

Impact of PMEGP on Tribal Beneficiaries' Entrepreneurial Development: A Study in the Kohima District, Nagaland

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Abstract: The provision of employment possibilities for both skilled and unskilled people has been highlighted in this study as a key goal of planning development in India. From the very beginning of India's planning process, creating jobs has been a major obstacle to orderly economic progress. The Prime Minister's Employment Generation Programme (PMEGP) is a new credit-linked subsidy Programme that the Indian government has approved for implementation. Its goal is to create jobs in both urban and rural regions by supporting the development of microbusinesses. In light of this, the study makes a sincere effort to aid PMEGP plan beneficiaries in the Kohima district in their pursuit of economic growth. The success of PMEGP in providing a significant group of traditional and potential craftsmen, rural and urban unemployed youth, with continuous and sustainable self-employment prospects is reviewed and experimentally analysed in this study. Therefore, the goal of the current research paper is to examine how well the PMEGP has performed in the study area in terms of how it has influenced the growth of entrepreneurship and, consequently, the socioeconomic development of the beneficiaries in those areas.

Index Terms— Khadi Village Industries Commission, Khadi Village Industries Board, District Industrial Centre, Prime Minister Employment Generation Programme, Micro, Small and Medium Enterprises.

INTRODUCTION

The Prime Minister Employment Generation Program (PMEGP) is a centrally administered and managed Central Government programme with the goal of developing young entrepreneurship and paid employment. To expand employment opportunities, Government of India has introduced self-employment scheme called Prime Minister's Rozgar Yojana (PMRY) on 2nd October 1993. The Rural Employment Generation Programme (REGP), which was strongly suggested by the high power committee, was officially inaugurated by the Prime Minister of India on April 1st, 1995. Later, the Government of India introduced a new credit-linked subsidy programme called the Prime Minister's Employment Generation Programme (PMEGP) by combining the two earlier programmes, the Prime Minister's Rozgar Yojana (PMRY) and Rural Employment Generation Programme (REGP), which were both in place until the end of March 2008 and were intended to create employment opportunities through the establishment of microbusinesses in both rural and urban areas (Vikaspedia, 2018). The State Khadi and Village Industries Boards (KVIBs), District Industries Centers (DICs), and banks at the state level execute the programme on behalf of the Khadi and Village Industries Commission (KVIC), which serves as the nodal agency for implementing the programme nationally.

The maximum project/unit size allowed in the manufacturing sector is Rs. 25 lakhs, while it is Rs. 10 lakhs in the business/service sector. According to PMEGP guidelines, the government provides subsidy to the general category at a rate of 15% of the project cost to urban beneficiaries and 25% of the project cost to rural beneficiaries. In the case of the special category, which includes beneficiaries from the SC/ST/ OBC/ Women/Minority/Physically Handicapped/Hill and border areas/NER/Ex-Serviceman, etc., the rate is 25% of the project cost to urban area beneficiaries and the rate is 35% of the project cost to rural beneficiaries.

The beneficiary's contribution amounts to 10% of the project cost for general categories and just 5% of the project cost for special categories (including NER, Hill and Border areas, SC/ ST/ OBC, Minorities/ Women, Physically Handicapped, Ex-Servicemen, etc.). In the financial system, banks serve a crucial function as an intermediary or go-between (msme.gov.in 2017).

Table - 1Information of PMEGP

Categories of Beneficiaries under PMEGP	Beneficiary's Contribution (of project cost)	Rate of Subsidy (of project cost)		Maximum Cost of the Project
		Urban	Rural	
Area (location of project/unit)		Urban	Rural	--
General Category	10%	10%	25%	--
Special (including SC / ST /OBC /Minorities/Women, Ex-servicemen, Physically handicapped, NER, Hill and Border areas etc.	5%	25%	35%	--
Manufacturing				25 lakhs
Services				10 lakhs

Source: https://my.msme.gov.in/MyMsme/Reg/COM_PMEGPFom.aspx

REVIEW OF LITERATURE

Daizova and Sharma (2014) have examined the Mizoram Khadi and Village Industry Board's (MKVIB) PMEGP programme performance. According to the study, which covered the years 2009 to 2014, MKVIB gained Rs 13597.69 lakh with the output of 9567.57 and played a significant contribution in the economic growth of the underprivileged rural and unemployed youth. The

PMEGP financial aid programme in Mizoram was also examined as part of the study. The report also focuses on the Khadi Village Industry Board PMEGP in Mizoram's sales turnover.

Ajithan (2014) in his study, the income challenges that PMEGP participants experienced were the same, according to "Perception of the Beneficiaries of PMEGP: A Micro Level Study." 277 PMEGP recipients made up the study's sample size, which was used in the Coimbatore district. According to the survey, it was also friends, family, and neighbours who encouraged people to apply for the programme. Family members' roles were given the most motivating factors in the manufacturing sector from the women beneficiary group, making up 95.7 percent, followed by friends, who make up only 1.07 percent. Similar results were seen in the service sector, where 96.6 percent of employees cited their family members as their top motivators.

Agarwalla and Sharma (2017) have examined the success of the PMEGP, as implemented by DI&CC, in increasing the capability of MEs in Assam's Kamrup District. Their research demonstrates that PMEGP has been somewhat successful in creating employment through the creation of microenterprises. Structured questionnaires and in-person interviews were used to collect both primary and secondary data for the study. According to the study's findings, out of 100 respondents, 21 percent of microbusiness owners are from metropolitan areas, while 79 percent are from rural areas. 70 percent of the respondents admitted that the banks and DI&CC occasionally observed them. However, 30 percent of those surveyed claimed that neither their performance nor their aptitude to launch a firm was evaluated.

Kaur and Kaur (2017) analyzed the effectiveness of PMEGP in terms of events, employment creation, and the role that banks played in its execution during the years 2012–2016. The study reveals a declining tendency in production, sales, revenues, awareness-raising events, and exhibitions over the course of the investigation. The study contrasted the public sectors, RRBs', and cooperative banks' contributions to the PMEGP's implementation. According to the survey, the number of projects and the number of jobs created throughout the study period have been falling. The study's findings also show a falling tendency in output, margin money, and sales earnings. The number of individuals trained under the 38 Entrepreneurship Development Programme (EDP) has also demonstrated a declining trend, and awareness campaigns, exhibitions, and workshops pertinent to the programme were also less frequently organised during the years in which the performance trend was declining.

OBJECTIVES

1. To study the status and performance of the employment under PMEGP in Kohima district.
2. To analyze the financial and operation parameters of PMEGP under Kohima district.
3. To identify the problem and suggest policy implication

METHODOLOGY

The secondary data that is accessible helped plan this investigation. The information was gathered from dependable sources inside the government, including the District Credit Plan Annual book, KVIB, KVIC, BANK, and RBI Annual Report.

THE STATUS AND PERFORMANCE OF THE EMPLOYMENT UNDER PMEGP IN KOHIMA DISTRICT

As Kohima the capital of the state Nagaland, there is still lack of opportunity and people are still dependent on agriculture as their main source of income. As unemployment started rising up entrepreneurship in Kohima has started to grow and PMEGP has open many opportunities for the people. It encourage the youth to set up their own business instead of depending on government. Since 2008-09 the DIC Kohima has being working for the promotion of entrepreneurs by way of implementing PMEGP through the establishment of micro firms in both rural and urban areas to generate self-employment and income.

Table - 2 Detail Status of PMEGP under Kohima District from 2016-17 to 2020-21

Year	Target	No. of Beneficiaries Selected	Sanctioned	Rejected	Under Process	Employment Generated
2016-17	48	48	20	12	16	101
2017-18	46	43	20	13	10	102
2018-19	66	66	34	15	17	150
2019-20	58	56	30	10	16	140
2020-21	110	110	40	21	49	180

Source: District Industries Centre, Kohima

Table - 2 shows the total number of beneficiaries from 2016-17 to 2020-21. As 2020-21 has more number of beneficiaries target as compared to the last four years i.e 2016-17 to 2019-20. The employment generated is also more in 2020-21.

Table - 3 Year-wise Number of Enterprises Set up in Kohima District.

Sector's	2018-2019		2019-2020		2020-21	
	Nagaland	Kohima	Nagaland	Kohima	Nagaland	Kohima
ABFPI	253	17	237	9	118	9
FBI	69	8	62	7	45	4
HMP/FI	13	3	12	2	14	2
MBI	56	7	48	3	39	5
PCBI	19	3	15	1	9	0
REBT	335	36	320	45	225	53
Service/Textile	463	44	412	67	259	49
Total	1208	118	1109	135	740	122

Source: PMEGP Annual Progress Report 2018-2021(MSME Consolidated)

Table - 3 shows the enterprises set up in Kohima. The table reveals that the entrepreneurs in Kohima prefer mostly service/textile and REBT as compared to other indicative sectors.

Table - 4 Total Performance of KVIC, KVIB and DIC in Kohima district

Particulars	2018-2019		2019-2020		2020-2021	
	Nagaland	Kohima	Nagaland	Kohima	Nagaland	Kohima
No. of Project	1208	118	1109	135	740	122
M.M(Rs. in lakhs)	2349.67	384.29	2650.24	515.1	2045.47	473.87
EMP	14364	1284	12713	1632	8975	1586

Source: PMEGP Annual Progress Report 2018-21 (MSME Consolidated)

Table - 4 shows the performance of implementing agency KVIC, KVIB and DIC in Kohima. The Table reveals the number of project, margin money utilization and employment generation in Kohima. The year 2018-19 shows the least number of project, margin money utilization and employment generation among the three given years in Kohima and 2019-20 has the highest number of project, margin money and employment generation as compared to the given years as shown in the table in Kohima district.

THE FINANCIAL AND OPERATION PARAMETERS OF PMEGP UNDER KOHIMA DISTRICT

Unemployment is a problem that countries all over the world are working to solve. Since 2008, the Indian government has been implementing the PMEGP to create employment in both rural and urban areas of the country by establishing new self-employment ventures, projects, and micro enterprises. As per KVIC guidelines, in Kohima the Public and Private Sector Banks are lending under PMEGP scheme. PMEGP is a bank-driven scheme, with final project approval and loan disbursement is done at the concerned bank. Financing banks will approve the project based on its techno-economic viability, and each project will have its own credit decision.

Table - 5 reveals the margin money utilization in Kohima. Margin money released by the government in 2018-19 to 2020-21 has been shown in the table. Kohima utilized 384.29 of total margin money in the year 2018-19, 515.1 of total margin money in the year 2019-20 which is the highest and 473.87 of total margin money in 2020-21.

Table - 5 Year-wise of Margin Money under PMEGP in Kohima district

Sector's	2018-2019		2019-2020		2020-2021	
	Nagaland	Kohima	Nagaland	Kohima	Nagaland	Kohima
ABFPI	501.69	67.53	596.22	40.6	328.56	43.37
FBI	148.67	18.93	142.35	32	119.85	27.3
HMP/FI	54.42	17.5	29.27	9	60.81	10.5
MBI	247.31	34.55	200.1	13.3	165.82	17.5
PCBI	76.39	4.95	57.14	3.75	40.84	0
REBT	708.22	145.21	826.29	190.13	756.59	213.82
Service/Textile	612.97	95.6	794.28	223.82	570.9	161.38
Total	2349.67	384.29	2650.24	515.1	2045.47	473.87

Source: PMEGP Annual Progress Report 2018-2021 (MSME Consolidated)

Table - 6 Year-wise of Employment Generated under PMEGP in Kohima district

Sector's	2018-2019		2019-2020		2020-2021	
	Nagaland	Kohima	Nagaland	Kohima	Nagaland	Kohima
ABFPI	3278	205	2997	134	1517	148
FBI	834	58	731	110	574	91
HMP/FI	213	38	149	34	217	26
MBI	1004	114	838	46	635	87
PCBI	416	141	236	17	150	0
REBT	4108	408	3801	568	3276	718
Service/Textile	4511	320	3932	713	2596	516
Total	14364	1284	12713	1632	8975	1586

Source: PMEGP Annual Progress Report 2018-21 (MSME Consolidated)

Table - 6 shows total number of employment generation in Kohima. The table reveals the highest employment generation in Kohima was in the year of 2019-20 which was 1632 numbers.

THE PROBLEM AND SUGGEST POLICY IMPLICATION IN PMEGP

1. The majority of people, according to the report, are not aware of the PMEGP programme. In order to encourage educated unemployed young entrepreneurs to launch their own firms, it is advised that the department host more awareness programmes for them.
2. Despite having a high literacy rate, there is little innovation. The issue is exacerbated by a lack of institutional support for skill development.
3. The vast majority of people still use the outdated, traditional forms of agriculture as their primary source of income. Even after taking out a loan, people are still having financial problems. In order to help farmers export their products to other districts and states and enhance their profits, it is advised that the State Government do so.
4. The state government should offer training and awareness programmes to support young entrepreneurs and help them improve their capacity in conjunction with schools, colleges, and universities.

CONCLUSION

PMEGP scheme in Kohima District give scope for economic independence to entrepreneurs. As unemployment started rising up entrepreneurship in Kohima has started to grow and PMEGP has open many opportunities for the people. This scheme in Kohima has been found to be a successful livelihood tool in reducing unemployment, and social and economic disparities among beneficiaries. Many educated young people have benefited from this system by becoming independent and setting up their own enterprise. It encourage the youth to set up their own business instead of depending on government job.

As PMEGP have open many opportunities yet this scheme is still unaware by many individuals. So, to encourage unemployed youth to become entrepreneurs, awareness of the scheme should be raised among all sectors of society. This programme helps rural residents develop their hidden business skills and achieve self-sufficiency. The national income of the nation also rises as rural residents' income levels rise.

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