CHAPTER – VI

CONCLUSION
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Finance is an essential and integral part for breaking the vicious poverty. The PMRY has come in a big way to provide institutional credit to the educated unemployed youth. Very few studies made so far regarding the impact of PMRY programme, over the years, the strategy eradicated unemployment. The Government has generated sufficient skilled / semi skilled schemes and entrepreneurial talents among youth through several programmes. At present investment from the Government is made for the development of infrastructure and strategic enterprises.

In the present, micro-level study is an attempt made to assess the performance of PMRY programmes through district Industrial Centers in the study area. The PMRY programme is mainly concentrated in industry service and business sector only.

The main focus of the study is to be made an in-depth analysis of the impact of credit on income generation and employment creation among the women beneficiaries. Of the many programmes aimed at elimination of poverty and creating productive employment opportunity, the Prime Minister Rojgar Yojana is most comprehensive programme & in operation since 1993 - 1994 for implementing intensive and developmental programmes for the benefit of educated unemployed youth particularly women.
This chapter presents the major findings on the basis of empirical analysis made in the previous chapter followed by some important suggestions for better implementation of the programme.

Profile of Kurnool District

Kurnool district, where the present study has been carried out in one among the four districts of Rayalseema Region in Andhra Pradesh State, the district covers an extent 7658/- sq. kilo meters consisting of 35 lacks of population as per 2001 census of which the rural population accounts for 27.12 lacks (77%) of total population, while urban population accounts for 8.17 lacks (23%) of the total population. In the entire district the literates are 15.92 lakhs forming 45 percent of the total population as against the state's literacy rate of 49.7%. Among women (36.9%) are literates. As per 2001 census the ST 33,538 & SC 3,08,141 Women population is 17,33,280. Since Kurnool district is drought prone district, maximum importance was given to ISB sector.

The district has been served by various financial institutions. Among them PMRY is one which is striving for the up-liftment of educated unemployed youth in this area & more so in respect of women.

This district has three Revenue divisions, 54 Revenue Mandals, 53 Mandal Praja Parisaths, 821 Gram Panchayats and 918 Revenue villages.

The main objectives of study are:

(1) To review the process of implementation of PMRY at district, mandal, village and beneficiary levels.
(2) To assess the impact of the socio economic conditions on the awareness of the PMRY schemes.

(3) To evaluate the impact of the scheme on women groups at various stages, implementations of the programme, in terms of socio-economic conditions, viz., income and employment promotion.

(4) To examine the problems in the implementation of the programmes and hint out possible suggestions for making programmes more effective & successful.

The methodology is adopted to compare the economic position in the post-loan period of sample beneficiaries with their pre-loan position. A sample of 1423 beneficiaries financed under various schemes was selected and the data was collected with the help of well-structured questionnaire. The sector wise sample beneficiaries are represented by 42 units industry, 488 service units & 902 business units.

A multi sampling procedure has been adopted, where Andhra Pradesh was selected first and Kurnool district in the Rayalaseema has been chosen later on, and in the Revenue division against sample beneficiaries. All the three Revenue divisions are namely, Kurnool, Nandyal and Adoni were considered for the study.

After reviewing the theoretical approaches suggested by several authors, the present study strives to address socio-economic conditions of women beneficiaries in the study area.
Chapter – II Dealt with set of objectives hypothesis and the sample design to find out the efficacy of PMRY scheme.

Women have been playing a significant role almost in every sphere of the world as they possess necessary zeal to create opportunities for social economic and development, activities. The Prime Minister Rojgar Yogajana (PMRY) is launched in the year 1993 by Government of India and it is being implemented through DIC in the entire country. The basic object of the programme is to provide employment for educated unemployed youth and to improve social conditions of the respective beneficiary, government acting as only a facilitation to promote these processes.

The present study and the aim is to find the impact of the programme through selection of activities, effectiveness of the programme in terms of other economic aspects for an individual. It is not possible to study the impact of the programme in all districts of the state. Thus the study has been confined to Kurnool district only. The field survey was carried out on a sample basis taking into consideration the years 1993-94 to 2004-05.

In addition to the objectives stated above the following hypotheses were framed:

(1) The impact of the socio-economic conditions on the awareness of the PMRY schemes is insignificant
Design and implementation of a comprehensive scheme, like PMRY is an imperative for sustainable growth of the beneficiaries.

The impact of the PMRY schemes on women beneficiaries in the study area is insignificant with respect to the socio-economic conditions of the beneficiaries.

The role of agencies is crucial in creation of awareness and motivation of women youth groups.

The data collected was thus analysed and inferences are drawn to verify the objectives and hypotheses of the study by making use of relevant statistical youth. The profile study areas were discussed in terms of democratic, working forces and non-farm sector. The consequential frame work of PMRY and its progress in study area are highlighted in chapter II.

The basic requirements to the study & the impact of the programme were highlighted in chapter III which focussed mainly on social, & economic conditions of the beneficiaries in the study area. The study covered 1423 sanctioned units representing 124% of the total sanctioned units. In this study reasons, the analysis mainly concentrated on the performing units ie., 1116 units. The analysis also includes the activities associated with industries, service and business enterprises.
Since the programme is mainly meant for the educated unemployed youth, their income and other social activities were studied in the study area. Some of the observations are made on their social behavioural aspects. The women beneficiaries are involved in many social activities framed by Government of Andhra Pradesh like Janma Bhoomi, Clean and Green programmes, Literacy campaigns, Family welfare Programmes and others. This clearly indicates that the participation of women educated unemployment youth in social development activities is of a significant level. Adoni Revenue division is having less awareness about the social and other activities when compared to other two Revenue divisions.

Success of developmental programmes mainly depend on the socio-economic conditions of the beneficiaries. Hence the brief discussion is on the socio-economic conditions of the sample beneficiaries. The study also attempted to evaluate the impact of financial assistance of PMRY on income and employment of the sample beneficiaries in post-loan period. On these lines chapter IV is designed.

Sample beneficiaries engaged in industrial sectors have been given flour & assistance for bricks, coffee works, dairy, hotel, computer screen printing from mills & other industries. On an average, each beneficiary was assisted with Rs.17,771/-. The average financial assistance provided for brick and coffee works, industrial activity was Rs.10000/- computer screen printing, diary flour-mill hotel and other activities are Rs.20,000/- each.
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In the service sector, the beneficiaries have received assistance for Typing Institutes, Computer Institutes, Xerox, machines, Beauty parlour & video mixing units & STD booths & other service activities. On an average, an amount of Rs.14468/- was given for each beneficiary. The average scheme wise assistance for Typing Institutes, Computer Institutes, Xerox Beauty Parlours, Video mixing units & STD & other activity works are at Rs.16000,16000,14000,12000,12,000,15000, 15000 respectively.

In business sector, an average assistance of Rs.8379/- was given for the beneficiary. The beneficiaries are financed through PMRY are direct (quantitative) and indirect (qualitative) benefits in the post-loan period in all three sectors which are summarised below.

Sector wise average assistance by PMRY works out at Rs.17,771/- Rs.14,468/- and 8379/- for industry, service, and business sectors respectively.

Impact on income from activities

The most important & direct benefit derived by the beneficiary is the substantial increase in the income of respective activities. This increase has a favourable increase to argument that income in the implementation PMRY programme.

In Industrial sector the average financial assistance of respective schemes varies from Rs10000- to Rs2000/-. All these schemes under the sectors produced positive impact on income level of beneficiaries. But this increase in income in all the schemes is not significant.
In the service sector the average financial assistance ranges from Rs.10000 to Rs.20000. The average financial assistance was high in Xerox, Beauty parlour, video mixing, STD booths, and other activities.

In the business sector the beneficiaries have received financial assistance ranging from Rs6000 to Rs10000. Over all, average of all the schemes amounts to around Rs8400 with regard to individual performance of these activities under this sector. All the activities of income before and after assistance of PMRY is insignificant. However there is a positive growth in all the schemes and they prove to be significant. This means that the impact of PMRY is on the positive side but not upto the expectations of the Government.

**Impact on Employment**

One of the important aims of the financial assistance of the PMRY is to provide gainful opportunities for the beneficiaries after its involvement. In Industrial sector irrespective of activities on an average man-days of employment for beneficiaries, house-holds ranges from 288 to 864 man-days. Of the seven activities, dairy units stand first in employment generation indicating that the net incremental employment in all dairy units amounts to 864 man-days, over the pre-loan period. The bricks, coffee works, computer screen printing, floor mill could provide only 288 man-days on an average.
Since all the beneficiaries have received the financial assistance under PMRY, the beneficiaries could get gainful employment in service sector. The average employment generated for unit was highest in computer Institutes (576 man-days) followed by Type Institutes, Xerox Beauty Parlour, Video mixing, STD booths (288 man-days), Other activities occupy second place in providing gainful employment.

Regarding the performance of individual units of business sectors, stationery units are able to provide additional employment (1152 man-days), cloth and Ready made Garments (656 man-days) fancy and general stores, Tailoring, Grinder, Medical shops, kirana shops, sarees other activities (288 man-days) oil pesticides, Electrical, shoe Marts, sweet shops generate (577 man-days) of employment on an average.

**Test of hypothesis**

In the present study four hypotheses have framed. The analysis of these hypothesis are made with the standard statistical technique and some were made with the help of tables only to assess, the impact of PMRY assistance on income employment is significant or not. To test the hypotheses paired t-test was used to know the impact of PMRY assistance on income, employment between pre-loan and post-loan periods. There is an increase income as well as employment generation in all activities but this increase is proved to be insignificant in all the activities. Of all the sectors namely industry, service & business, sectors,
however, the encouraging factor is that all elasticity co-efficient of all the schemes are on positive side and they are significant. This will suggest that the impact of PMRY programme is on the encouraging side. That means, regression analysis was tabled and found that the elasticity coefficient of the PMRY finance on income and employment was positive. But they were of low magnitudes in increasing income and employment.

The study also attempted to highlight the factors constraining the effective working of units and problems encountered in implementation of the programme in Chapter V.

It was found that 14.8% of total units, study were under non-performing category 6.8 were in non-existing category. More percentage of non-performing units were observed in Kurnool followed by Nandyal and Adoni Revenue divisions. Nearly 73% of non-performing units are found in business followed by service and industry categories.

High cost of production, substitutional goods were found to be the major causes for non-performing of units and for their marketing. Similarly inadequate working capital, diversion of funds are found to be affecting higher percentage of non-performing units.

Finally the study arrived at testing the hypotheses that the quantum of loan and subsidy amount given was not adequate to finance the activities for which it was financed. In the opinion of the beneficiaries, the hypotheses have been proved that the inadequate availability of the
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financial assistance had negative impact on realisation of income. In this case the opinion of all sample beneficiaries regarding the suitability of the schemes and their implementation was collected. The collected information was analysed by using chi-square test. The analysis reveals that these schemes are suitable to the context and implementation of the schemes was effective as per the opinion expressed by the beneficiaries.

Other Findings:

According to Government Policy, the percentage of women should be $33 \frac{1}{3}\%$ in every field, but in this scheme, there is no such implementation.

There was negligent number of units by SC and ST Beneficiaries, when compared to their reservations in this scheme.

The Banks are not achieving their allotted targets. They achieved only in case of sanctions but actually real achievement is that when number of units grounded were equal to the targets, the managers rejecting the sanctioned applications.

Beneficiaries are concentrating in establishing new business and service units and promote existing business units. Because, of lack of technical knowledge and lack of bankers encouragement in sanctioning of loans to industrial sector the number of industries established of this scheme is very small in number.
The main aim of this scheme is to eradicate educated unemployment, but only below 10th class, below inter people are responding to this scheme. Graduates and other technically talented people are not utilising properly this scheme. This is because of lack of awareness.

Bankers are not properly educating beneficiaries regarding repayment of loan i.e., when they have to pay the loan etc., if the beneficiary defaults in payment of EMI, bankers are charging interest on default amount.

Beneficiaries are confused about subsidy money. Either bankers are giving subsidy money at sanction and disbursement of loans at first instalment or they are giving that margin at the end of loan repayment.

The income levels of beneficiaries is very low due to lack of marketing techniques and due to the increase in competition. It was also observed that the sick units (units which are making losses) were in significant number. The units which are earning low margins are also falling into trouble in near future unless some improvement is made.

It was observed that the time gap between the submission of application to DIC and getting loan was very large. The Interval between these two the maximum time taking was in the bank while grounding the units. Bank managers are asking documentation to the candidates and they were taking each document in two / three visits.
It was observed that the time gap between the submission of application to District industries centre and getting loan was very large. Between these two, the maximum time taking was in the Bank while grounding the units. Bank managers are asking the candidates to produce documents in two/three stages.

After grounding the unit either the Bank Manager or the Govt. officials visiting the units, due to which, the recovery was very poor and if the amount in arrears became more, the beneficiaries fall into the defaulters-list. Continuous monitoring of the agencies/banks increases the confidence among the beneficiaries.

**REMEDIES / RECOMMENDATIONS:**

First and most important problem to be solved is to increase the percentage of grounding. District officials and the Lead District Managers of Banks should try to improve the grounding position. District level meetings should be conducted periodically under the chairmanship of District Collector to review the PMRY progress. Encourage the Bank Managers who achieved the targets.

Generally at joint Mandal levels Banks Committee (JMLBC) meetings will be held in a Mandal head quarters covering a group of mandals. This JMLBC’s are routine in nature and participation of district officials was very less. The district officials including General Manager, District Industries Centre and Lead District Manager should attend the JMLBCs so that the grounding position may increase & become effective.
To improve the industrial units in the PMRY scheme it is needed to organise the ‘Entrepreneurship Development Programmes at least in 3 divisions, due to which the awareness about industries and benefits if one can take the industrial unit can be known. Preference should be given to those candidates who applied for industrial ventures. The selection of candidates by the task force committee should be fixed in the ratio of 50:30:20. i.e., 50% to industries, 30% to Service and 20% to Business units.

As the percentage of SC, ST Beneficiaries was very low, steps should be needed to improve their percentage in this scheme. The District Industries centre should organise the Awareness Generation Camps with the help of SC Corporation and ST Corporation. The responsibility to collect the applications should be fixed on those corporations.

District Industries centre should also organise the “Awareness Generation Camp for "Women Entrepreneurs" with the help of women and Child Welfare Department, District Rural Development Agency and Mahila Pranganam to identify more number of women candidates. The responsibility of identifying and receiving applications should be fixed on the above three govt., agencies.

Separate “Entrepreneurship Development Programmes” should be conducted for the beneficiaries of PMRY Scheme to improve the Marketing techniques and other Entrepreneurial skills so that they can withstand in the competitive world.
The time between two stages of processing of application should be reduced and fixed and followed in time. One officer should be deputed to follow whether the process is going on in time, or not.

The important problem to be solved regarding Bankers concerned is the recovery of the loan amount. It was observed that the recovery is low due to non-monitoring by the officials / Bankers. So a special team is to be formed by the District Industries Centre officials, Lead District Manager and the Revenue Staff to follow up the units of low recovery. Strict rules should be followed like R.R.Act in case of very bad recovery cases and make it known to other beneficiaries.

The scheme PMRY gives a very good opportunity to the unemployed educated youth and if the bankers and implementing agencies work together and cooperate with each other.