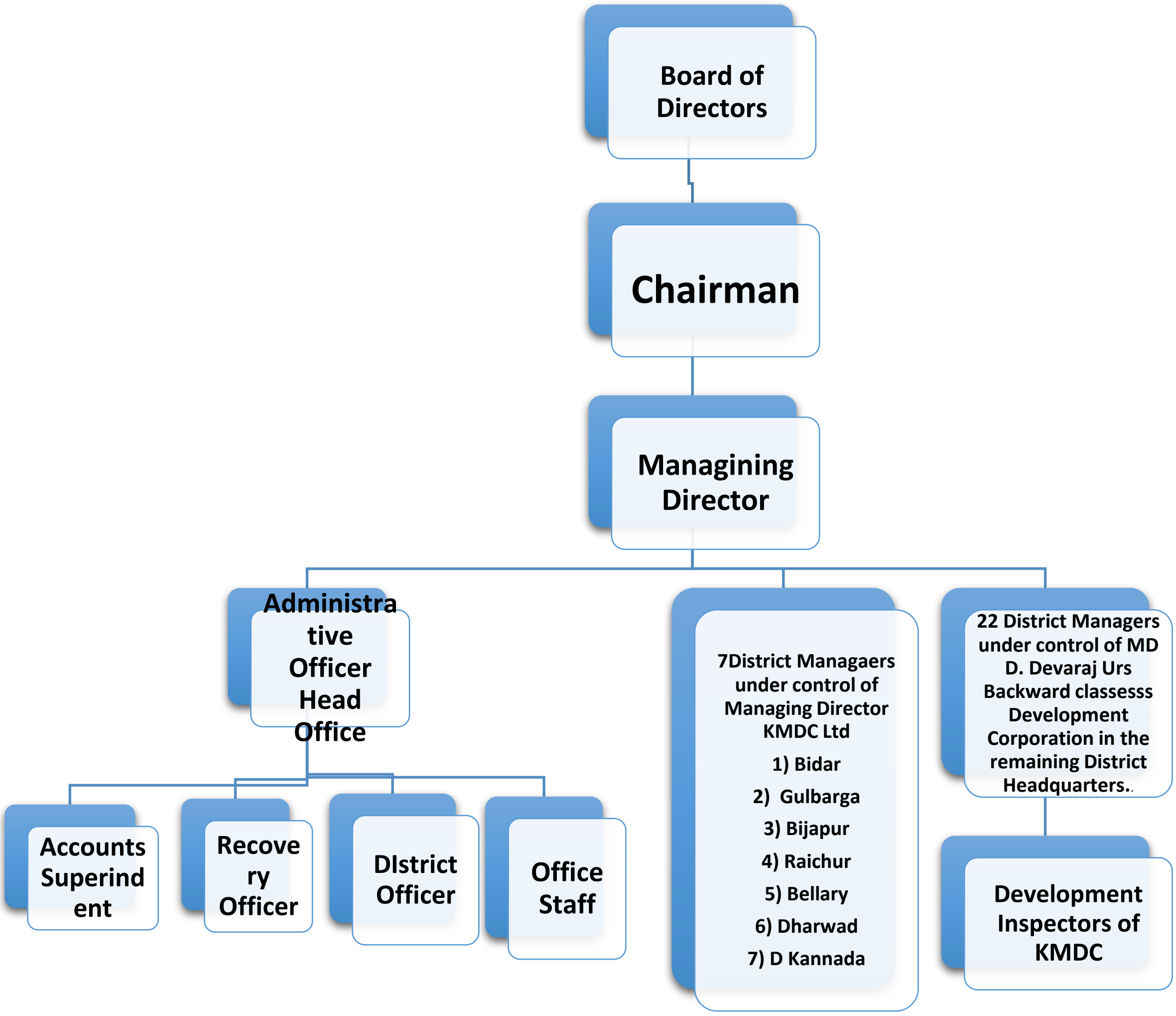
HIERARCHY OF MANAGEMENT OF KMDC LTD.



As on today, the authorized share capital of the Corporation is Rs.600.00 Crores. The Corporation is now functioning under the supervision of Minorities Welfare Department of the Government of Karnataka. The Registered Office of the Corporation is based at Bangalore and it has its District Offices in all District Headquarters of the State. The Chairman of the Board of Directors is the executive head and the Managing Director is the administrative head. The Corporation is entrusted with the job of development of minority's status socially, educationally and economically through the Government sponsored Schemes which are implemented through its District Offices located at all District Headquarters of Karnataka.

MAJOR SCHEMES IMPLEMENTED BY KMDC LTD.

"Arivu"EducationLoanScheme.

Under this scheme, Religious Minority Community students who wish to pursue professional courses such as M.B.B.S., M.D., M.S., B. E.,M.B.A will be granted loans ranging from Rs. 50,000/- to Rs. 5,00,000/- for every year until the course duration. Such student shall repay the loan with service charges of 2% per annum after 6 months of completion of the course.

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Overseas educational loan scheme

This is one of the unique scheme introduced by KMDC Ltd under this Financial assistance will be given to the students Who are pursuing graduate or postgraduate degree courses in recognized universities abroad

Swavalambi sarathi scheme

This is subsidy scheme for buying Taxi, Goods vehicles and Autorickshaw and so on. Under this scheme This Scheme is implemented by the corporation in collaboration with nationalized / scheduled banks. Purchase of Passenger Auto rickshaw / Goods Vehicle / Taxi will be provided a subsidy of 50% of the value of the vehicle or a maximum subsidy of Rs. 3.00 Lakhs.

Business support Loan scheme

Under this scheme, Loan will be given to eligible entrepreneurs to start or expand their businesses by mortgaging property (building or land).Loans will be provided only on mortgage of property (building/land) to the corporation. It’s a support for self-employment.

Ganga kalyana scheme

The is a fully subsidized scheme, under which bore wells, pumps and electrification are provided small farmers belonging to religious minority communities living in rural areas.For individual Bore well project, the government has allocated Rs.3.75 lakhs for 1. Bangalore Rural 2. Kolar 3. Chikkaballapur 4. Ramanagara 5. Tumkur districts and Rs.2.25 lakhs for other districts. Each beneficiary should have 1 acre 20 gunte (1 acre 50 cents) of acre to 5 acres of dry land, in districts like Kodagu, Dakshina Kannada, Udupi, Uttara Kannada, Chikkamagaluru, Shimoga and Hassan, the minimum land should be 1 acre as the availability of land is very less.

Shramashakthi Scheme

Under this scheme, to develop the traditional skills, to continue in the same business or to start a small business or to improve their businesses, religious minority community entrepreneurs will be trained in artistic and technical skills, and provided a loan of Rs. 50,000/- with 4% rate of interest, to be paid in 36 instalments. If the beneficiary repays 50% of the loan within 36 months, the remaining 50% of the loan would be considered a back-end subsidy. If the beneficiary fails to repay the loan within 36 months, 50% of the backend subsidy will be considered as a loan.

Silk Reeling Unit Promotion Scheme

Under this scheme financial assistance will be provided to start silk reeling Units. Through the tie-up banks the corporation provides subsidy as well as financial assistance for purchasing machineries and other infrastructure facilities required.

Santvana Scheme

This is a flagship scheme of the corporation which provides social security support to the families which comes under targeted below poverty line. Special preference will be given to Helpless women belonging to the religious minority communities.

COMMUNITY-WISE BENEFICIARIES FOR THE YEAR 2025-26

Sl. NO	Name of the Schemes	Muslims	Christians	Jains	Sikh	Buddist	Parsi	Total
1	**Arivu" education loan**	2395	33	126	1	0	0	2555

	scheme(Fresh)							
2	**Arivu" education loan scheme (Renewal)**	9612	140	424	3	0	0	10179
3	**Swavalambi sarathi scheme**	269	0	18	0	0	0	287
4	**ShramashakthiScheme**	867	0	19	2	0	0	888
5	**Vrutti Protsaha scheme**	807	0	27	1	0	0	835
6	**Silk Reeling Unit Promotion Scheme**	175	0	0	0	0	0	175
7	**Overseas educational loan scheme(Fresh)**	50	0	3	0	0	0	53
8	**Overseas educational loan scheme(Renewal)**	88	12	1	0	0	0	101
9	**Direct Loan for Business support scheme**	44	0	1	0	0	0	45
10	**Startup scheme**	19	5	5	1	0	0	30
	Total	**14326**	**190**	**624**	**8**	**0**	**0**	**15148**

Source:https://kmdc.karnataka.gov.in/40/reports-2025-26/en

PERFORMANCE OF KMDC SCHEMES

The secondary data collected from the websites of KMDC Ltd and other published sources shows that the steps taken and the financial assistance given by KMDC Ltd under various programmess to the beneficiaries has proved increasing popularity of KMDC Ltd programs and its effectiveness in reaching the beneficiaries in the minority communities.The Major contribution of KMDC Ltd through these programs are highlighted as below.

1. **Encouragement for of Self-Employment**

   The KMDC Ltd has been playing pivotal role in finding economic security to the minorities by providing financial assistance to set up small business activities

2. **Financial Inclusion**

   Majority of religious minority communities are economically weak due to poverty. The corporation through various welfare schemes attemting to financial inclusion of minority communities in the state.

3. **Employment Generations**

   The scheme like Ganga Kalyana Yojane, Silk reeling unit Promotion schemes are not only helping minorities fpr their economic empowerment they also helping for employment generation in the society.

4. **Educational Improvements**

   Since Minorities are not only economically backward but they also educational backward the schemes like Arivu"EducationLoan, Overseas educational loan scheme are encouraging the students of minority communities to take up higher education and professional courses due to financial support given by the corporation**.**

5. **Ensuring .Social Security**

   Through the schemes like Santvana and Shramashakthi Scheme the corporation has ensured the social security which provides social security support to the families

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which comes under targeted below poverty line. Special preference will be given to Helpless women belonging to the religious minority communities.

CHALLENGES IN THE IMPLEMENTATION OF KMDC LTD SCHEMES

Though KMDC Ltd has been playing significant role by introducing several programs for socio-Economical and educational empowerment of the minority communities there are certain impediments in the implementation of the programs. The major challenges are as given below.

Insufficient financial resources allocated by Government of Karnataka toward KMDC Ltd due to which the corporation is not able to attend the demand from the members of the minority communities to cover maximum members under the schemes.

Due to low education among members of minority communities there is a limited awareness with regard to the schemes introduced by the KMDC Ltd.

Since there is a digital divide among members of minority communities most of them do not know procedures to apply for the schemes

Most of the members of the communities do not have the documents and unable to get from the concern department which they are supposed to submit to KMDC Ltd in order to get benefit of these schemes.

POLICY IMPLICATIONS

More of Financial grants and allocation by the Government of Karnataka to KMDC Ltd.

Strengthen awareness mechanism about minority welfare schemes and programs of KMDC Ltd.

Set up digital platforms at religious institutions of minorities like Mosque, Church gurudwars etc. for efficient service delivery and to spread the awareness about the schemes..

Simplify application procedures of various schemes.

Even though there is noteworthy achievements in the empowerment of minority communities by KMDC Ltd there is still considerable scope for bringing new Schemes for the socio economic and educational empowerment of minorities in Karnataka.

Since Poverty is deeply rooted among minorities more focus need to be given for skill based and self-employment schemes

Strengthen monitoring and evaluation systems of the KMDC Ltd.

CONCLUSION

The Karnataka Minorities Development Corporation Limited has been playing pivotal role in promoting socio-economic development among minority communities in Karnataka. Through financial assistance, skill development programs, and educational support schemes, KMDC has contributed to improving livelihood opportunities and enhancing the economic status of minority beneficiaries.

However, the effectiveness of the corporation can be further improved by addressing challenges related to awareness, administrative efficiency, and financial resources. Strengthening institutional capacity and expanding outreach programs will help KMDC Ltd achieve its objective of promoting inclusive growth and minority empowerment.

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