

A Study on Prime Minister Employment Generation Programme (PMEGP) with Special Reference to Khadi and Village Industries (KVI) at Kollam, Kerala, India

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Abstract: PMEGP is one of the credit linked subsidy scheme introduced by the central government for increasing self-employment. The main objective of Khadi and Village industries is to generate self-employment opportunities for traditional artisans and unemployed youth. With an increasing rate of unemployment in Kerala rate of opportunities have been stagnant in all sectors. This scheme is helped to improve the earnings and standard of living of educated unemployed youth.

Index Terms - PMEGP, KVI, MSME, Beneficiaries

INTRODUCTION

The Khadi and Village Industries Commission (KVIC) is a statutory body established by an act of Indian parliament. It is constituted by the Act 9 of 1957, vested with the responsibility of organizing and promoting Khadi and Village Industries in the state. The broad Objectives of KVIC are: the social objective of providing employment, the economic objective of producing saleable articles and the wider objective of creating self-reliance amongst the poor and building up of a strong social community spirit. The KVIC is charged with the planning, promotion, organization, and implementation of programmes for the development of khadi and other village industries in the rural in coordination with other agencies engaged in rural development whenever necessary. The broad implements of the programmes through cooperative, registered institutions, individuals and departmental units by imparting/availing assistance from Government of Kerala, Khadi commission and nationalized banks. In the present scenario completion in job sectors increasing day by day. Because of that there is a trend of diverting people to self-employment schemes. Prime Minister Employment Generation Programme (PMEGP) is a credit subsidy programme launched by ministry of MSME(Mini Small and medium Enterprises) with the objective of providing employment to educated unemployed youth. The scheme provides self-employment through setting up of industries /services and business ventures. The KVIC is implementing the PMEGP schemes as the nodal agency at the national level and at the state level. The scheme is implemented by the state KVIC directorate, state KVIB and District industries and commerce centers and banks. The government subsidy under the scheme is being routed by the KVIC through the identified banks.

The process of implementation of schemes and programmes starts at the Ministry of Micro small and medium enterprise which is the administrative head of the programmes. The ministry receives funds from the Government of India, and routes these to the KVI commission for the implementation of programmes and schemes related to KVI. PMEGP is playing an important role in generating employment opportunities through rural industrialization. Therefore, it is necessary to study the rural industrial activities as an instrumental approach for reducing the emerging problems of increasing unemployment and poverty in rural areas.

NEED AND SIGNIFICANCE OF THE STUDY

Rural area is vexed with high unemployment and poverty and government is not in the position to provide jobs to all people. At this juncture, government initiated to many schemes, programmes cooperation for promoting self-employment and entrepreneurial skills to people. So the needs of study based on such programmes are necessary for reducing or eradicating this issue. PMEGP is one of the schemes introduced by the central government for increasing self-employment among the eligible men and women of the country. Therefore, it is important to make a significant study in terms of awaring people about such self-employment generating programmes.

STATEMENT OF THE PROBLEM

Unemployment becomes a crucial issue in our present scenario. Now a day most of the youngsters are facing completion in all job sectors and it leads them to choosing self-employment. PMEGP is self-employment generating programme implemented through KVI for educated unemployed. So it is relevant to make A STUDY ON PRIME MINISTER EMPLOYMENT GENERATION PROGRAMME (PMEGP) WITH SPECIAL REFERENCE TO KHADI AND VILLAGE INDUSTRIES (KVI) KOLLAM

OBJECTIVES OF STUDY

- To analyse the role and support of KVI in promoting PMEGP
- To examine the implementation of PMEGP in Kollam district

METHODOLOGY OF STUDY

The PMEGP is a major credit linked subsidy programme aimed at generating self-employment opportunities, as well as wage employment through establishment of microenterprise in the non-farm sector by helping traditional artisans and unemployed youth.

The study is based on both primary and secondary data. Primary data is collected by using a structured questionnaire from khadi and village industries at Kollam through direct and telephonic interview with **16 beneficiaries** under the PMEGP scheme.

Secondary data were collected from annual reports of MSME, Khadi and village industries commission and other reports associated with the topic, journals, newspaper reports, books, PMEGP e –portal and official website of PMEGP.

IMPLEMENTATION OF PMEGP IN KOLLAM DISTRICT

In Kollam district there is more than 100 beneficiaries in the period of 2008-2017. All are small scale units which include coir work, ayurvedic herbal products, bamboo and crane work, bakery products, cement blocking, candle making, cottage soap industries etc. But in 2016-17 ,16 units are actively working in Kollam district.

Table-1
Kollam district progress of PMEGP during 2015-16

Sl. No.	District	No .of applications sanctioned by banks	Margin money sanctioned and released(in Lakhs)	No of persons given EDP training
1	Kollam	51	70.13	52

Source: Directorate of Industries and commerce, Thiruvananthapuram

According to Directorate of Industries and commerce ,in Kollam district 51 applications were sanctioned by banks and 52 persons attended EDP(Entrepreneurship Development Programme) training, and an amount of 70.13 lakh of margin money released in the year 2015-16

Table-2
Amount spent for publicity in various years by KVI at Kollam

Year	Amount
2014	4000
2015	6000
2016	7000
2017	10000
Total	27000

Source: Sample survey

The table shows the amount spent by KVI at Kollam in various years. It is clear from the table that year by year the amount on various publicity measures like banner notice, brochures, awareness classes etc were increasing.

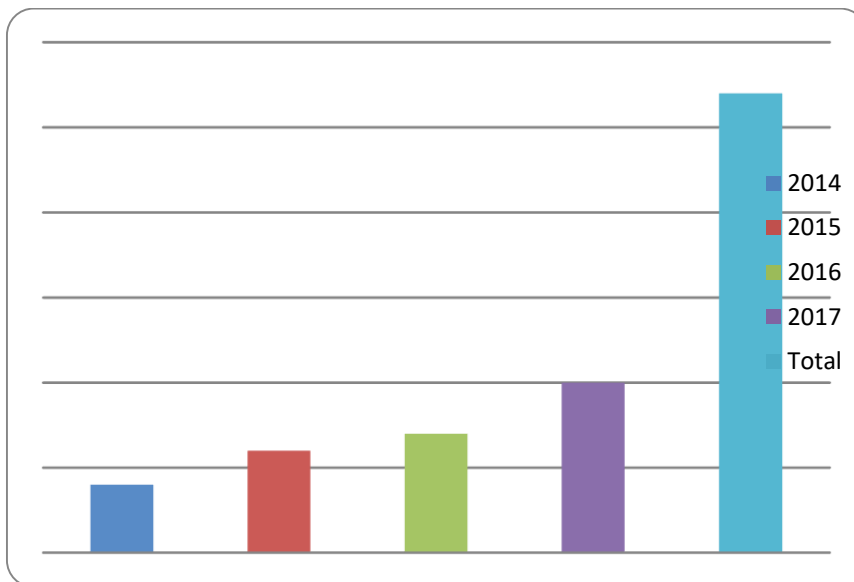


Table-3
Different types of units under PMEGP scheme working at Kollam

Units	No of beneficiaries	Percentage
Ayurvedic Pharmacy	2	12.5
Coir work	1	6.25
Bottle industries	2	12.5
Automobile work	2	12.5
Bamboo & Cane work	3	18.75
Cement blocking/Bricks unit	4	25
Bakery products	2	12.5
Total	16	100

Source: Primary source

Under this scheme brick unit are more and the least is coir units in Kollam district. Ayurvedic pharmacy, bottle industries automobile work and bakery product units equally exist under the scheme effectively.

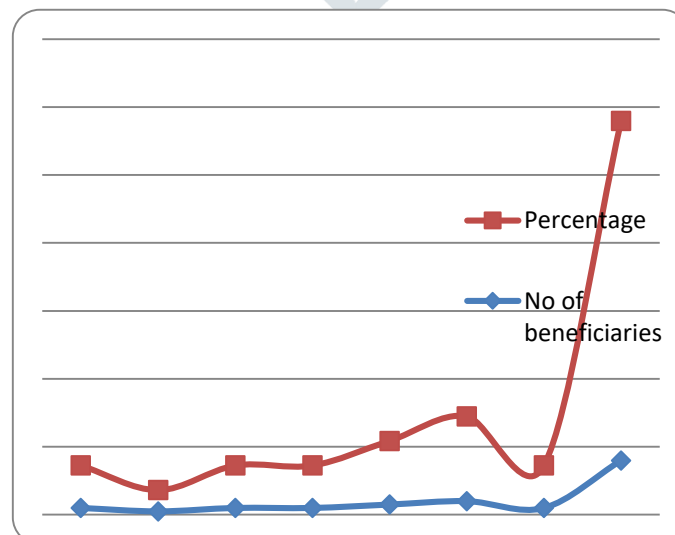


Table-4

Educational qualifications of PMEGP beneficiaries

Sl no	Category	Respondents	Percentage
1	Secondary	5	31.25
2	Higher secondary	2	12.5
3	Graduates	5	31.25
4	Post graduates	4	25
	Total	16	100

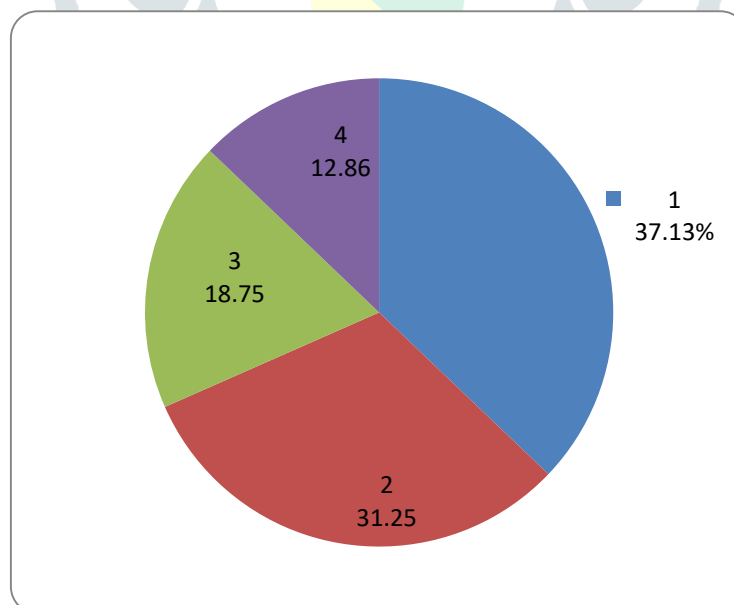
Source: Primary source

The above table shows that 31.25% of the beneficiaries have an educational qualification of secondary and graduation each. 12.5% the respondents have higher secondary and 25% of the respondents have post-graduation. In Kollam district female participation is more than male, about 57.73 were female employees and there is only 42.27% of male employees.

Table-5

Caste base classification of employees under 16 units

Caste	Male	Female	Total	Percentage
SC	48	53	101	37.13
ST	39	46	85	31.25
OBC	16	35	51	18.75
General	12	23	35	12.86
Total	115	157	272	100



The analysis also shows that 81.25% of the respondents are highly satisfied with the EDP (Entrepreneurship Development Programme) facilities. 12.5% of them are satisfied and only 6.25% is dissatisfied with training.

Table-6
Satisfaction level of PMEGP beneficiaries to support from KVI

Response	No of respondents	Percentage
Yes	14	87.5
No	2	12.5
Total	16	100

87.5% of the respondents are in the opinion that they are satisfied with the support from Khadi and village Industries (KVI) 12.5% of the respondents are not satisfied with KVI. Here 88% of the beneficiaries are repaying the loan monthly and 12.5% of the beneficiaries are repaying it quarterly.

CONCLUSION

Unemployment is a serious problem existing in our economy. In order to overcome this issue, the central government introduced a new credit linked subsidy programme by MSME called PMEGP. The main aim of this programme was generating self-employment opportunities for traditional artisans and unemployed youth.

The study is mainly based on analyzing the role and support of KVI, the present day relevance of this programme is generating employment opportunities and to examine the implementation of this programme in Kollam district.

It is evident from the foregoing analysis that the PMEGP is a successful scheme implemented through KVI which enhanced the self-confidence, decision making status, problem solving ability, communicative skills and standard of the beneficiaries. The success of the scheme is in the hands of KVI, in implementing and promoting the scheme through adequate measure. But there exist a lack of efficient fund for promotion activities. So it is shrankened to the urban areas and not extended to rural areas as much. A state like Kerala with an increasing unemployment, rate of opportunities have been stagnant in all sectors. In this instance they are thinking of self-employment jobs. From an opinion survey conducted from 16 units by directly, it is clear that the scheme is beneficial and satisfactory, but it is beneficial only to educated one in urban area rather than rural. Female beneficiaries are more than male beneficiaries. The scheme is also helped to improve their earnings and standard of living. The time lag in providing installment is the main constraint faced by the beneficiaries. In the present day scenario with rising unemployment PMREGP is a good choice who are looking for self-employment.

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