Role of Private Financial Entrepreneurs for Social Safety Net of the Poor in India

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Abstract

This paper is related to the case study of the achievements of Mr. Chandra Shekhar Ghosh who is an innovative entrepreneur in the financial sector by providing financial support to the down trodden covering at the grass-root level in an innovative way. He is the Founder and Chairman cum Managing Director of the ‘Bandhan Group of Finance’. Social Safety Net for the poor is a major practice that includes uplifting the poor from the hard-core poverty. Improving the living condition of the poor has been included in the financial plans from a long period. Government has done various activities and implemented numerous schemes that has helped the poorest of the poor to improve the lifestyle of these people. Apart from the Government, there are NGOs and other private institutions which have helped in improving the social status of the people. Entrepreneurs too have joined hands in improving the living condition of the poor for a sustainable economic growth. Objectives of the paper are: a) To study about the role of private micro-finance institutions for the development of poor in rural India. b) To explore the performance of Bandhan Group of Finance to uplift the target group of poor people in rural India. c) To describe the strategies adopted by the private financial institution of Bandhan Group to cover the social safety net in the rural India and d) To suggest the policy measures for effective role of private financial institutions to uplift the down trodden under the Social Safety Net. The researchers have undergone various articles on entrepreneurship out of which Bandhan Financial Services Pvt. Ltd. have been selected as the research topic. The analysis of BFSPL is done with the help of the reports given in the Official website of Bandhan. The researchers have used a time frame of 2008 to 2013 since the recent reports have not been uploaded. From the results and discussions, the researchers emphasise by saying that the scope of social entrepreneurship in the sector of rural sector financing is very large. BFSPL has done a remarkable work by improving the financial situation of the people through loans at lower interest rate. The branches are increasing to almost all parts of India. However, the impact would be even better when the branches reach all the 29 states and 7 union territories of the country. The government and other private institutions can follow Bandhan’s innovative ideas for faster inclusive growth in the country.

Key Words: Social Entrepreneur, Social Safety Net, Inclusive Growth, Innovation