

ISSN 2063-5346



PROGRESS OF PRIME MINISTER EMPLOYMENT GENERATION PROGRAMME IN TAMIL NADU

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Article History: Received: 01.02.2023

Revised: 07.03.2023

Accepted: 10.04.2023

Abstract

India is the leading country in terms of population. The government has to involve its people in income-generating activities and provide employment opportunities to all. Governments and institutions innovate various schemes and programs to develop skills and create people to take their initiation to start the business by giving numerous strategies, training, subsidies, and margin money. This paper analyses the progress of the Prime Minister Employment Generation Program in Tamil Nadu. The progress of PMEGP is analyzed with the help of charts to get clarity about the program. Based on the data, the authors suggested some points to improve the progress of PMEGP in employment generation through more start-ups.

Keywords: Margin Money, Credit-linked Subsidy.

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DOI:10.31838/ecb/2023.12.s1-B.248

INTRODUCTION

In India, the Prime Minister Employment Generation Program is a credit-linked subsidy program initiated by the government at the central level to eradicate unemployment among the rural and urban unemployed youth by establishing micro-enterprises, functioning through micro, small, and medium enterprises. It helps the artisans establish, and start-ups utilize their skills for economic development. The subsidy is disbursed through banks subject to the fulfillment of requirements. The entrepreneur must complete an entrepreneurial development program conducted by recognized institutions for two weeks and deposit 10 percent margin money with the banker in which they have an account to get a subsidy from the government. The entrepreneur who has a business plan for more than ten lakhs for manufacturing enterprises or has a business plan for more than five lakhs in the case of service enterprises might pass the VIII standards.

OBJECTIVES

- 1) To know the progress of Prime minister Employment generation programme in Tamil Nadu
- 2) To assess the employment generated through this programme

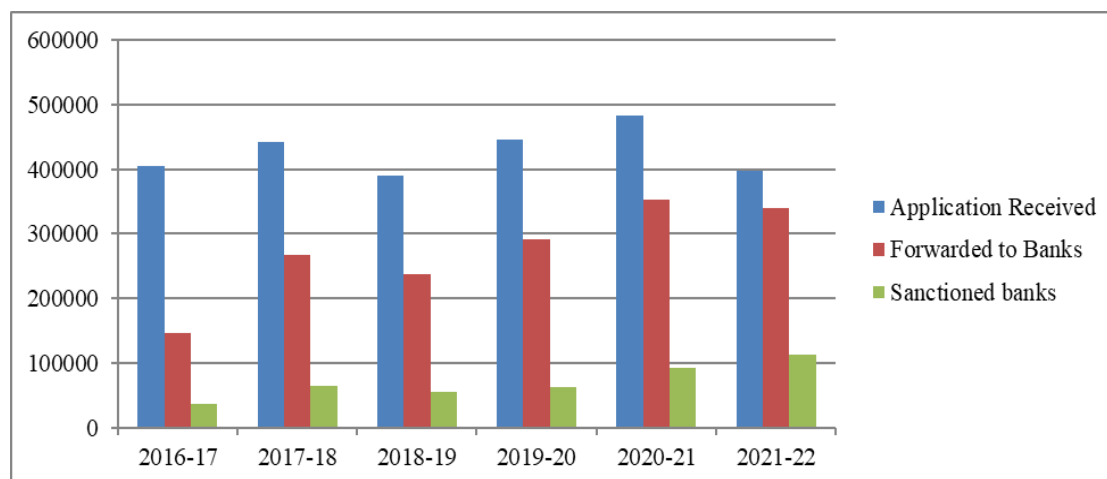
METHODOLGOY

Secondary data for analysis is collected from Khadhi and Village Board, TamilNadu, website. Theoretical background relating toPMEGP was collected from various articles and notifications given by the government. A simple chart is used to explain the achievement of PMEGP in TamilNadu.

ANALYSIS AND INTERPRETATION

The application was received under PMEGP and forwarded applications to the bank, and the amount sanctioned by the banks is shown in Chart 1.

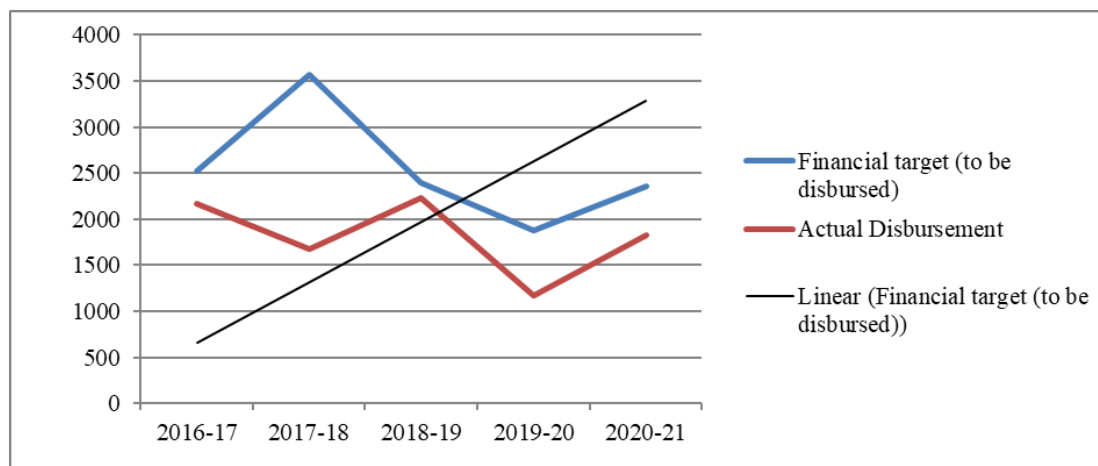
Chart 1 – Application Received under PMEGP, Forwarded and Sanctioned by the Banks



It can be interpreted from the above chart that the number of applications approved by the banks for the entrepreneurs who have submitted their applications for loans and subsidy is very low compared to the number of applications submitted by the entrepreneurs.

The government has a target regarding financial assistance to be extended to prospective entrepreneurs. The target fixed by the government for the prospective entrepreneurs in TamilNadu and the actual amount availed by the budding entrepreneurs are given in Chart 2.

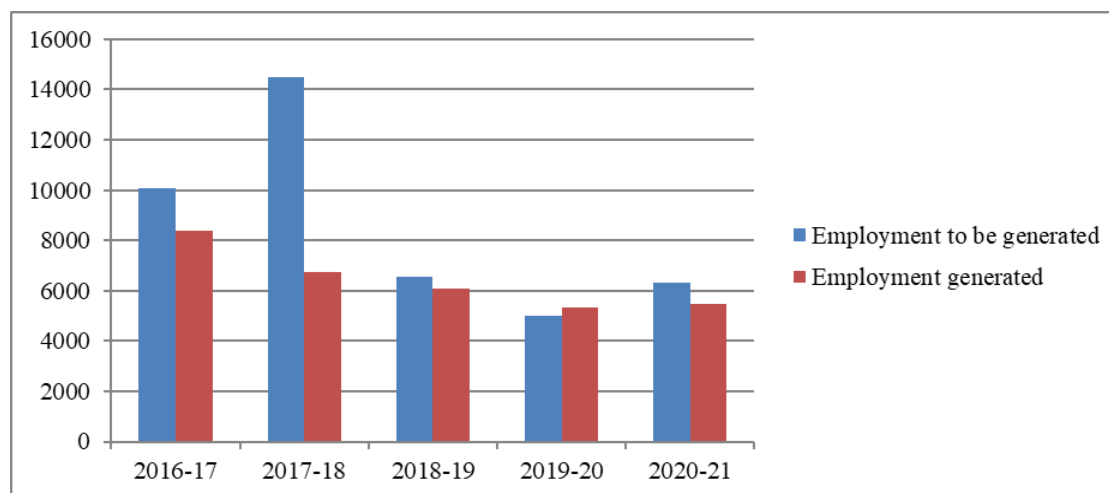
Chart 2 – Targeted and Actual Disbursement of Financial Assistance



In all the years of the study period, the government could not disburse the targeted amount to budding entrepreneurs. There is a huge variation between the targeted and the actual amount disbursed to the entrepreneurs.

The government fixed the employment opportunities to be generated through this program, and the people actually employed through this program are given in Chart 3.

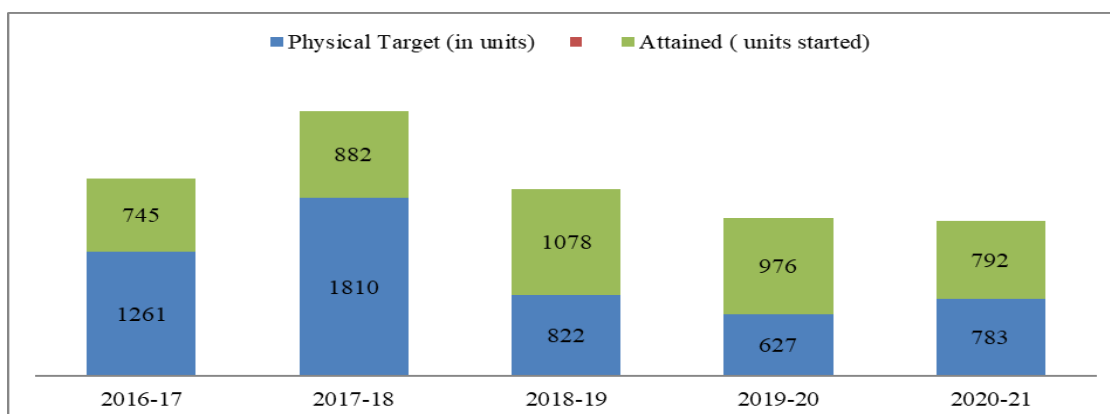
Chart 3 – Targeted and Actual Employment Generated through PMEGP



It is surprisingly noted that in the year 2019-20, the employment generated through this program is more than the targeted employment. But in the year 2018-19, there is a huge negative difference between the targeted and actual employment generated through this program.

In order to encourage start-ups under PMEGP, the government fixed a target regarding the number of units to be started each and every year. Chart 4 gives the targeted and the actual units started under the PMEGP program in TamilNadu.

Chart 4 – Targeted and Actual Units Started under PMEGP



It is clear from chart four that in the first two years of the study period, the units started under PMEGP are less than the targeted units to be started. It is noted that in the year 2018-19, the number of units started was more than the targeted units by 256 units, and in the year 2019-20, 349 units were started more than the targeted units, and in the year 2020-21, 9 more units were started than the targeted units.

SUGGESTIONS

- i) The institutions involved in motivating the entrepreneurs under this scheme may find the difficulties faced by the budding entrepreneurs while applying for financial assistance under the program to avoid application rejection.
- ii) In addition to the entrepreneurial development program, bankers may arrange some workshops relating to the difficulties they are facing in the disbursement and recovery of loans. That will build a better understanding between the bankers and beneficiaries.

CONCLUSION

Unemployment is the main problem in India since it has more population than any other country. Involving the younger generation in economic activities is challenging for the government. The government implements so many programs and implements these programs with the help of apex bodies. The bankers

are also fixing targets to help budding entrepreneurs by providing loans subject to the conditions. Prime Minister Employment Generation Programme is one of the providers having credit-linked facilities. This will definitely help the rural and urban unemployed to start the venture on their own by providing training and subsidies and loans at a concessional rate. The unemployed youth has to improve their skill to start a business and avail the opportunities to generate income and provide employment opportunities which are located in their area to remove regional imbalances and for overall development.

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