Prime Minister 's Employment Generation Programme

**Introduction:**

Prime Minister's Employment Generation Programme (PMEGP) is a credit-linked subsidy programme introduced by the government of India in 2008. PMEGP is a combination of two programmes, namely, Prime Minister's Rojgar Yojna and Rural Employment Generation Programme. This initiative focuses on creating self-employment opportunities by micro-enterprise establishments in the non-farm sector by supporting unemployed youth and traditional artisans.

**Implementation:**

The system is introduced by Khadi and Village Industries Commission (KVIC) as the nodal agency at the national level.  
The Khadi and Village Industries Commission is a statutory body formed in April 1957 by the Government of India, under the Act of Parliament, 'Khadi and Village Industries Commission Act of 1956'. It’s purpose it to plan, promote, facilitate, organise and assist in the establishment and development of khadi and village industries  
At the state stage, the scheme is enforced by KVIC Directorates, State Khadi and Village Industries Boards (KVIBs) and District Industries Centres (DICs) and banks. The Government subsidy under the scheme is routed by KVIC through the specified banks for eventual distribution to the beneficiaries / entrepreneurs through their bank accounts.

**Objectives:**

* To create continuous and sustainable job opportunities in Rural and Urban areas of the country
* To provide continuous and sustainable jobs to a wide segment of traditional and prospective artisans, rural and urban unemployed youth in the country by setting up of micro enterprises.
* To facilitate participation of financial institutions for higher credit flow to micro sector.

**Impact:**

The Prime Minister's Employment Generation Programme (PMEGP) is estimated to have generated over 11,13,000 jobs.   
After its inception, a total of 4.47 lakh micro enterprises have been supported with a margin money subsidy of Rs 9326.01 crore providing jobs to an estimated 37.32 lakh persons from inception till 2017-18 (up to 30.11.2017).   
Sales performance of entire sector under Khadi and Village Industries has increased from Rs 41,894.56 crore in 2015-16 to Rs 60,451.28 crore in 2017-18, according to provisional details.

**Problems:**

A report on PMEGP exposed the flaws in the programme. It noted that there has been a delay in the process of sanctioning of loans. The study found inconsistencies in the hypothecation and collaterals that were asked for and physical verification. This pointed out that there were also delay in adjustment of margin income. The record keeping, monitoring by implementing organizations and marketing for goods were also identified in the problematic areas.

**Analysis:**

The PMEGP has been mostly successful and has generated over 11 lakh jobs in the last few years. There has been a positive socio-economic impact in rural areas of the country. The entrepreneurial capabilities of the beneficiaries of PMEGP have had a positive change. PMEGP is found to be effective livelihood measure to eradicate poverty, unemployment and rising social and economic inequality among the beneficiaries. Many educated youths including women has benefitted from this programme to live a decent life in the society.