CHAPTER VII
SUMMARY, FINDINGS AND SUGGESTIONS

The basic objective with which the PMRY scheme is launched is to generate employment opportunity and thereby to overcome the problem of poverty. It aims at uplifting the people below poverty line to an improved status. The scholar has undertaken this study as unemployment is said to be the basic economic problem that stands in the way of overall economic development of our economy. We have enough and more of human and material resources. Due to the problem of unemployment even the natural resources remain underutilized. The problem of underutilization of human and natural resources can be solved to a larger extent if adequate capital is available and if the available capital is properly utilized.

In this study the scholar has made an earnest attempt to examine the employment generated in Tirunelveli District among our respondents through PMRY loan.

An attempt is being made in this section to discuss the major findings of the study, problems faced by the beneficiaries and broad recommendations. This study was conducted in Tirunelveli District. Both primary and secondary data were collected for this study. Secondary data relating to the number of beneficiaries, subsidy, margin money and bank loan were collected from the Tirunelveli District Industries Centre.
Primary data were collected from 105 beneficiaries with the help of a pre tested questionnaire.

The salient features of PMRY loan is presented in the first chapter, which is the introduction chapter of this study. In this chapter, the basic objectives of this present study along with certain limitations of the study are also given.

In order to proceed with any study some concepts are repeatedly used. One must be familiar with these concepts. Important concepts used in this study along with review of related studies are presented in the second chapter. This will help the scholars in the future date to understand the problem being analyzed in this study and also in the previous studies. So also it will enable the scholars to deviate their studies from the existing studies and the untouched aspects of the previous studies may be taken up by them.

Any research study must follow certain norms. The methodology used by different scholars may differ depending on the nature of the topic, time and finance available with the scholar, the purpose of the study and so on. The methodology followed in this study is presented in the third chapter. The scholar has made use of primary data as well as secondary data. Wherever necessary the data obtained through primary data is cross checked through discussions with officials and
knowledgeable persons. Whenever necessary the same respondent was also approached to clarify the response given by them.

The collected data will seem to be abstract and one may not be able to arrive at any meaningful conclusion in the absence of the use of statistical tools. The statistical tools are used in economic research widely to simplify the data and to arrive at meaningful conclusions. In this study the scholar has made use of statistical tools such as bar diagram, pie diagram, percentages, chi-square test, ‘t’ matrix, correlation and anova to explain the data and to arrive at some inferences.

The area of study may differ from scholar to scholar. Depending on the area of study the problem faced and the utility of the scheme may also differ. A summary of the features of the study area and the various poverty alleviation schemes that are in use in the study area at a glance is presented in the fourth chapter.

In the fifth chapter, the collected data is presented in the form of tables and necessary explanation is given. There is difference in the distribution of assets in terms of subsidy, margin money and bank loan in the district. There appears to be no rationale in allocating the resources at the district level. Average subsidy was too low for all the respondents. Out of 105 beneficiaries almost all of them have created quite many number of man days. It is worth noting that almost 31 per cent of the degree holder got benefited through this PMRY scheme. 45.71 per cent of
the ventures are started in the rural areas by our respondents and the rest of the ventures are started in urban areas. The features of the respondents the loan amount received by them, the type of venture for which the loan was availed, the employment generated through the loan, the repayment of the loan, the opinion of the respondent regarding the scheme and the banks which have disbursed the loan is explained in this chapter. Altogether the respondents have taken the loan and invested in different ventures. In our study the respondents have borrowed PMRY loan for some forty ventures. Though 22 banks disburse PMRY loan, in our study the respondents have taken loan from fourteen banks only. A total of Rs.55,20,000/- have been availed by our respondents. These loan have generated employment to the extend of 6,23,525 mandays (x) the year 1997-98 As so much of employment is generated this scheme is to be appreciated as a novel and useful scheme. However there are different views regarding repayment of loan. But fear of penalization, even though there is some delay, the loan is almost repaid by the respondents.

General view is that Indian rural/urban unemployed persons may borrow the money with good ambition, but may not use it for productive purpose. But in our study the PMRY loan taken is used only for the purpose for which it is taken. So, besides generating self employment, it is possible to provide employment to other unemployed job aspirants also. A special feature noticed in this study is that even those respondents
who have repaid the full amount of loan continue the project. There are certain cases of extension of activities also. When compared to the general opinion, this is a successful scheme from these reasons.

However there is a grievance in the minds of the respondents that full amount of loan which are asked for is not sanctioned by the banks. The loan amount sanctioned at times seems to be inadequate enough to take up the expected project.

In the sixth chapter the collected data is analyzed with the help of statistical tools and interpretations have been given. Here chi-square test is used to examine the association between certain selected variables. It is inferred from the chi-square test that there is significant association between educational qualification of the respondents and the purchase of other assets, between the type of the house of the respondent and venture cost, between community of the respondent and the increase in income and between the repayment period and the mandays of employment generated.

Analysis of variance is used to measure the significant difference among selected variables. t-matrix is also used to measure the significant difference among selected variables. It is inferred that there is significant difference between high school education and post graduation, between higher secondary education and post graduation and between post graduation and ITI and asset creation. So also there exists significant
difference between high school education and ITI, between higher secondary education and degree, between higher secondary education and ITI, between post graduation and ITI and between ITI and diploma with reference to the loan amount received. In the case of annual income created, ‘t’ matrix shows significant difference between respondents with high school education and degree, between higher secondary education and degree, between degree and post graduation, between post graduation and diploma and between post graduation and ITI. With reference to mandays of employment, as per ‘t’ matrix, there is significant difference between high school education and post graduation, between higher secondary education and diploma, between and post graduation, between diploma and post graduation and between ITI and diploma.

Correlation co-efficient is used in this study to measure the relationship existing between selected variables. As per correlation co-efficient, there is significant relationship between the various age groups with respect to annual income, salary given to the employers and mandays of employment. There is significant relationship between sex of the respondents and annual income created. So also there is significant relationship between the marital status of the respondents and annual income, salary and mandays of employment. It is also inferred that there is significant relationship between forward class people in their annual income, salary given to the workers and mandays of employment created.
through PMRY loan. According to this study there is significant relationship between the nuclear family in their annual income and salary given to the workers.

**Suggestions:**

- Poverty line is defined on the basis of the calorie intake. In reality it is also closely related with different components such as education, housing, sanitation and child care. But a comprehensive Human Development Index must be the basis of determining the poverty line. Poverty alleviation programme must be an indispensable part of overall socio-economic development.

- There should be a bottom up planning and participation effort. They must be provided with conducive environment.

- Local initiation is needed from the Panchayat Raj, Self-Help Group and Non-Government Organizations in order to popularize the scheme and to enable the poor and the downtrodden to enjoy the fruits of poverty alleviation schemes. A change in approach is also needed for the success of the programme.

- Poverty line income depends not only upon the number of mandays of employment but also on the wage rate. The wage rate is very poor and the purchasing power of money is declining. So wage rate must be linked with cost of living.
• Efforts must be made to generate additional employment and for this purpose loan amount may be increased. Taking into consideration of the local resources and possibilities, the feasible ventures must be decided and it must be let known to the target group, so that they may take up these projects which may add up to the employment generation.

• Large numbers of applications are rejected leading to frustrations in the minds of the youth. Efforts must be taken to rectify the error in the application and to sanction loan to as many number of applicants as is possible.

• Regarding PMRY the interference of political leaders is also present to a certain extent. Politicians may play the role of motivating the unemployed youth to try for PMRY loans and they must be silent in the matter of sanctioning of the loan and all.

• Sanctioning large number of loan at the fag end of the financial year is another problem that exists. So there must be a plan to achieve monthly target or quarterly target.

• Banks are reluctant to sanction loan for certain cases. Depending on local condition and possibilities, applicants may be encouraged to take up any venture of their choice.
• Publicity and propaganda to the PMRY is not up to the requirement. Wide publicity may be given so that large number of educated youth may be benefitted and still further employment opportunities may be created. If the loan amount is higher better venture may also be taken up. Larger the loan amount, larger will be the employment generated and the income earning capacity.

• The ceiling kept at Rs.7500/- as a subsidy is a meager amount irrespective of the venture and venture cost. So depending upon the venture, subsidy amount may also be relaxed. The condition that the subsidy amount will be used to settle the last few installments of loan amount also seems to be unfair. If the subsidy amount is also disbursed along with the loan, there would have been the possibility on the part of the beneficiaries to invest a large amount and to improve income earning capacity and employment generation.

• Periodical visit and scrutiny must be needed by the officials of the programme to satisfy that the loan amount is used properly for the purpose for which it is sanctioned. The follow up action, if strictly taken up will encourage and motivate the beneficiaries to use the money properly and to repay the loan at the appropriate time so that other applicants may be benefitted at the future date.
• The condition that subsidy linked loan sanctioned only once should also be relaxed. If the earlier loan is fully repaid the banks may think in terms of providing additional loan, so that their economic set up may be improved.

• There should be a close co-ordination of activities between the DIC officials, banks and police department so that all the borrowers can be made to repay the loan promptly in time. The banks do not approach the borrowers to repay the installments on time. If periodical reminders are made by the banks, the beneficiaries may be prompt in the matter of repayment.

• The target of number of beneficiaries can be increased every year. So that many educated youth can be brought into this fold. Besides sanctioning the loan, the NGOs, SHGs or the local government may take up the initiative for exhibition cum sales of the products produced through PMRY loan. Under such a situation the problems related with marketing of the products may not be a serious matter. If necessary, the local bodies may set aside specific places for popularizing the sale of these products.

• It is the responsibility of the DIC officials and banks to make arrangements for periodical review meetings of PMRY beneficiaries, where in the difficulties faced by the beneficiaries may be discussed and solutions there of be reached.
APPENDIX