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## Benefits of the Prime Minister Employment Generation Program: In context to the Nainital district, Uttarakhand

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### ABSTRACT

The demographic inflation of developing countries has created a prominent gap between the needs and the availability of goods and services amongst the people. As per the current social and economic scenario of these countries, it is not difficult to highlight that the unemployment is persisting in the core areas amongst youth due to the less availability of jobs as compared to the requirement of it. The governments of these countries are not unaware of the issues and trying to create multiple ways to eradicate it. They are preparing to launch various programs which could bring employment to the youth of the country. This paper will be focusing on the Indian context, and significantly on the **Prime Minister employment generation Program (PMEGP)** and the role of micro finance industries in this aspect. The chosen location for this paper would be the Uttarakhand's (Nainital region) and primarily studying about the Kumaun Population residing in this region. Mixed Methods consisting of qualitative and quantitative methods will be used for the entire research process. The data collection highlighting the beneficiaries from the program will be shown with the help of bar graphs and a proper description of the results will be given below it with relevant suggestions.

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### Introduction:

Micro enterprises are the new form of business ventures which are created by the government for generating employment for the upcoming youth of the country and also to eliminate poverty which rise



due to lack of jobs. The rise in the demographic composition in the global scenario over the period of time, a clear shortage could be felt amongst different sectors of the society. Such as, the job sector, the lopsided economy, the poor health standards, etc. These issues are primarily cause of concern for the people belonging to the developing countries. Despite of, struggling with the social and political concerns the government of these countries are actually taking several initiatives to handle these situations and creating an environment where people could live a better life and maintain their standard of living. This paper will be discussing about the prime minister employment generation program of the government and the establishment of the micro finance industries for the employment generation. With the development of the economic and social sectors of the country. It has become imperative for the government to take certain initiatives which can fulfill the basic needs of the society.

This paper has been written from the Indian Context, highlighting the benefits of the particular program named **PMEGP** and also the kind of contribution created by the micro finance companies launched by the government in the field of employment. The Kumaun population belonging to the Uttarakhand's (Nainital) Region will be the targeted point of study and the major benefits they have acquired from these initiatives and last but not the least the significant transformations they have faced after the launch of this program in their region.

### **What are Micro enterprises?**

- These are the small-scale businesses, having an annual turnover not **more than 5 crore** and also the investment requirement for these kinds of business are **less than 1 crore**, as per MSME guidelines of July 1' 2020.
- These are basically those small- scale businesses which need low investments, small- work force and minimal capital investment.
- These industries hire workforce from wide range of spectrum including both skilled and unskilled individuals.
- These industries serve under the aegis of **Micro, Small and medium enterprises** created by the government for generating employment in the countries.
- These industries are opened with small capital, sometimes with base money even lower than 50,000.
- The workforce usually consists of less than even 10 members and sometimes only with family members including the owner as well.



### **Agenda behind promoting Micro, Small and Medium sized enterprises:**

- ✚ To generate employment on the massive scale. These industries are highly labor- intensive and mostly requires abundance of human resources for doing multiple jobs. Micro industries are considered as a backbone of the country's economy.
- ✚ These industries are considered as a major promoter of inclusive growth and provide income generating opportunities for people.
- ✚ It helps to alleviate poverty by employing people from the vulnerable section of the society and creating a source of income for them.
- ✚ It also builds a culture of entrepreneurship as there are certain group of people living in the society who believe in building self- owned businesses by investing small amount of capital into it on low risk and micro industries can prove to be a blessing for them.
- ✚ As these industries are not limited to urban areas and also provide many opportunities in the rural areas which helps in solving the problems of migration from rural to urban.
- ✚ They are also beneficial for the productive use of the resources which were earlier remained untouched or unutilized.

### **Role of Government program in generating employment:**

- ✚ It uses multi-prolonged approaches to create jobs especially for the vulnerable section of the society.
- ✚ It provides collateral free loans to the micro/small businesses to expand their ventures or setting new start-ups.
- ✚ It encourages the newly opened companies to hire more workers, particularly in the formal sector.
- ✚ It supports urban livelihood so the urban poverty could alleviate and facilitate self-employment and develop skilled wage employment opportunities for future.
- ✚ Overall, it facilitates skill training by bridging skill gaps, providing direct support to the unemployed and also creating jobs and social security.

### **Prime minister employment generation program:**

- ✚ This program is a joint venture of prime minister rojgar yojna and rural employment generation program.
- ✚ It creates employment opportunities for the vulnerable sections of the society particularly for the unemployed youth and traditional artisans.



- ✚ It launched in the year 2008, to help the new self-employment ventures and micro- enterprises both in urban and rural areas.
- ✚ The main agenda of launching this program is to increase the wage-earning capacity of the local artisans and the workers.
- ✚ The program has been implemented on three levels national level, the state level & the district level by the help of agencies mentioned below:
  - a) On the national level, it is the Khadi and village industries commission, it is a statutory body under the aegis of ministry of micro, small and medium sized enterprises, considered as a single nodal agency.
  - b) On the state level, the program is applied through the state offices of the khadi and village industries board.
  - c) On the district level, it is applied through the district industries centers, coir boards and the banks.

#### **The role of PMEGP in the upliftment of the Kumaun People of Nainital district (Uttarakhand):**

- ✚ The PMEGP has promoted self-employment ventures for the Kumaun people which has supported in developing new scope of wage – earning for them.
- ✚ It supported in arresting the unnecessary migration of the rural people to the urban setting.
- ✚ It encouraged the Local industries by reviving the local Kumauni handi- crafts items and also helped in representing their culture in front of the urban people.
- ✚ The ministry of Khadi and the village industries represented and promoted the culture of Kumaun people by organizing the festivals like “kumbhar shahastikaran”.
- ✚ As per the records, PMEGP provides financial assistance up to 1 crore for the expansion and modernization of the local industries of Kumaun people and also providing the subsidies for the people belonging to the hilly areas.
- ✚ This program has launched the entrepreneurship development programs for the local people for their capacity building and training.
- ✚ PMEGP has improved the accessibility of local individuals & the self-help groups to the credit facilities.
- ✚ By analyzing the Uttarakhand’s proactive growth in the field of development of the local artisans it is clear that the prime minister employment generation program has contributed in every term for its upliftment.



### Objectives of the study:

- To examine the benefits of the Prime minister's employment generation program on the wage earnings of the Kumaun people.
- To analyze the role of the micro industries in promoting the Local Industries of the Nainital district.
- To identify the Economic growth of the Kumaun beneficiaries residing in the Nainital district.
- To Assess the role of PMEGP in promoting capacity building and entrepreneurship.

### Literature Review:

Prime minister's employment generation program came into effect from 31.03.2008. This was a merger of two programs prime minister rojgar yojna and rural employment generation program. The program was implemented by the Khadi and the Village Industries Commission under the aegis of Ministry of Micro, Small, and medium enterprises. The motive behind this program is to curb rural migration and development of the local artisans. PMEGP economically contributes for the upliftment of the urban and rural people who are living under the poverty ratio and as per the data taken from the official website **(District Magistrate (Central), Govt of NCT)**, the percentage of the subsidy acquired between urban is 15% and Rural is 25% for the general category, the beneficiaries contribution to the project is 10% in General Category and the subsidy acquired by the Special/ Other categories including women is 25% for urban and 35% for rural and the beneficiaries contribution in this category is 0.5% to the project. This program is basically a bank financed program for setting up new Micro- industries for the economic generation of the individuals **(Jansamarth.in)**, the Marging Money Subsidy has been increased to 20% from the 15% which would help to increase the wage earning of the people belonging to the hilly areas **(2024, SME Futures)**. PMEGP has created employment opportunities by empowering Micro Industries in Uttarakhand **(2024, SME Futures)**. The overall literature review on this program has highlighted the contribution of PMEGP in creating numerous micro- enterprises which has created a positive impact on the wage- earning of the people especially belonging to the rural areas and also curtailed the forceful migration of the local people from the rural to urban. In context to the upliftment of the Kumaun People from the Nainital District of the Uttarakhand, it motivates in organizing several festivals where the local craft and the local culture can be represented on a high scale. The **(Investment in Uttarakhand Portal)**, suggests that the program has given credit facilities to the local people of the state to promote their local craft through the medium of micro- industries which can help them to save their culture and earn a better lifestyle for themselves.



## Research Methodology:

### ➤ **Research Methods:**

- **Mixed methods** have been used to write this paper consisting of (Quantitative, Qualitative and Survey methods).

### ➤ **Research Instruments:**

- A well- structured questionnaire, scales, observations, interviews and google forms has been used for a proper data collection.

### ➤ **Source of Data:**

- The primary data has been collected from the observations and the survey conducted with the help of well- designed questionnaire.
- The secondary data is collected from the government portals, relevant websites, magazines, books, etc.

### ➤ **Data representation:**

- The data will be presented graphically with the help of relevant table and also a pictorial representation of the relevant pictures collected from different sources.

### ➤ **Data collection:**

- Total Beneficiaries from the Prime minister employment generation program in the Uttarakhand region are= **(15446)**.
- Out of which beneficiaries belonging to the Kumaun = **(7659)**.

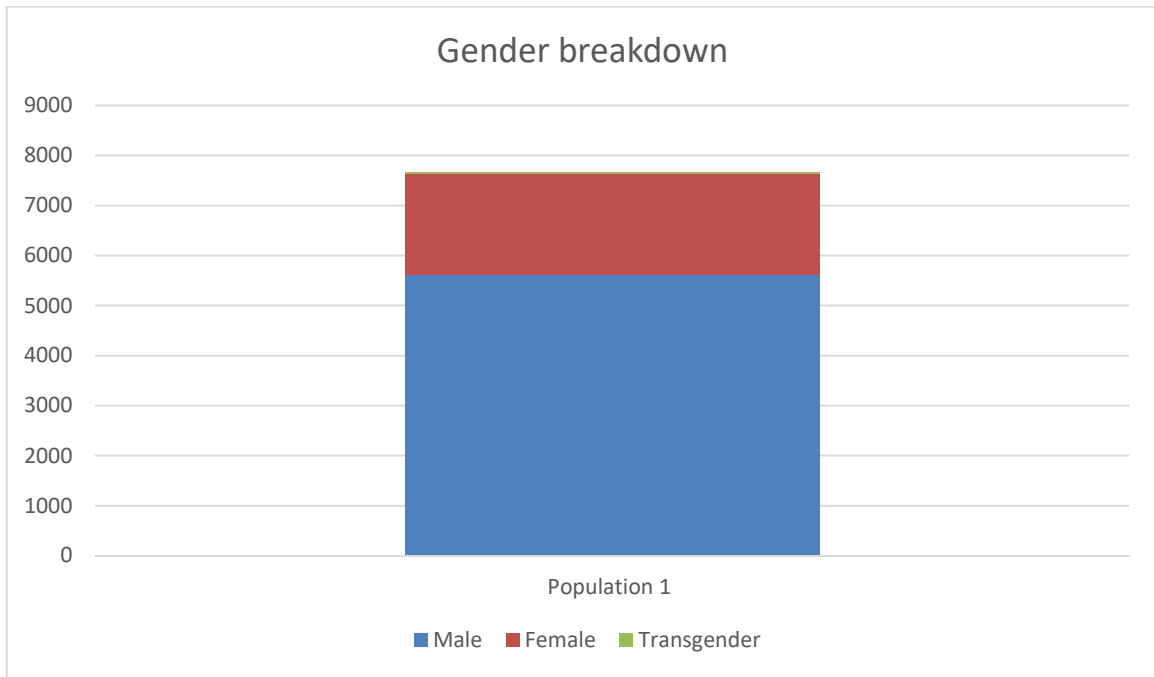
### ➤ **Ethical and Moral Standards:**

- While collecting the data, the authenticity and the reliability of the data have been considered and also the researcher claimed that the data has not been tampered or modified intentionally.

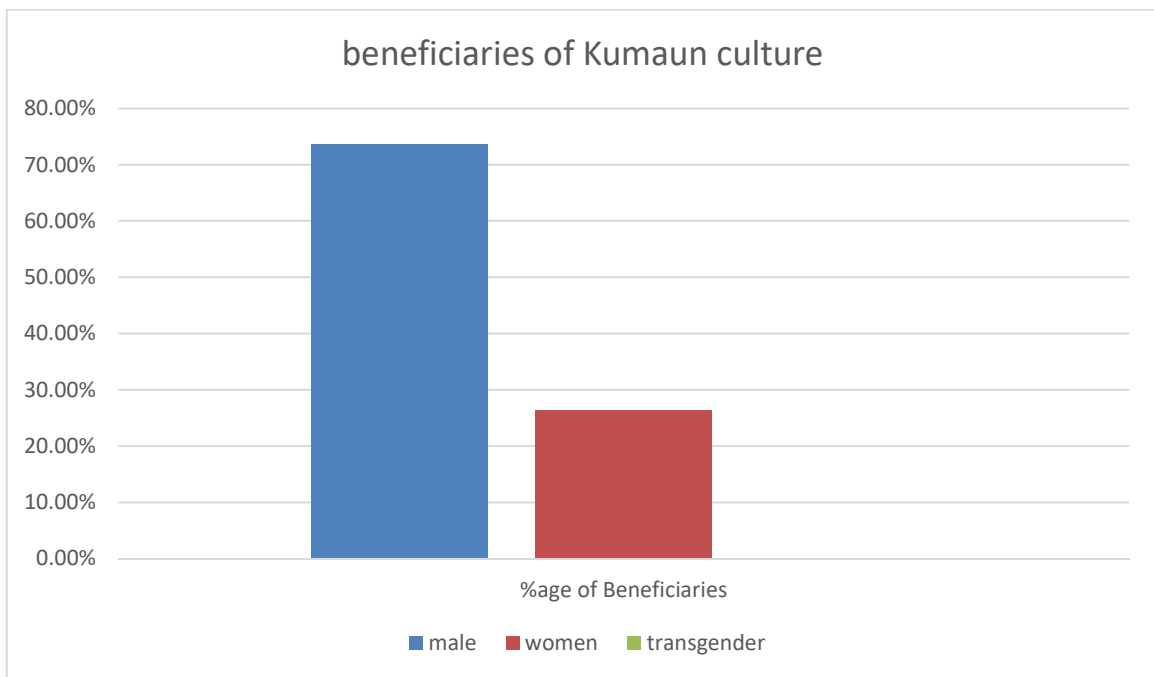
### ➤ **Sampling Design:**

- The sampling method used while collecting the data is simple random method as it increases the chances of including maximum number of people.
- The decided sample size is 400 people approx. from the Kumaun culture.

- **Data representation/ Analysis:** As per the data collected the Total population of the Kumaun People who benefitted from this program is 7659. The population has been further divided into Male, Female and the Transgender category after taking out the sample size from the total population which 400 as represented in the Graph 1.



**Graph 1**



**Graph 2**

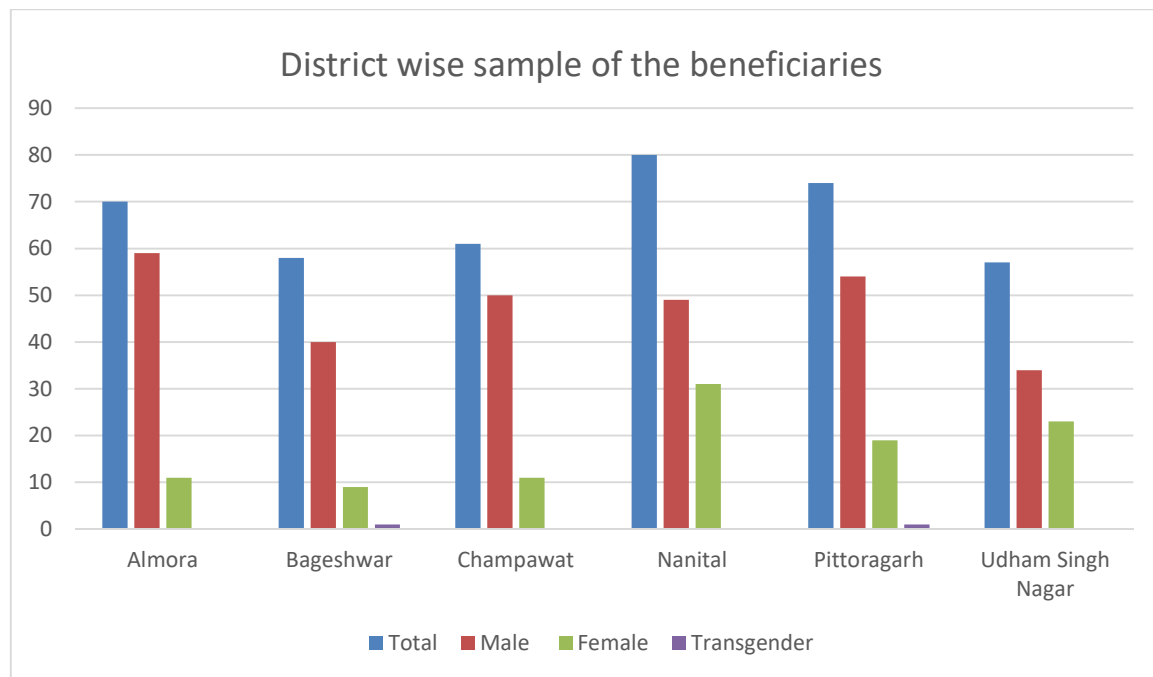
The Graph 2 represents the percentage of the Kumaun Beneficiaries which has been divided into as:

Men – 73.6%

Women – 26.36%

Transgender – .013%

The beneficiaries' percentage clearly states that the men are on the much heavier side as compared to the women population. This highlights that the men Population of the Kumaun region is enjoying the maximum benefits from the Prime Minister Employment Generation Program. They are able to get benefits in terms of employment opportunities, growth in their wage earnings, generating self-entrepreneurship and also developing their capacity level where as the women and the transgender population still lacks in availing the maximum benefits from this program.



**Graph 3**

**Graph 3** is explaining the population of the Uttarakhand state has been divided into 6 districts which shows the strength of the beneficiaries from the PMEGP. After the in-depth analyzing of the graph, it clearly states that the Nainital district of the Uttarakhand region is the most benefited region from the PMEGP. The male population of this district are availing many opportunities from this program but the other two categories', the women and the transgender are still unable to progress especially the transgender, whereas the other district Bageshwar has shown a very small amount of benefit availed by the trans category population whereas the women category is still in a better position in Nainital district as compared to the other 5 districts.

➤ **Sample Calculations:**

- The sample size of each district has been calculated by using the formula mentioned below:



= Sample size selected \* Percentage of Sample Selected of that particular district

For Example, = In case of Almora District,

$$400 * 17.38\% = 70.$$

Further it is divided between 3 categories:

$$\text{MALE} = 70 * 85\% = 59$$

$$\text{FEMALE} = 70 * 15\% = 11$$

$$\text{TRANSGENDER} = 0$$



Pic Courtesy: [businesszindagi.com](http://businesszindagi.com)

➤ **Conclusion:**

Prime minister’s employment generation program is a centrally-sponsored flagship program to generate employment opportunities, addressing economic disruptions at the rural level, and also uplifting the marginalized communities. This Program has contributed in the inclusive growth of the vulnerable section of the society and also contributed in their capacity building and providing them with training for future opportunities. It has encouraged Self-entrepreneurship and provided opportunity to become independent in every aspect. This research paper has been written in the context to the Kumaun people belonging to the Nainital district of the Uttarakhand state. As per the data collected, it shows that the



male population has been on the brighter side and availed maximum opportunities from the PMEGP. The male population is indulged in the self-entrepreneurship and the other employment opportunities but the women category and the trans- category still needs better opportunities to grow. Overall, this program has proven to be a blessing for the marginalized group in terms of providing benefits such as employment opportunities, cultural promotion and self-resilience.

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