



Performance of Prime Minister Rozgar Yojana in Telangana State – A Study

Deva Srinivas , Research Scholar, Department of Applied Economics Telangana University, Dichpally, Nizamabad

Dr. K. Ravinder Reddy, Chairperson BOS, Department of Applied Economics Telangana University, Dichpally, Nizamabad

Abstract

This paper is a case study of Pddapalle, Dharmaram and Metpalle mandals in Karimnagar District. These mandals has taken maximum total financial inclusion loans and the community coordinator is awarded this year. This paper highlights the Performance of PMRY scheme on educated youth. The paper concludes that the PMRY scheme hold promotes to channelize energy of educated unemployment youth the three main advantages of this loan are not requiring any collateral guarantee, to give concessional time for the repayment and the normal interest rate. Most of the beneficiaries who availed of finance assistance under the scheme have succeed in self-employment themselves, generating reasonably adequate returns, providing employment opportunity etc. to the public and also engaged in productive activities under these projects.

Key words: *Educated Unemployed youth, Poverty alleviation, Socio- Economic Conditions*

Introduction

The Government of India has made honest efforts in combating the menacing problem since independence through its various economic policies. However, the origin of the Unemployment Alleviation Programme could be traced to the submission of Bhagawati committee report. The report submitted in 1975, recommended inter alia, under problem in the country. As a result, the Central Government announced a special scheme known as Self-Employment to Educated Unemployed Youths in 1983-84. The scheme continued till the end of March 1993 and in the year 1993-94, the scheme was rechristened as Prime Minister's Rozagar Yojana. Under the scheme, the District Industries Centre and commercial banks play the pivotal

role. A fine sum of amount is given as a loan which has features like subsidy and concessional Prime Lending Rate of interest. The scheme was specifically designed for the educated unemployed youth living in both rural and urban areas; the idea behind framing the PMRY scheme was to reduce the unemployment rate among the educated youth by creating self employment opportunities in industry, service and business sectors.

Besides PMRY scheme, the Government of India has initiated various other unemployment alleviation schemes kike Integrated Rural Development Programme (IRDP), Jawahar Rozgar Yojana (JRY), Khadi and Village Industries Corporation (KVIC), Supply of Improved Tool kits for Rural Artisans (SITRA), Self - Help



Groups (SHGs), etc. However the PMRY scheme is specially designed to suit the educated unemployment youths, who constitute a large chunk of, part unemployed figure. The distinct characteristic of the scheme is to assist financially in establishing business ventures in the field of industry, service and business sectors.

PMRY scheme in India

The financial system is the lifeline of the economy. Banks are the backbone of the financial sector. They are the most dominant segment of the country's financial system. Banks plays a pivotal role in the development of a sound economy and form the core of the money market. It facilitates payment mechanism, mobilized insured deposits, act as credit intermediaries and serve as the principal channel for transmission of monetary policy actions to the economy at large. The banks provided financial assistance only to the Industries which had already established, financially sound, capacity to repay the loan, favorable credit guarantee etc. After the Independence in 1947, the Government of India as well as the State Governments was trying to show concern for the rural poor. The rural scenario in India was quite disturbing and needs much attention to eradicate poverty through employment opportunities. Therefore, the government had come up with different schemes to eradicate poverty. PMRY Scheme was announced and implemented in the VIIIth Five-Year Plan till now.

The scheme has many outstanding features. The loan limit now stands at Rs.1 lakhs for business, Rs.2 lakhs for service industry and Rs.10 lakhs for partnership of maximum five partners. To make the

benefit of PMRY scheme reach the downtrodden section of the society, the eligibility criteria of gross family income is made, not to exceed Rs.40000 per annum PMRY is extremely important in the present day context of Indian economy. Micro enterprises cater to the demand of local market using locally available finance and other resources, infrastructure, managerial skill, indigenous technology, generating employment to local people in the area. All benefit of cottage, tiny and small scale industries can be enjoyed by proper implementation of this PMRY scheme.

Statement of the Problem

The economic policies of the country continued to undergo changes in the form of shifting the focus from economic growth to employment or vice-versa, in accordance with the changing needs of the society over a period of time, the mounting pressure of unemployment, particularly educated unemployment compelled the governments to undertake special employment programme mainly supplementary to the main five year plans. The significant among them are Food for Work Programme under taken in 1977 with the main objective of providing man-days work under National Rural Employment Programme of 1988 with an objective of Providing employment to the People; Rural Landless Employment guarantee Programme of 1983 was started with an aim of providing employment guarantee to the landless agriculture labours in rural areas, and Integrated Rural Development Programme of 1980 with an objective of providing financial assistance to the weaker sections. As a result of restructuring Indian economy, the IRDP and allied programmes,



including Million Wells Scheme, started a single self employment programme called Swarnajayanthi Gram Swarozgar Yojana in 1999, which aimed at promoting micro enterprises and helping the rural to form into Self-Help Groups. Further Jawahar Gram Smridhi Yojana with main objective of creation of durable productive community assets.

A review of literature shows that there is a big gap between schemes implemented and their evaluation studies, there has been no major study to evaluate how far such schemes like PMRY, which are implemented with avowed objective, are good enough in cretin a favorable post scheme effects in terms of economic and social aspects.

Thus studies are expected to highlight the effects of the cheme on rural and urban beneficirais in all sectors of economy, namely, industry, services and business. In this view to fill this vaccum and to bring out the actual working of the scheme in the district, the present study is undertaken.

Objectives

1. To analyze the socio-economic condition of the beneficiaries;
2. To analyze the factor influencing the performance appraisal of the respondents before and after implementing the PMRY scheme.

Hypothesis

1. There is no significant difference in the income of the beneficiaries before and after joining under the PMRY
2. There is no significant difference in the Loan completed status of the

beneficiaries before and after joining under the PMRY scheme.

Methodology

The present study is based on primary as well as secondary sources of data. Studies on anti poverty programmes in general and on PMRY in particular at the level of individual researchers, voluntary organizations and concurrent evaluation studies conducted by respective DRDA are taken as background information. In order to elicit the information in regard to the socio-economic impact of PMRY on educated youth, a structured questionnaire is prepared and administered to a selected sample. In addition, observation and interview methods were also used to collect the information pertaining to the inner realities of educated youth lives.

Sample Design

For the selection of study area, a district in Telangana State was selected on the basis of the implementation of the programme. So, a sample of one district namely Karimnagar in Telangana State was selected on the basis of proportionate sampling. In the selected district three Mandals were selected on the purposive sampling basis. Thus one district, three Mandals and 150 beneficiaries in the selected Mandels are studied.

Tools of Analysis

In order to derive the findings that emerge from this study, the data are analyzed in terms of simple percentages, Mean, Standard deviation and Paired T-Test. Also electronic data packages like MS Excel, MS Word have been used and with the help of these packages descriptive statistics have



been used for computing tabular forms and percentages.

Objectives of PMRY Scheme

The scheme intends to encourage and provide self employment opportunities to the educated unemployed youth with the package of assistance by establishing "Tiny and Micro" enterprises in industry, service and business sectors.

- To generate employment opportunities in rural as well as urban areas of the country through setting up of new self –employment ventures/ project/ micro enterprises.
- To bring together widely dispersed traditional artisans/ rural and urban unemployed youth and give them self-employment opportunities to the extent possible, at their place.
- To provide continuous and sustainable employment to a large segment of traditional and prospective artisan and rural and urban unemployed youth in the country, so as to help arrest migration of rural youth to urban areas.
- To increase the wage earning capacity of artisans and contribute to increase in the growth rate of rural and urban employment.

Highlights of PMRY Scheme

The Central Government extends a capital subsidy, with a maximum limit of Rs. 75000 per entrepreneurs, which will be released to banks after disbursement of loan amount. The bank will keep this amount in fixed deposit till recovery of $\frac{3}{4}$ of the loan amount and finally it will be adjusted with remaining $\frac{1}{4}$ of the loan amount.

- Assured fund flow of over Rs.5000 crores from the banking sector for self employment project
- Capital subsidiary of nearly Rs.525 crores to the beneficiaries
- Community participation in the scheme by involvement of non-governmental organization in implementation

Data Analysis and Interpretation

The table - 1 reveals that, 58.67 per cent of the respondents are come under the age group of 26-30years and 8.00 per cent of respondents are belongs to above 35 years age group. 95 per cent of respondents are belonging to 8-SSLC and 4 number studied only post-graduation levels. 4-6 years experienced respondents number is 74 and 8 respondents comes 10 years above.85 respondent's annual income is less than Rs.25000 and 65 respondents come under Rs.25000 to Rs. 40000. Equal numbers of respondents are from each sector.



Table - 1: Socio - Economic Profile of the Beneficiaries

Sl. No	Factors	Category	No.of Respondents	Percentage
1	Age	18-25	27	18.00
		26-30	88	58.67
		31-35	23	15.33
		Above 35 years	12	8.00
2	Education	8-SSLC	95	63.33
		Higher secondary	28	18.67
		Under graduate	16	10.67
		Post graduate	4	2.67
		Others, Diploma etc	7	4.67
3	Experience	0-2	17	11.33
		2-4	27	18.00
		4-6	74	49.33
		6-8	13	8.67
		8-10	11	7.33
		Above 10 years	8	5.33
4	Income	<25000 per annum	85	56.67
		Rs.25000 – Rs.40000	65	43.33
5	Type of business	Manufacturing	50	33.33
		Trading sector	50	33.33
		Business and service	50	33.34

The p value .000 is lesser than the table value 2.617 with a degree of freedom of 149 at 1 per cent significant level. So the null hypothesis is rejected. Hence to conclude that there is a significant difference in the income of the

beneficiaries before and after joining under the PMRY Scheme (table 3). There is no significant difference in the Loan completed status of the beneficiaries before and after joining under the PMRY.



Table – 2: Performance Appraisal of the PMRY Beneficiaries

Sl. No.	Factors	Category	No.of respondents		Percentage	
			Before	After	Before	After
1	Income	Nil-10%	75	70	50.00	46.67
		11%-30%	55	55	36.67	36.67
		31%-50%	20	25	13.33	16.67
2	Saving	Nil-10%	70	60	46.67	40.00
		11%-30%	65	70	43.33	46.67
		31%-50%	15	20	10.00	13.33
3	Employment generation	Blow 2	125	120	83.33	80.00
		3-5	25	30	16.67	20.00
4	Margin money proposed to be invested	Nil-10%	110	90	73.33	60.00
		11%-30%	25	40	16.67	26.67
		31%-50%	15	20	10.00	13.33
5	Loan position	Less than 50% settled	75	55	50.00	36.67
		50% settled	30	40	20.00	26.67
		More than 50% settled	40	45	26.67	30.00
		Loan completed	5	10	3.33	6.67

From the table 2 shows that the before and after status of the respondents are joined under the PMRY scheme. In before period, the income level shows that 75 respondents are come under nil - 10 per cent and 20 respondents are getting income only 31 per cent -50 per cent 70 respondents having the saving habit of nil -10% and 15 respondents are come under 31 per cent 50 per cent. Below 2 persons employment generation can be doing only to 125 respondents and 3-5 persons employment generation can be done limited to 25. In the case of

Margin Money Proposed to be Invested, 110 respondents are come under nil-10 per cent and 15 respondents are belongs to 31 per cent -50 per cent. The loan completed respondents number are 5 and 75 respondents are completed their loan less than 50 per cent only.

In after joining under PMRY scheme, their statuses are slight and positively changed. In the case of income level, 70 respondents are come under nil-10 per cent and increase number of respondents from 20 to 25 of 31 per cent - 50 per cent



.The saving habits shows the positive response that is 60 respondents are fall under nil-10 per cent and 20 respondents are belong to 31 per cent-50 per cent .120 respondents are come under below 2 employment generation capacity and 30 respondents will be 3-5 persons. In the case of Margin Money Proposed to be

Invested, 90 respondents are belongs to nil -10 per cent and 20 respondents are come under 31 per cent and 50 per cent. 55 respondents are come under less than 50 per cent loan completed status and 10 respondents are successfully completed their loan after joining under the PMRY scheme.

Table - 3 : Paired T-Test Table of the Respondents Income

Particular		Paired Differences					t	df	Sig (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% confidence interval of the difference				
					Lower	Upper			
Pair 1	Income before PMRY - Income after PMRY	1.15833	.71002	.06482	-1.28688	-1.02999	-17.871	149	.000

There is no significant difference in the income of the beneficiaries before and after joining under the PMRY0. The p value .000 is lesser than the table value 2.617 with a degree of freedom of 149 at 1 per cent significant level. So the null hypothesis is reject-ed. Hence to conclude that there is a significant difference in the Loan completed status of the beneficiaries before and after joining under the PMRY Scheme (Table 4.

Conclusion

All said and done, it should be always remembered that PMRY is not

Suggestions

- The beneficiary should take PMRY only as a tool and as a solution for the problem by itself. The

panacea for all the educated unemployment related problems. It is only an instrument or tool through which planners and administrators would like to address a mountainous problem. However, the scheme is planned and implemented, and the scheme on it part expects a lot from beneficiaries, a right mental attitude and positive thinking is what one needs. The following are some of the thins which the present study would like to suggest for better socio- economic impact of PMRY scheme in particular and for other schemes in general.

beneficiary himself is the solution for unemployment.



Table - 4: Paired T-Test Table of the Respondents Loan Status:
 Paired Samples Test

Particular		Paired Differences					t	df	Sig (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% confidence interval of the difference				
					Lower	Upper			
Pair 1	Loan status before PMRY – loan status after PMRY	-1.00000	.36668	.03347	-1.06628	-.93372	-29.875	149	.000

- The PMRY benefit is only part finance and not a total finance, i.e., it is only seed money and not a tree itself.

- The scheme money is a social resource and social resources are scarce and have their own cost. Timely repayment and better utilization social responsibilities.

- Since PMRY is a social scheme and benefits are to be social oriented, the beneficiaries should extent benefits to outsiders rather than his own family members in employment fold, the objective should be “employment to others” and not the self employment and family employment.

A well conceive, managed and followed up scheme on one side and an emancipated and positive beneficiaries on the other side, are the two pillars on which the social-economic impact of the scheme can be well built, the coming tougher of these two things would generate a thumping sound of two hands in the form of heightened socio-economic impact.

References

1. Tamil Nadu State Level Banker’s Committee seminar on “Implementation of District Credit Plan”, Canara Bank, Coimbatore, February 1984.

2. K. S Vinodhan, “A Study on Entrepreneurship Development with Special Reference to PMRY in Coimbatore District (1997-1998) unpublished thesis 1988, Madurai Kamaraj University, Madurai, 1998.

3. Prime Minister Rozyar Yojana: An Introspection for future growth .J.S Saini and Rachana khera, pp32-54.

4. M. Mohandas: Relative Impact of Self Employment Program for the Educated Unemployed Youth on Women Beneficiaries in Kerala”, Journal of Rural Development, Vol II, No. 2, 1992, PP.17-174.

5. Chennai Industrial Monitor fortnight information Pack for the entrepreneur as at Chennai, April 16-30, 1999 issue, 2 pages issue-“PMRY Incentive Needed” (1nd and 2nd page).

6. S.P Gupta: Statistical Methods, Sultan Chand & Sons, Educational Publishers, New Delhi. PP- 921