

Shri Giriraj Singh was presented with Evaluation study of Prime Minister's Employment Generation Programme (PMEGP) by Management Development Institute (MDI), Gurugram

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Minister of State (Independent Charge) for Micro, Small and Medium Enterprises (MSME), Shri Giriraj Singh was presented with Evaluation Study of Prime Minister's Employment Generation Programme (PMEGP) conducted by Management Development Institute (MDI), Gurugram. The institute was entrusted with the task of conducting Evaluation Study of PMEGP in January, 2017.

The aim of the study was examine the impact of the scheme in terms of employment generation and improvement in income of the rural and urban artisans and unemployed youth, major problems in implementation of Scheme and ways to resolve them and to make recommendations on making further improvements in the Scheme.

The sample size was selected on stratified random sampling basis. The total number of micro units setup from 2012-013 to 2015-16 was 2,00,885 units. This units were taken into consideration, out of these a sample coverage of 5% i.e. about 10,108 units were sought listed on random basis from among the three implementing agencies viz. KVIC, KVIB and DIC in proportion of 30:30:40.



Key observations of the Study:

- **Scheme has been able to provide Sustainable Employment.** Units set up under the scheme provided employment throughout year and for large number of years.
- **Scheme has good reach, it has** targeted at almost all sections of the society (based on social background, education background, location etc)
- Average Employment Per Project - **7.62**
- Average Cost of Generating Unit Employment - **₹ 96,209**
- Maximum Cost of Generating Unit Employment - **₹ 2,75,621 (Nagaland)**
- Minimum Cost of Generating Unit Employment - **₹ 64,735 (Tamil Nadu)**
- Average Cost per Project - **₹ 7,33,423**

Problem Areas:

- Delay in the process of sanctioning of loans at different stages.
- Hypothecation & collaterals asked for.
- Physical verifications & delay in adjustment of margin money.
- Records keeping, hand holding, access of data & reporting by implementing agencies.
- Marketing for products.

Key recommendations:

- i. Increased availability of field officers (They are a key connect between beneficiary and agencies and are currently sparse)
- ii. EDP Training content needs to be more relevant and rigorous. On line EDP could be encouraged.
- iii. Content partnership/Integration with MOOCs (Massive Open Online Coursewares) of recognized reputational technical and managerial institutes (such as IITs and IIMs)
- iv. Agencies could consider hiring interns from leading management institutions (India/Abroad) to further handholding of beneficiaries
- v. Integration with Aadhar to authenticate the trainee identity and progress.
- vi. For motivating beneficiaries to repay loans – The people whose Margin Money has been successfully adjusted, need to be rewarded with an option of 2nd round of subsidized loans (at say 15% of subsidy).
- vii. Enforcement of deadlines (either of 60 or 90 days) on banks to decide about decision (acceptance or rejection) of the loan application
- viii. Cash credit account (CCA) component of the loan could be reduced. Maximum CCA may range up to 40% of total loan.

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