



## Growth of prime minister's employment generation programme in India

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### Abstract

The country will be developing through only when it goes along with the development in human resources, economic growth, employment opportunities are successful and it will be developing country. In worldwide India is one of the developing country but it is also lacking on the employment. There are more arstians in order to reduce a unemployment problem in India by through allocation of fund to small and large industries, encouraging the entrepreneurs, developing the skills by government implementation the scheme of Prime Minister's Employment Generation Programme, it will be increase the employment opportunities. In this study an attempt is made to study the growth performance of PMEGP in India.

**Keywords:** employment opportunities, entrepreneurial growth, pmegp, employment generation

### Introduction

The employment opportunities in any country depend on the level of development. So, when the country makes progress and its production level expands, the employment opportunities grow. In India, during the past three decades production has expanded in all the sectors of the economy. In response to these developments the absolute level of employment has also grown. Prime Ministers Employment Generation Programme is a credit linked scheme is the most effective scheme in government sector for self-employment. It will be developing the skills of the individual, it can be retain the culture based idea to the society. The more number of unemployment problem will be reduce to attain through this scheme. We can find that artisans develop in rural and urban area of the India and it will be helpful for their own work.

### Objectives

1. To know about the dimensions of the prime ministers employment generation programme scheme.
2. To study the growth performance of the beneficiaries of the prime ministers employment generation programme.

### Research Methodology

This study is mainly concentrate by secondary data for analyzing the growth and development of Prime minister's Employment Generation Programme in India by the opportunities of employment/beneficiaries under the scheme of PMEGP. Data was collected from secondary data published in books, specified journals, magazines and PMEGP website.

### Prime Ministers Employment Generation Programme

Government of India has approved the introduction of a new credit linked subsidy programme called Prime Ministers Employment Generation Programme (PMEGP) by merging the two schemes that were in operation till 31.03.2008 namely Prime Ministers Rojgar Yojana

and Rural Employment Generation Programme for generation of employment opportunities through establishment of micro enterprises in rural as well as urban area. It will be a central sector scheme to be administered by the Ministry of Micro, Small and Medium Enterprises. The scheme will be implemented by Khadi and Village Industries Commission, a statutory organization under the administrative control of the Ministry of MSME as the single nodal agency at the National level. At the state level, the scheme will be implemented through state Khadi Village Industries Commission Directorates, state Khadi and Village Industries Boards and District Industries Centre and banks. The government subsidy under the scheme will be routed by Khadi Village Industries Commission through the identified banks for eventual distribution to the beneficiaries/ entrepreneurs in their banks accounts. The general category beneficiaries under the scheme can avail of margin money subsidy of 25% of the project cost in rural areas and 15% in urban areas. For beneficiaries belonging to special categories such as SC, ST, OBC, Minorities, Women, ex-Servicemen and physically handicapped, the margin money subsidy is 35% in rural areas and 25% in urban area.

### Objectives of PMEGP

- To generate employment opportunities in rural as well as urban area of the country through setting up of new self-employment ventures/projects/micro enterprises.
- To bring together widely dispersed traditional artisans/rural and urban unemployed youth and give them self-employment opportunities to the extent possible, at their place.
- To provide continuous and sustainable employment to a large segment of traditional and prospective artisans and rural and urban unemployed youth in the country, so as to help arrest migration of rural youth to urban areas.
- To increase the wage earning capacity of artisans and contribute to increase in the growth rate and urban employment.

**Features of PMEGP**

1. Implemented through Khadi Village Industries Commission and State Khadi Village Industries Boards in rural areas and District Industries Centers in urban and rural area in ratio of 30:30:40 respectively.
2. No income ceiling for setting up of projects. Assistance is available only to new units under the scheme.
3. Existing units or units already availed any government subsidy either under state or central government schemes are not eligible.
4. Per capita investment upto Rs.1.00 lakh in plain areas and Rs. 1.50 lakh in hilly areas.
5. Maximum project cost of Rs. 25.00 lakh in manufacturing sector and Rs. 10.00 lakh in service sector.
6. The financing agencies under the scheme are all public sector banks, regional rural banks, co-operative banks and private sector banks approved by the state level monitoring committee.
7. The scheme has a provision for backward and forward linkages to meet expenditure towards conducting entrepreneur’s development programme, workshops, bankers and district level task force committee meetings, e-tracking of applications, physical verification of units, organizing exhibitions.

**Analysis of Growth Performance of PMEGP**

Employment generation is one of the most important factor for reduce the poverty. The growth of employment generation through PMEGP and getting employment

opportunities is increasing the economic range. Below the table the allocation growth performance of employment generation.

**Table 1:** Growth Performance of Prime Minsiter’s Employment Generation Programme in India Amt. in lakhs

Sl. No	Year	Margin Money Disbursement	Increase/Decrease	Growth Rate
1	2009	1993.74	-	-
2	2010	20896.17	18902.43	948.08%
3	2011	31928.31	1103.14	52.79%
4	2012	50805.55	18877.24	59.12%
5	2013	29813.15	(20992.4)	(41.31%)
6	2014	52366.79	22553.64	75.64%
7	2015	61681.98	9315.19	17.78%
8	2016	71503.35	9831.37	15.92%
9	2017	49356.94	(22146.41)	(30.95%)
10	2018	118324.72	68967.78	139.73%
11	2019	203627.07	85312.35	72.10%

Source: PMEGP e-portal 2009-2019

**Parenthesis denotes negative growth**

Above Table tells about the growth performance of PMEGP in India, through the margin money disbursement to the beneficiaries in 2009-2019. As the scheme was introduced in 2009, the disbursement was Rs. 1993.74 lakhs, but it was increased to Rs. 20,896.17 in the next year 2010 and its growth rate is 948.08 per cent. There is a deep down trend in the year 2013 and the growth is (41.31%) there is also a fall in 2017 by the impact of demonetization during period thereis a stand by growth in the years 2012, 2014 and 2018.

**Table 2:** Growth Performance of Prime Minister’s Employment Generation Programme in Tamil Nadu Rs. in lakhs

Sl. No	Year	Margin Money Disbursement	Increase/Decrease	Growth Rate
1	2009	42.29	-	-
2	2010	4040.54	3998.25	9454.36%
3	2011	5454.28	1413.74	34.98%
4	2012	4263.35	(1190.93)	(21.83%)
5	2013	2450.39	(1812.96)	(42.52%)
6	2014	6422.03	3971.64	162.08%
7	2015	4964.25	(1457.78)	(22.69%)
8	2016	5501.18	536.93	10.81%

Source: PMEGP e-portal 2009-2016

**Parenthesis denotes negative growth**

Above Table shows the growth performance of PMEGP in Tamil Nadu, by the margin money disbursement to the beneficiaries in 2006-2016. In 2010 the growth rate is 9454.36 per cent because the subsidy money disbursed is very high than 2009. On 2015 the growth rate is decreased

to 22.69 per cent because of the introduction of application through online process. The change in the process made an impact on the entrepreneurs. From 2017 onwards, subsidies are directly handled by every bank is having its own data for disbursement. But collective disbursement of Tamil Nadu data is not published.

**Table 3:** Employment Generation through the Prime Minister’s Employment Programme in India No. in lakhs

Sl. No	Year	Employment Generated (No. of Person)	Trend Value
1	2009	419997	179358.55
2	2010	482024	67653.86
3	2011	495523	44050.83
4	2012	428246	155755.52
5	2013	378907	267460.21
6	2014	357502	379164.9
7	2015	323362	490869.59
8	2016	407840	602574.28
9	2017	387184	714278.97
10	2018	111062	825983.66
		379164.9+111704.69 (12) = 1719621.18 in 2025	

Source: India Stat Report 2009-2019

The above table shows the number of beneficiaries of PMEGP in India during 2009-2018. In 2011 the trend value are decreased as 55050.83 because there is no awareness among the scheme and funding agencies also less in this period. The awareness was gradually increased over a period of time. The government also made so many inputs into the scheme. As the trend values are increased as 825983.66 in 2018, because the government provides integrated support services encompassing marketing, technology, finance and other services.

**Table 4:** Employment Generation through the Prime Minister's Employment Generation Programme in Tamil Nadu No. in lakhs

Sl. No	Year	Employment Generation (No. of Person)	Trend Value
1	2009	43473	14717.4
2	2010	31895	5716.9
3	2011	45511	3283.6
4	2012	32723	12284.6
5	2013	29107	21284.6
6	2014	36190	30285.1
7	2015	20836	39285.6
8	2016	25764	48285.1
9	2017	32760	57286.6
10	2018	4592	66287.1
30285.1 + 9000.50 (11) = 129290.6 in 2025			

**Source:** India Stat Report 2009-2019

The above table shows the number of beneficiaries of PMEGP in Tamil Nadu during 2009-2018. It covered both rural and urban areas of Tamil Nadu. On 2011 the trend value are decreased as 3283.6 and the trend value shows a gradual increase upto 2018. As the trend value are increased as 662871 in 2018, because the government conducted more entrepreneurship development programmes (EDP), camps, exhibitions.

### Conclusion

The PMEGP scheme plays very vital role in people development through entrepreneurship development and thus employment generation in rural and urban areas of each state in India. It has been impacted positively on the entrepreneurial growth as reflected in the factors like income and revenue of the enterprises, profits, total informal sector earnings, savings, employment generation increased, transactional relationships from others entrepreneurs, subsequent loans and the repaying capacity. Many educated youths including women has benefitted from this scheme to live descent life in the society. It helps to solve the problems of operational and seed capital. It will increase the economic growth and reduced a unemployment problem. This scheme will be give remedial to the employment opportunities. Increase in the income level of the people and increases the national income of country too.

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