

## **AN ANALYTICAL STUDY OF PRIME MINISTER'S EMPLOYMENT GENERATION PROGRAMME IN KARNATAKA**

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### **ABSTRACT:**

In order to stimulate the entrepreneurship, the Government of India has launched the Prime Minister's Employment Generation Programme to promote self-employment and entrepreneurship activities among the youth and helping them to overcome the financial barriers. This study shows that PMEGP programme can assist the youths to take up the new ventures and also encourage the entrepreneurs to innovative and come up with new ideas and concepts. This study investigates the level of awareness and challenges of PMEGP among the respondents of Mysore district and simple random sample was used to select the sample size of the study. Sample size of the study is 224. A structured questionnaire was used to collect the responses from the respondents. To attain the research objectives descriptive research is adopted to assess the level of awareness and challenges of PMEGP. The finding reveals that there is a moderate proportion of respondents are aware about the PMEGP. These study insights can aid to the agencies to refining the strategies and improving the schemes policies to promote the self-employment in Karnataka.

**Key words:** PMEGP , Entrepreneurial development

### **INTRODUCTION:**

PMEGP stands for Prime Minister's Employment Generation Programme. It's a government scheme designed to generate employment opportunities for unemployed youth in rural and urban areas. The Prime Minister's Employment Generation Programme (PMEGP) was launched in 2008-09 by the Ministry of Micro, Small and Medium Enterprises (MSME), Government of India with the main aim of generating sustainable employment opportunities in rural and urban areas by promoting new and self-employment ventures. The scheme was formed by merging two earlier scheme which is Prime Minister's Rojgar Yojana (PMRY) and Rural Employment Generation Programme (REGP). The main objective of PMEGP is to provide financial assistance to individuals, particularly those from weaker sections of society, to set up their own micro-enterprises. This will help create jobs and promote economic growth.

Khadi and Village Industries Commission (KVIC) is the national nodal agency responsible for implementing PMEGP. Over 7.4 lakh new micro units have been assisted, generating employment opportunities for about 60.6 lakh persons since its inception, and also, the government has allocated and released significant funds for the scheme, with the amount spent per job generated increasing over the years similarly, the scheme has generated millions of jobs in rural and urban areas, empowering marginalized communities and traditional artisans.

The Scheme focuses on promoting Agro-based industries and green businesses, such as eco-friendly packaging and renewable energy projects. The maximum project cost has been increased to ₹50 lakh for manufacturing units and ₹20 lakh for service units. Special

provisions have been made for aspirational districts, hilly regions, and Northeast states with higher subsidy rates.

### EMERGING TRENDS IN THE SCHEME

The Prime Minister's Employment Generation Programme (PMEGP) has seen significant contribution since its inception from 2008-09:

- Over 7.4 lakh new micro units have been assisted, generating employment opportunities for about 60.6 lakh persons.
- Between 2009-10 and 2020-21, an annual average of 55,150 projects were assisted, increasing to 71,498 projects between 2018-19 and 2020-21.
- The scheme has generated an estimated employment of 60.6 lakh persons since inception (up to January 2022)
- More than 8.58 lakh enterprises have been assisted, generating a total estimated employment of around 70 lakhs.

The Prime Minister's Employment Generation Programme (PMEGP) is a government scheme that provides financial assistance to unemployed youth and artisans to set up micro-enterprises generating employment opportunities in rural and urban areas. It offers subsidies ranging from 15% to 35% of the project cost, depending on the beneficiary's category and location, with the remaining amount financed by banks as term loans. The scheme aims to promote self-employment, reduce migration, and increase earning potential, covering various sectors like manufacturing, service, and business enterprises, with a maximum project cost of ₹50 lakh for manufacturing and ₹20 lakh for service sectors. By supporting micro-enterprises and entrepreneurship, PMEGP fosters economic growth and development in India.

### REVIEW OF LITERATURE

**Dinesh Gupta (2018)**, The Government of India has launched various schemes for career generation to make the youth self-reliance. PMEGP is also one of the initiative to create the employment opportunities for the youth in rural and urban areas. stated that the creation of efficient, paying workers is an imperative component of the war against poverty. Different initiatives were launched by the government for career generation to make the youth self-employed. PMEGP is one of the initiatives aimed at creating jobs for skilled disadvantaged youth in rural and urban areas. The purpose of this research paper is to examine the success of the PMEGP in Sikkim with regard to the generation of jobs, the sanctioning of the project and the margin of cash released in the decade under the PMEGP in Sikkim. It also helps to recognise core issues and to take corrective steps for the same reason. Both primary and secondary data were used in this analysis. Khadi and Village Industries Commission Gangtok, Sikkim has collected data related to jobs, ventures and the release of margin money. To obtain insights into the same matter, personal interviews were held with the 65 senior officials of the department. The research period is for the years 2008-09 to 2016

**Vinodini (2024)** highlighted the effectiveness of PMEGP in promoting entrepreneurial activities among youth. This scheme has promised to minimise the unemployment and poverty by providing employment opportunities for the income generation. It reveals that PMEGP plays a significant and positive impact on the socio economic status of the people. Moreover the scheme has been influential in empowering women by encouraging their participation in entrepreneurial activities for the development of economic growth.

**Prakash, Seema (2013)** Supportable and inclusive development is only thinkable if talents are recognized appropriately our is hed with contemporary awareness of pertinent subject. It

is also realized from this study that manifestation of good resources and encouraging government policies cannot inevitably contribute for economic development. It is entrepreneurial abilities of the people, which can renovate the economy of that county.

### **Research Gap:**

Most of the studies have been carried out to study the role of agencies towards the successful of PMEGP. The literature studies the effectiveness and performance of PMEGP scheme. But few study aims to study the level of awareness towards PMEGP among the respondents and motivate them to engage in the entrepreneurial activities.

### **Statement of the Problem**

The Prime Minister's Employment Generation Programme (PMEGP) seeks to foster entrepreneurship and create jobs in both rural and urban settings, but its effectiveness is hampered by several obstacles, necessitating an examination of its opportunities and challenges to improve its implementation and benefits for recipients.

### **Objectives of the study:**

- 1. To know the theoretical background of the PMEGP.**
- 2. To assess the level of awareness of PMEGP.**

### **Hypothesis of the study**

Null Hypothesis: There is no significant association between demographic variable and awareness about PMEGP.

Alternative Hypothesis: There is a significant association between demographic variable and awareness about PMEGP.

### **Need for the study:**

This study aims to assess the level of awareness about the Pradhan Mantri Employment Generation scheme. This research paper helps to understand how the youth are aware about the PMEGP and its very potential for supporting the micro enterprises. By studying PMEGP, researchers can provide valuable insights for policymakers, stakeholders, and beneficiaries, ultimately contributing to the programme's improvement and its potential to drive economic growth and employment generation.

### **Research methodology:**

For attainment of the research objectives well-structured questionnaire was used in this study. The data was collected by using both primary as well as secondary data. The sample size of the study is 224 respondents were selected from tier I city Mysuru and tier II city Bangalore. For the analysis of the result chi-square and one way ANOVA was used to write the interpretation Cronbach's alpha is used for the measurement of internal consistency. It also demonstrates how strongly a set of objects are linked. It is considered as a scale reliability indicator. The research data has a Cronbach's alpha of 0.843.

### **Analysis and Interpretation:**

#### **Demographic Profile of the Study**

**Table no :1.1**

<b>Demographic variable</b>	<b>Frequency</b>	<b>Percentage</b>
Male	35	15.6
Female	189	84.4

<b>Total</b>	<b>224</b>	
20-30	95	42.4
30-40	56	25.00
40-50	73	32.6
<b>Total</b>	<b>224</b>	
SSLC	30	13.40
PUC	35	15.62
Graduates	159	70.98
<b>Total</b>	<b>224</b>	

**Source : Primary data**

**Source of information about the PMEGP scheme .**

**Table 1.2**

Sl.no	PMEGP scheme	No of respondents	Percentage
1.	Social Media	105	47
2.	Government websites	35	16
3.	Bank officials	18	8
4.	News paper	41	18
5.	Family members	25	11

**Source : ( Primary data)**

It is clearly indicated that Table 1.2 that out of the 224 respondents 47% (105) of the respondents know PMEGP scheme through social media followed by 18% (41) of the respondents know from newspaper , 16% (35) of the respondents know from government websites, 11% of the respondents (25) know from their family members and lastly only 8% (18) of the respondents from bank officials. It is inferred that most of the respondents know PMEGP scheme through social media .

**Sub – hypothesis -1**

**H0 : There is no significant association between gender and awareness about PMEGPA Yojana.**

**H1: There is a significant association between gender and awareness about PMEGP Yojana.**

**Table 1.3**

Awareness * Gender Cross tabulation				
Particulars		Gender		Total
		Male	Female	
Awareness	Fully aware	35	104	139
	Aware	20	24	44
	Neither or unaware	0	15	15
	Partially aware	6	5	11
	Not aware	7	8	15
Total		35	189	224

**Source : Primary data**

**Table 1.4**

<b>Chi-Square Tests</b>			
Particulars	Value	Df	Asymptotic Significance (2-sided)
Pearson Chi-Square	25.366 <sup>a</sup>	4	.000
Likelihood Ratio	37.287	4	.000
Linear-by-Linear Association	22.124	1	.000
N of Valid Cases	224		

a. 3 cells (30.0%) have expected count less than 5. The minimum expected count is 1.72.

**Source : Primary data**

### **Interpretation:**

Table No 1.4 according to the gender and awareness about PMEGP Yojana. The chi-square test results that the p-value (0.000) is less than the level of significance (5%). The null hypothesis shows there is no significant difference between gender and awareness about MUDRA Yojana. Therefore, null hypothesis is rejected and alternative hypothesis is accepted. This finding implies that gender plays an influential role in determining awareness about the scheme, with a higher proportion of females demonstrating high awareness compared to males.

### **Sub – hypothesis -2**

**H0 : There is no significant difference in the perception of challenges among the respondents towards PMEGP.**

**H1: There is a significant difference in the perception of challenges among the respondents towards PMEGP.**

**Table 1.5**

<b>Descriptive Statistics</b>					
Particulars	N	Minimum	Maximum	Mean	Std. Deviation
Time consuming procedures discourages to take up the Loan	224	1.00	4.00	1.6250	.69107
PMEGP has strict qualifying conditions and fund limit compare to other schemes	224	1.00	5.00	3.8839	1.19600
Low support from the bank employees to avail PMEGP	224	1.00	5.00	3.9196	1.42141
PMEGP loan amount disbursed was less than that of beneficiary applied	224	1.00	5.00	2.4062	1.41426
There are more documentation in PMEGP	224	1.00	2.00	1.5312	.50014
Awareness	224	12.00	19.00	16.9866	2.75694
Valid N (listwise)	224				

**Source : Primary data**

**Table 1.6**

<b>ANOVA</b>					
Particulars	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	103.133	1	103.133	10.576	.001
Within Groups	2164.849	222	9.752		
Total	2267.982	223			

**Source : Primary data**

### **Interpretation**

Table No 1.5 According to the One-Way ANOVA F-Test results that there is a significant difference in the perception of challenges among the respondents towards PMEGP. *Adjusted for the number of predictor variables* results, the F-value of 10.576 and we looked at the p-value is 0.000 which is less than 0.05. Hence, the null hypothesis is rejected and the alternative hypothesis should be accepted. This is the p-value associated with the overall F statistic values.

### **DISCUSSION**

Pradhan Mantri Employment Generation program is implemented by the central government of India with the objective to generate employment opportunities in rural areas as well as urban areas. In India many entrepreneurs are experiencing many challenges as a result of the government failure to provide timely financial assistance to the public. In addition to this government has launched PMEGP as a tool for financing various economic activities for the entrepreneurs which in term generates employments and boost for the economy. The study found that majority respondents are aware about the PMEGP especially female respondents compare to male respondents. The government of India should focus on strict rules or criteria for granting the financial assistance and should minimize the paper works. The bank authorities should modify the loan criteria for the sanction purpose to the beneficiaries. This study shows that PMEGP assistance can improve youth empowerment in Mysuru and Bangalore districts.

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