

EMPLOYMENT GENERATION THROUGH PMEGP IN LOHIT DISTRICT OF ARUNACHAL PRADESH – AN ANALYSIS

Sanjeeb Kumar Jena¹ & RikoMihu²

¹*Guide and Professor, Department of Commerce, Rajiv Gandhi University, Rono Hills, Doimukh,
Arunachal Pradesh, India*

²*Research Scholar, Department of Commerce, Rajiv Gandhi University, Rono Hills, Doimukh, Arunachal Pradesh, India*

²*Assistant Professor (Commerce), IGG College, Tezu, Arunachal Pradesh, India*

Received: 08 May 2018

Accepted: 11 May 2018

Published: 28 May 2018

ABSTRACT

Entrepreneurship is an important agent in the economic development who provides an alternative solution to much malaise in the society such as poverty, unemployment; regional imbalance in income inequalities. Therefore, it needs the hour to harvest young and budding ideas that to be converted into economic opportunities through their strategic creativity, vision, and innovation. Private and Government sector participation in employment generation is very low most of the people are suffering from employment opportunities. In this connection, Prime Minister Employment Generation Programme (PMEGP) is playing an important role to promote self-employment opportunities through micro and small industrial development by encouraging new entrepreneurs. A huge research gap is present as none of the researchers have undertaken any such research or studies to evaluate the effectiveness of the Govt. sponsored livelihood development programmes and schemes in Arunachal Pradesh with respect to its employment generating capabilities. Therefore, the present research paper made an attempt to study the performance of PMEGP in the study area in terms of its impact in developing the entrepreneurial capabilities to generate employment opportunities.

KEYWORDS: *PMEGP, Revenue, Profit, Loan Fungibility, Employment Structure*

INTRODUCTION

According to the World Bank revised methodology with revised poverty line as \$1.90, the world had 872.3 million people below the poverty line, of which 179.6 million people lived in India. In other words, India with 17.5% of total world's population had 20.6% share of worlds poorest in 2011. As of 2014, 58% of the total population were living on less than \$3.10 per day. According to the Modified Mixed Reference Period (MMRP) concept proposed by World Bank in 2015, India's poverty rate for period 2011-12 stood at 12.4% of the total population, or about 172 million people (Donnan, 2014)¹, (World Bank, 2014)², (Kumar & Woo, 2010)³. This situation in India has pauperized through high incidence of poverty, illiteracy, unemployment, social and economic injustice. To have inclusive growth in the economy, there must be bottom-up approach i.e. downtrodden people living must be enhanced in terms of income and employment opportunities. Therefore, it is essence that ideas, vision and creativity must raise from the rural areas who has better understanding in socio-economic condition (GOI, 2004)⁴. The process of economic development sought new technology, new ideas, innovation and it marketability. It can be ensured through promoting rural entrepreneurship and creating niche

marketing. Entrepreneurship is an important agent in the economic development who provides alternative solution to much malaise in the society such as poverty, unemployment; regional imbalance in income inequalities (GOI, 2006)⁵.

BACKGROUND OF THE STUDY

In the fast-growing competitive economy, country's development has a great expectation in the human resource development. This human development index can be ensured through dynamism, enthusiasm, and foresightedness of the people. This, in turn, led to entrepreneurship growth in the country and begets socio-economic growth. It reduces the social and economic gap created in the society in terms of income and possession of the physical asset. Entrepreneurship development is the indispensable socio-economic growth engine of the country. Entrepreneurship is *sine qua non* to national development, poverty eradication, and employment generation. It is the bedrock of any nation's process of greater industrialization (GOI, 2011⁶; 2006⁷). Therefore, it needs the hour to harvest young and budding ideas that to be converted into economic opportunities through their strategic creativity, vision, and innovation.

Poverty eradication and inclusive development are two important agendas which sought attention from various stakeholders to address downtrodden mass which lack access proper communication & transportation, health facility, education & modern technology. It requires a long-term and holistic approach based on the certain socio-economic value which prevails in the society. Elimination of poverty, inequality, and unemployment can be ensured through effective rural development program which will engineer self-generating income and employment through development of entrepreneurship (Dreze and Sen, 1995)⁸.

The entrepreneurship development is indispensable to achieve overall desired inclusive economic development in the country. It is a process in which persons are injected with motivational drives of achievement and in sight to combat uncertain and risky situations especially in dynamic business undertakings. Development of the state is much depended upon utility and availability skilled human resources. Skill human resource always owe to assets creation which can be ensured through creativity innovation and diversification in the business venture. Therefore, entrepreneurship development can be understood as synonymous to the development of the human resource which thereby improvised development of socio-economic profile of the region (Desai, 2010)⁹.

Professor Gunnar Myrdal (1968)¹⁰ the recommends the adoption of a strategy based on predominantly labour-intensive techniques in less developed countries on the ground that "the large volume of unutilized labour possessed by these countries has a productive potential, capable of creating capital and increasing production".

A study of UNIDO (1969)¹¹ based on evidence from a number of developing countries, indicates that "small enterprises with a lower level of investment per worker tend to achieve a higher productivity of capital than do the larger, more capital-intensive enterprises". The promotion of small-scale industries has been widely recognized as one of the most appropriate means of developing industry in developing countries, which are facing the mounting pressure of population, an acute shortage in investable capital funds, and lack of entrepreneurial and managerial abilities (Bharti, 1978)¹².

Professor A.M. Khusro (1999)¹³ holds that "if you attempt to create only employment without regard to efficiency, output and surplus, you will soon end up with neither employment nor output or surplus". Accordingly, Khusro suggests formulation of a strategy that depends on "self-financing surplus generating schemes". A World Bank Study (1978)¹⁴ has shown that all important requirements of more jobs and higher incomes are met by rural

non-farm activities. The study suggests that these activities, which have capital- labour ratio of less than \$50 at 1969 prices, deserve a high place in any employment oriented industrial strategy.

Private and Government sector participation in employment generation is very low most of the people are suffering from employment opportunities. In this connection, Prime Minister Employment Generation Programme (PMEGP) is playing an important role to promote self-employment opportunities through micro and small industrial development by encouraging new entrepreneurs. Therefore, it is necessary to study the non-farm employment generation activities which are taking place through KVIB (Khadi and Village Industrial Board) and DIC (District Industrial Centre and (PMEGP) are the most important instrument to reduce unemployment and poverty (Salunke, 2016)¹⁵.

LITERARY AND STATISTICAL PURVIEW

The PMEGP provides a continuous and sustainable employment to a large segment of traditional and prospective artisans and rural and urban unemployed youth in the country. The scheme also helped the already established businesses and those who were in good terms with the banks (Saraf, 2017)¹⁶.

Ministry of Micro, Small and Medium Enterprises (MSME) is implementing Prime Minister's Employment Generation Programme (PMEGP), which is a major credit-linked subsidy programme, aimed at generating self-employment opportunities through establishment of micro-enterprises in the non-farm sector by helping traditional artisans and unemployed youth. The primary aim is to generate jobs in both rural and urban regions, by way of self-employment ventures, micro-enterprises, and other eligible projects. The programme also looks to provide employment that is continuous and sustainable and make sure its beneficiaries' earning capacities are enhanced thus. General category beneficiaries can avail of margin money subsidy of 25 % of the project cost in rural areas and 15% in urban areas. For beneficiaries belonging to special categories such as Scheduled Caste/Scheduled Tribe/OBC /Minorities/Women, Ex-serviceman, Physically Handicapped, NER, Hill and Border areas etc. the margin money subsidy is 35% in rural areas and 25% in urban areas. Any individual above 18 years of age is eligible. For setting up of projects costing above Rs. 10 lakh in the manufacturing sector and above Rs. 5 lakhs in the business /service sector, the beneficiaries should possess at least VIII standard pass educational qualification. The maximum cost of projects is Rs. 25 lakhs in the manufacturing sector and Rs. 10 lakhs in the service sector. The benefit can be availed under PMEGP for setting up of new units only. Khadi and Village Industries Commission (KVIC) is the nodal agency at the national level. At the State/District level, State offices of KVIC, KVIBs and District Industry Centres(DIC) are the implementing agencies in the States in the ratio of 30:30:40.

Subsidy under PMEGP Scheme is provided by the Union Government. The PMEGP Scheme was launched during 2008-09. Since its inception, a total of 4.47 lakh micro enterprises have been assisted with a margin money subsidy of Rs. 9326.01 crore providing employment to an estimated 37.32 lakh persons from inception till 2017-18 (up to 30.11.2017). The number of microunits set up from 2012–13 to 2015–16 was 2,00,885 units. According to official estimates, employment generation under the PMEGP has declined consistently after 2012–13. While 4,28,246 jobs were generated under the scheme in 2012–13, in 2013–14 the number fell to 3,78,907 and further dipped to 3,57,502 in 2014–15. In 2015–16, the jobs creation stood at around 3,23,000, whereas according to provisional estimates, between March and October 2016, employment was generated for 1,87,000 persons.

Table 1: Progress of PMEGP during XI (2008-09 to 2011-12) and XII Plan (2012-13 to 2015-16)

Year	MM Subsidy Released (Rs crore)	MM Subsidy Utilized# (Rs crore)	No. of Projects Assisted	Estimated Employment Generated
XI Plan Total	3131.65	3067.69	1,64,283	16,05,865
2012-13	1228.44	1080.66	57,884	4,28,246
2013-14	988.36	1076.45	50,493	3,78,907
2014-15	1073.17#	1122.54	48,168	3,57,502
2015-16	1013.53	872.44	38,103	2,78,160
XII Plan Total	4303.5	4152.09	194648	1442815
Grand Total	7435.15	7219.78	358931	3048680

NB.: # including un-utilized balance funds of previous year. All figures are upto 30.03.2016

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

Nathan Economic Consulting India Private Limited for FICCI-Confederation of MSME concluded from a study that Rs 5.33 lakh is the average investment under PMEGP for setting up micro-enterprises and the average employment generated is nine employees per unit over the period of 2008-09 to 2012-13. The study also has pointed that between 2008-09 and 2012-13, about 80 per cent of the target for the number of projects assisted under the PMEGP has been achieved and it has also been able to achieve 75 per cent of the employment generation target; and 99.4 per cent of government subsidies or margin money released to open MSME have been used. Studying the relationship between employment generated under the PMEGP scheme and the total employment in the organised sector, correlation analysis has been done between the two variables by Nathan. The result of this analysis is that employment generated under the programme is significantly correlated to the total employment in the organised sector (61.5 percent). A conclusion can be drawn that a high number of newly start-up micro enterprises are providing ancillary services to the organized sector (Nathan, 2014)¹⁷, (Tripathy & Koley, 2015)¹⁸

Reviewing the implementation of PMEGP in J&K, the North Zone Chairperson of KVIC HinaShafi Bhat opined that PMEGP is the flagship scheme of Ministry of MSME and is an effective instrument for generating employment opportunities in urban and rural India through setting up of micro-enterprises; and is an effective scheme to tackle unemployment, generate sustainable employment opportunities in rural and urban areas.¹⁹

As per the report based on a study conducted by the Gurgaon-based Management Development Institute the utilization of total subsidy allotted by Ministry of MSME for implementation of PMEGP was less than 50 per cent in 2008-09 and it increased to 100.37 per cent in 2016-17. After physical verification of 10,044 PMEGP units (5% of the total units) across the country and collecting data from the beneficiaries, stakeholders and external sources, the MDI study concluded that average employment per project was 7.66 people, with an average cost of Rs 94,855 for generating unit employment and an average cost per project of Rs 7,26,760. The maximum and minimum costs for generating unit employment were Rs 2,65,412 in Nagaland and Rs 25,070 in Tamil Nadu, respectively. The study also indicates that the average age of the beneficiaries was 36.8 years and 42.39 per cent of them were from SC, ST and OBC categories, besides 5.8 per cent of minorities and 10 per cent women. In manufacturing and services sectors, 53% and 45% of beneficiaries have been involved. The collateral taken by the banks over and above hypothecation of assets by banks were recorded as 46 per cent and 54 per cent respectively. In the recent budget of 2018-19, Rs 1,800 crore was sanctioned in comparison to Rs 1,024 crore in 2017-18 FY, with a growth of 78 per cent²⁰.

PMEGP in Arunachal Pradesh

Arunachal Pradesh Government has recently launched many laudable steps in the field of the entrepreneurship development. State Govt. constituted AP Skill Development Society to mold virgin talents of the indigenous people. Many beneficiaries under PMEGP, as started in 2009, have been benefitted and enhanced income and employment opportunities. 158 youths in 2009-10 & 232 youths in 2010-11 were given opportunities to establish their business venture under PMEGP scheme and after that, there is no fall back²¹.

Table 2: Achievements of PMEGP in Arunachal Pradesh

Year	Applications			Forwarded to Bank		Sanctioned by Bank		Margin Money Claimed		Margin Money Sanctioned	
	Received	Placed	Recommended	Project	MM in Lakhs	Project	MM in Lakhs	Project	MM in Lakhs	Project	MM in Lakhs
09-10	342	288	260	201	432.39	174	311.89	176	186.98	158	114.81
10-11	470	396	371	329	426.06	290	387.80	248	293.45	232	249.40
11-12	848	646	580	490	61.07	451	732.87	423	675.00	374	431.63
12-13	1570	711	512	481	798.50	379	531.78	311	396.87	261	296.50
13-14	2569	2244	1114	1304	1987.83	497	2155.03	467	1201.79	193	294.48
14-15	1691	1063	892	1339	1805.15	305	388.44	826	370.69	693	817.55
15-16	1946	2231	1543	906	1808.35	886	218.44	795	121.31	699	1106.83

Source: <https://www.kviconline.gov.in/pmegp/pmegpmr/pmegpOldRepo.jsp>

Table 03: Subsidy Released and Utilised (in Rs. Lakh) under PMEGP in Arunachal

2012-13		2013-14		2014-15		2015-16	
Released	Utilised	Released	Utilised	Released	Utilised	Released	Utilised
290.74	296.50 (98.06%)	963.25	889.42 (92.31)	968.72	817.55 (84.40%)	1298.00	1106.83 (85.27%)

Source: <https://www.kviconline.gov.in/pmegp/pmegpmr/pmegpOldRepo.jsp>,

<http://pib.nic.in/newsite/PrintRelease.aspx?relid=118557>

The table no – 03 provided an insight about the performance of the PMEGP in the state of Arunachal Pradesh. Every financial year, the number of beneficiaries has been increased. 699 projects with a margin money outlay of Rs. 1106.83 lakhs were approved and sanctioned in the year 2015-16. With respect to the utilisation of the subsidy released under the PMEGP, more than 84% of the funds were utilised in last 4 FYs starting from 2012-13 to 2015-16.

STATEMENT OF PROBLEM AND RESEARCH GAP

As per All India Report of Sixth Economic Census- 2016, only 0.08% of the total populations are employed in various establishments (private and public) in Arunachal Pradesh. The agriculture and the allied activities, which are traditional economic activities in the state, cannot alone be in a position to create additional employment

opportunities. Thus, the need of the hour is to give importance on propagating entrepreneurship and self-employment. Above all, the peculiar nature of geographic or topographical problems also plays a villain's role in the development of the state economy. Therefore, programs or the developmental schemes of the Govt. should be scrutinized according to their objectives for which it was launched and its implications in the typical vicinities. A huge research gap is present as none of the researchers have undertaken any such research or studies to evaluate the effectiveness of the Govt. sponsored livelihood development programmes and schemes in Arunachal Pradesh with respect to its employment generating capabilities. Therefore, it is imperative to study the performance of PMEGP in the study area in terms of its impact in developing the entrepreneurial capabilities to generate employment opportunities.

OBJECTIVES OF THE STUDY

Present study has emphasized to underscore the importance of the Prime Minister Employment Generation Programme (PMEGP) to provide financial intervention to the under-unemployed population to set up self-employment ventures and to encourage entrepreneurship. Thus, the basic objective of the study is to analyze the impact of PMEGP in developing the entrepreneurial capabilities of the beneficiaries to generate employment opportunities, in the study area.

HYPOTHESIS

H₀: Participation in PMEGP has no impact on the growth of employment generating capabilities of the respondents in the study area.

METHODOLOGY

While undertaking the present study an effort was made to make the empirical study, based on both primary and secondary data, the most apposite to get conclusive findings. The impact analysis was conducted through primary data collected during two periods i.e., 2012 and 2017. To collect primary data, direct personal interviews, schedules, personal observation, formal and informal discussion and focused group discussions (FGDs) with various stakeholders were undertaken. Based on the objectives stated above, the current research study was based on the primary data from the beneficiaries of PMEGP from the study district with the help of a pilot-tested schedule, and through FGDs. After a preliminary field survey, the schedule was drafted, pilot tested and finalized. The draft schedule was based on the guidelines developed and tested for the AIMS study between 1995 and 2002 by the USAID for the sponsored the Assessing the Impacts of Microenterprise Services (AIMS) Project as a part of the Microenterprise Innovation Project. For making the schedule usable for the present study, some alterations were made.

The field survey was conducted covering the whole district i.e., in seven (7) circles. A study was analytical and explorative in nature. The size of the universe is 635 and 150 respondents were randomly selected from the district covering all seven circles. The Simple size was 20% of total beneficiaries from each circle and the number will be made rounded up to the next ten for ease in computation. Random sampling and Convenient Sampling techniques were used to select the respondents. Another delimiting factor was introduced during a selection of the samples that the respondents must carry out the same type of vocations at least for 5 years.

Various appropriate advanced statistical tools and techniques were applied depending basing on the nature of the data and inferences expected. The advanced statistical package like SPSS and MS-Excel were used. With the help of those software package; ANOVA, Gain Score Analysis, and Correlation were used to draw the final conclusion.

EMPLOYMENT GENERATION THROUGH PMEGP IN LOHIT DISTRICT – AN ANALYSIS

The experience of countries that succeeded in reducing poverty significantly indicates the importance of high rates of economic growth in achieving this. High growth, however, is not a sufficient condition for poverty reduction; the pattern and sources of growth, as well as the manner in which its benefits are distributed, are equally important from the point of view of achieving the goal of poverty reduction. Employment generation is the key channel through which economic growth translates into prosperity for the population. (GoI, 2015)²² Generation of employment helps an individual to live life in dignified and decent manner. Generating gainful employment is the bedrock for growth and development of any country which ensures the development of economy with equity and promises to arrest many social ailments like poverty, social security, unemployment in the country. Therefore, understanding employment pattern of the business entity is paramount important.

Employment Structure and the Changes

The distribution of respondents on the basis of business activities undertaken in the study area is presented in table 02. Business activities undertaken by the respondents are classified into broad four categories such as Manufacturing, Agriculture & Allied Units, Service, and Retailing. Manufacturing units include business activities like carpentry, stone crusher, rice mill and steel fabrication. The agriculture and allied business activities in the study are agriculture, horticulture, livestock, and handicraft and handlooms. The service sector includes automobiles repairs & maintenance, beauty parlour & spa, *dhaba*, restaurant, electronics and computer center. The retailing is those business units who deal with selling day-to-day products.

Table 2: Business Activities of Respondents

Business Activities	Frequency	Percent	Cumulative Percent
Manufacturing	32	21.3	21.3
Agriculture & Allied	50	33.3	54.7
Services	49	32.7	87.3
Retailing	19	12.7	100.0
Total	150	100.0	

Sources: Field Study, 2017 and Analysis thereafter

Table 3: Employment Structure for Respondents' Organization in Current Calendar Year ending on 31.12.2017 (Both Regular and Temporary Workers)

Types of Business	Structure of Employment		
	Employees engaged	Paid Employee	Family Members
Manufacturing (32)	1090	870 (72.67%)	220 (27.33%)
Agriculture & Allied (50)	1620	680 (41.98%)	940 (58.02%)
Services (49)	1970	1160 (58.89%)	810 (41.11%)
Retailing (19)	800	300 (37.50%)	500 (62.50%)

Sources: Field Study, 2017 and Analysis thereafter

Table No. 03 depicts the employment structure of the respondents' organization, for the current calendar year 2017 ending on 31.12.2017. Two inferences can be drawn from the above table. Firstly, there is some business where the majority of the employees belong to family members and secondly there are some businesses which need technical skill where the entrepreneurs hire labour from outside of the family and engage in the business. A family managed the business are like retailing, livestock farming, handicraft & handloom, shopkeeping and retailer, rice mill, agriculture and

horticulture etc. Employment in that business is from the family itself which is much higher than paid employees in numbers. There is another category of business which required technical and specialized skill. By and large, respondents of the study area are less skill in the business and less technical know how. Therefore, they hire skill labour from the market and employed in the business. Skill required business of the respondents is stone crushers, carpentry, automobiles repair and maintenance, steel fabrication, electronics and computer center etc. In the manufacturing sector which involves some specialized technical skill have 72.67% of the staff from outside and engaged 27.33% from their family. But a reversal trend is seen in other two sectors where non-technical activities are taking place. In agricultural and allied business, 58.02% and in retailing business 62.50% of the employees were from family and the household. In the service sector, the respondents hire 58.89% of the employees from outside.

Table 4: Employment Structure (Types of Employees) in Current Calendar Year Ending on 31.12.2017 (Both Regular and Temporary Workers)

Types of Business	Composition of employment (in %)			
	Employees Engaged	Blue Collared	White Collared	Pink Collared
Manufacturing (32)	1090	50 (4.59%)	1022 (93.76%)	18 (1.65%)
Agriculture & Allied (50)	1620	70 (4.32%)	1530 (94.44%)	20 (1.23%)
Services (49)	1970	100 (5.08%)	1910 (95.96%)	60 (3.05%)
Retailing (19)	800	30 (3.75%)	750 (93.75%)	20 (2.50%)
Total		4.56%	93.29%	2.15%

Sources: Field Study, 2017 and Analysis thereafter

With respect to the composition of the employees, white-collar work may be performed in an office or other administrative settings. Other types of work are those of a blue-collar worker, whose job requires manual labour and a pink-collar worker, whose labour is related to customer interaction, entertainment, sales, or other service-oriented work. A majority (93.25%) of the employees (93.76% in manufacturing activities, 94.44% in agricultural and allied organizations, 95.96% in service activities and 93.75% in retail businesses) in all the organizations are white collared employees who do various activities, either skilled or unskilled. Only 4.56% of the employees are engaged in administrative jobs which included basically the respondent himself and his family members. Very few specialized marketing and customer service-oriented employees are seen in these organizations which constituted only

Hypothesis H₀₄: *Participation in LPs has no impact on the increase in paid and unpaid employment generated by the microenterprise*

FINDINGS

The tiny own account enterprises in our survey employ very little labour beyond the respondent themselves and their family labours. Nevertheless, participation in PMEGP have led to some modest employment creation between two periods of the survey which is statistically significant.

To evaluate the performance of PMEGP in terms of generating employment opportunities in the study area, two rounds of surveys were made to collect information about the man-hours worked in the previous week during the survey. With respect to the Round I, it was found that the average man-hour per week for all respondents is 34.59 hours. The Manufacturer, Agriculture & Allied, Services and Retailing respondents generated 32.75, 31.8, 37.75, and 36.9 man-hours per week respectively. During Round II, it was found that average man-hour generated by all the respondents is 70.53

hours with a growth of 103.89%. The Manufacturer, Agriculture & Allied, Services and Retailing respondents generated 69.5, 70.5, 71.25, and 70.5 man-hours per week with a growth 112.21%, 121.70%, 88.74%, and 91.06% of respectively.

With respect to the familial labours engaged in the business ventures, an average increase of 129.09% has been recorded between two survey periods (14.54 hours per week to 33.31 hours per week) whereas the increase in employment for non-household labours has been recorded as 83.71% (from 20.26 hours per week to 37.22 hours per week). The highest percentage of increase in employment has been recorded for the HH members in the agricultural & allied sector (238.50%) and followed by the manufacturing sector (114.81%) whereas the lowest growth has been recorded in the service sector as the activities involved are technical in nature. The above- average growth in the employment for the non-HH members are found highest in the manufacturing sector (111.25%), and followed by the service sector (85.25%), and retailing sector (79.12%). The lowest growth was recorded in agriculture and the allied sector as majority of the family members joined the activities as it includes indigenous knowledge and skills.

Table 5: Weekly Average Employment Hours Generated during Two Rounds

Types of activities	Weekly Average Employment Hours Generated						Growth in % Between Two Periods		
	Round – I			Round – II			For HH	For Non-HH	Total
	For HH	For Non-HH	Total	For HH	For Non-HH	Total			
Manufacturer	8.84	23.91	32.75	18.99	50.51	69.5	114.81	111.25	112.21
Agriculture & Allied	12.08	19.72	31.8	40.90	29.60	70.5	238.50	50.11	121.70
Services	15.1	22.65	37.75	29.29	41.96	71.25	93.98	85.25	88.74
Retailing	22.14	14.76	36.9	44.06	26.44	70.5	99.02	79.12	91.06
Total	14.54	20.26	34.59	33.31	37.22	70.53	129.09	83.71	103.90

Source: Field Study in 2017 and Analysis thereafter

Putting the statistics of the deflated values of the assets of the responding units into the test of ANOVA to analyse the significance of the change between two periods, it is found that (Table no.06), the change in the weekly average employment hour generated by the business enterprises under study were statistically significant between two periods, i.e., between 2012 and 2017. Above analysis suggests a significant but modest creation of the employment is seen in the study area through PMEGP. In the study areas, it is found that business activities of the PMEGP beneficiaries are in small and micro scales. They do manage the business activities with the help of the friends, family members, neighbors etc. They employ very little numbers of employees or workers beyond the beneficiaries themselves and family and friends. Nevertheless, participation in LP services has led to some modest employment creation.

Table 6: ANOVA - Weekly Average Employment Hour Generated during Two Rounds

Source of Variation	SS	df	MS	F	F crit
Between Groups	6348.56	4	1587.14	2.75	2.37
Within Groups	83698.67	144	577.23		
Total	90047.23	148			

Source: Field Study in 2017 and Analysis thereafter

Relationship between Employment Generation Capability with Revenue, Profit, Loans and Loan Fungibility

The second part of the analysis was taken up to find out the intergroup relationship between the five impacted factors - Revenue, Profit, Loans under PMEGP, Loans from other sources and Loan Fungibility, on the employment generating capabilities (EGC). The Karl Pearson's correlation coefficient measured the strength of a linear relationship between two variables. In the present study, it measured the strength of linearity between the EGC of the respondents and

five factors. The correlation between overall empowerment and four factors was positive and was significant at the 0.01 level (2-tailed). The correlation between employment generating capability (EGC) in the terms of increase in man-hour employment and revenue (Factor 1) is +0.592 ($p = .002$); the correlation between EGC and Profit (Factor 2) was +0.417 ($p = .000$); the correlation between EGC and Loans under PMEGP (Factor 3) was +0.428 ($p = 0.000$), the correlation between EGC and Any other loans (Factor 4) was - 0.318 ($p = 0.014$), and the correlation between EGC and Loan Fungibility (Factor 4) was - 0.316 ($p = 0.009$) (Table no. 07). Therefore, the study indicated that the correlation between EGC and revenue is higher than that between EGC and Profit or Loans under PMEGP but all three showed a positive and moderate correlation. These results also revealed that there seems to be a moderate negative correlation between EGC and Any other loans and Loan fungibility.

Table 7: Karl Pearson's Correlation Coefficient between Employment Generation Capability with Revenue, Profit, Loans and Loan Fungibility

Factors	Revenue	Profit	Loans under PMEGP	Any other Loans	Loan Fungibility
Pearson Correlation	+.592	+.417	+.428	-.318**	-.316**
Sig. (2-tailed) p	.002	.000	.000	.014	0.019
N	150	150	150	150	150

NB.: * Correlation is significant at the 0.01 level (2-tailed).

Source: Field Study in 2017 and Analysis thereafter

To reveal the most impacting factors that influenced EGC, the five orthogonal factors were used in a multiple regression analysis. The four independent variables were expressed in terms of the standardized factor scores (beta coefficients). The significant factors that remained in the regression equation were shown in order of importance based on the beta coefficients. The dependent variable, EGC, was measured on a 5-point Likert-type scale and was used as a surrogate indicator of the respondents' entrepreneurial employment generating capacity. The equation for respondents' entrepreneurial employment generating capacity was expressed in the following equation:

$$Y_s = f(X_1; X_2; X_3; X_4, X_5) \text{ So, } Y_s = \beta_0 + B_1X_1 + B_2X_2 + B_3X_3 + B_4X_4 + B_5X_5$$

Where, Y_s = Respondents' entrepreneurial employment generating capacity; X_1 = Revenue; X_2 = Profit; X_3 = Loans under PMEGP; X_4 = any other Loans; X_5 = Loan Fungibility; and β_0 = constant (coefficient of intercept), B_1, \dots, B_5 = regression coefficient of Factor X_1 to Factor X_5 .

Table No. 08 showed the results of the regression analysis. To predict the goodness-of fit of the regression model, the multiple correlation coefficients (R), the coefficient of determination (R^2), and F ratio were examined. The R of independent variables (five factors, X_1 to X_5) on the dependent variable (EGC, or Y_s) is 0.649, which showed that the PMEGP beneficiaries had a positive and high level of EGC with the five impacting variables. The R is 0.649 which indicated that around 65% of the variation of EGC was explained by the five impacting factors.

Table 8: Regression Analysis of EGC on Five Predictor Factors

Regression Model					
Model Summary	R	R Square	Adjusted R Square	Std. Error of the Estimate	
		.649 ^a	.181	.194	.36137
<i>a. Predictors: (Constant), Revenue, Profit, Loans under PMEGP, Loans from other sources and Loan</i> <i>b. Fungibility</i>					
Analysis of Variance (ANOVA)					
Sources	Sum of Squares	df	Mean Square	F	Sig.
Regression	6.826	5	1.365	6.121	.000 ^b
Residual	32.179	144	.223		
Total	33.755	149			
<i>a. Dependent Variable: EGC, b. Predictors: (Constant), Revenue, Profit, Loans under PMEGP, Loans from other sources and Loan Fungibility of the respondents</i>					
Regression Analysis (p < 0.05)					
Independent Variable	Unstandardized Coefficients		Standardized Coefficients Beta (β)	t	Sig.
	B	Std. Error			
(Constant)	5.392	.631	-	8.548	.000
Revenue	.511	.008	.172	4.432	.005
Profit	.453	.012	.223	4.642	.006
Loans from PMEGP	.542	.011	.304	4.679	.000
Any Other Loans	.265	.013	.295	5.917	.009
Loan Fungibility	.295	.014	.151	5.802	.009
<i>a. Dependent Variable: Do you feel Empowered</i>					

Source: Primary data Collected in 2016 and Analysis Thereafter

The F value is 6.121 ($p = .000$), which elucidated that the results of the regression model have not occurred by chance; and the change is significant. The regression model achieved a satisfactory level of goodness-of-fit in predicting the variance of responding beneficiaries' EGC in relation to the five impacting factors, as measured by the R, R^2 , and F ratio. In other words, at least one of the five factors are responsible for the change. In the regression analysis, the beta coefficients (β) could be used to explain the relative importance of the five independent factors (impacting variables) in contributing to the variance in EGC (dependent variable). As far as the relative importance of the five factors is concerned, Factor 3 (Loans from PMEGP, $B_3 = 0.542$, $p = .000$) carried the heaviest impact on the capacity to generate employment, followed by Factor 1 (Revenue, $B_1 = 0.511$, $p = 0.005$), Factor 2 (Profit, $B_2 = 0.453$, $p = .006$), Factor 5 (Loan Fungibility, $B_5 = 0.295$, $p = 0.003$) and Factor 4 (Any Other Loans, $B_4 = 0.265$, $p = 0.009$). The results showed that a one-unit increase in the loans from PMEGP will lead to a 0.542 unit increase in EGC, while other variables being held constant; and so on. In conclusion, all the dimensions are significantly affect the employment generating capabilities of the beneficiaries of the PMEGP.

CONCLUSIONS

The generation of productive and adequately remunerated employment is an indispensable component in the fight against poverty, which has been generously undertaken by the PMEGP by creating a fiscal support system for the unemployed or underemployed and excluded populous of the NER of India who is unreachable physically, psychologically, and financially too. The generation of surplus resources through this support system has been transformed into a system of employment creation and change of lifestyle of the beneficiaries.

REFERENCES

1. Donnan. Shawn, (2014), "World Bank eyes biggest global poverty line increase in decades", *The Financial Times* (9 May 2014).
2. World Bank, (2014), "Poverty & Equity Data". www.povertydata.worldbank.org. Retrieved 11 February 2016.
3. Kumar. Manmohan S. and Woo. Jaejoon (2011), *Public Debt and Growth*, IMF Working Paper, Fiscal Affairs Department, 2010 International Monetary Fund WP
4. GOI (Government of India), (2004), *Towards Equality: Report of the Commission on the Status of Women in India*, Department of Social Welfare, New Delhi, 2004.
5. GoI, (2006), *Standing Committee on Urban Development*, 2006:15-18
6. Government of India (GoI), Planning Commission. 2011. *Faster, Sustainable and More Inclusive Growth: An Approach to the 12th Five Year*. New Delhi: Planning Commission (August 2011).
7. Government of India (GoI), Standing Committee on Urban Development. (2006). *Fifteenth Report of the Standing Committee on Urban Development, Fourteenth Lok Sabha, Ministry of Urban Employment and Poverty Alleviation, Demands for Grants (2006-07)*. New Delhi: Lok Sabha Secretariat [Presented to Lok Sabha on 22.5. 2006 and laid in the Rajya Sabha on 22.5.2006]
8. Dreze Jean and Sen Amartya (1995): *India-Economic Development and Social Opportunity*. Pp, - 82
9. Essays, UK. (2013). *Concepts and Theories of Entrepreneurship*. Retrieved from <https://www.ukessays.com/dissertation/examples/business/entrepreneur-entrepreneurship.php?vref=1>
10. Myrdal, Gunnar. (1968): *Asian Drama*, Penguin Books, London.
11. UNIDO, (1969): *Small Scale Industry in Latin America*, Publication no. 11B.p.37.
12. Bharti, R.K. (1978): *Industrial Estate in Developing Economies*, National Publishing House, New Delhi.
13. Khusro, A.M. (1999): *The poverty of Nations*, Palgrave Macmillan, London.
14. World Bank, (1978): *Rural Enterprise and Non-farm Employment*, A World Bank Paper.
15. Salunkhe, G. J. (2016), "Evaluating prime minister employment generation programme (PMEGP) in rural area of Kolhapur district", *International Journal OF Engineering Sciences & Management Research*, Gajanan*, 3(5): May, 2016, Pp- 85-92.

16. Saraf, Shama, (2017), “An Empirical Study on the Effect of Prime Minister Employment Generation Programme (PMEGP) on employment situation of Jalgaon district”, *International Journal of Research in Science & Engineering*, Volume: 2 Issue: 3 May-June 2017.
17. Nathan Economic Consulting India Private Limited, (2014). *Nurturing Entrepreneurship in India*. New Delhi: FICCI-CMSME, August, 2014.
18. Tripathy, P.K., Koley, J., (2015), “A review of Prime Minister’s Employment Generation Programme (PMEGP) in the state of West Bengal”, *International Journal of Business and Administration Research Review*, Vol. 2, Issue.10, April- June, 2015. Pp 139-147.
19. <http://www.greaterkashmir.com/news/business/hina-bhat-reviews-pmegp-implementation-in-jammu/276455.html>, Accessed on 07.05.2018
20. <http://businessworld.in/article/KVIC-Achieves-Over-100-pc-Subsidy-Target-In-2016-17-For-PMEGP-Report/18-02-2018-140965/>, Accessed on 07.05.2018
21. GoAP, (2014), *Govt. publication of Information and Public Relation (IPR)*, Itanagar, A.P, 2013-14.
22. Ministry of Labour & Employment, Labour Bureau, Chandigarh, GoI, (2015), *Fifth Annual Report-Unemployment Survey*, 2015. Pp-19.

