Chapter - III
RESEARCH METHODOLOGY
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RESEARCH METHODOLOGY

Having dwelt on the brief history of the developmental process of poverty alleviation and self-employment programmes and having uncovered the concepts of employment and unemployment, it is needful to explain the methodology and research techniques that have been applied to this study. It briefly discusses the rationale of the problem, review of relevant literature, objectives of the study, the null hypothesis, data collection, sampling technique, the chapterisation scheme, contribution to the field of knowledge and areas to further explore etc.

RATIONALE OF THE RESEARCH PROBLEM:

In the post independence era India has embarked upon the economic growth and the development programme for which economic planning has been resorted to. Growth in physical terms and distributive justice have been the twin objectives of the Indian economic planning. One characteristic of Indian planning has been there has been the principal focus on the growth side during the first phase of planning from 1951 to 1976. This phase was characterised by principal focus on generation of wealth and income in physical terms assuming that there shall be a 'trickle down' effect which will automatically remove the poverty and result in requisite employment generation. In this phase very little attention was paid to the generation of employment and distributive justice. This approach was full of its intrinsic dangers as no nation can afford to neglect the areas of providing the employment to the unemployed youth and alleviation of poverty. Poverty anywhere poses a threat to prosperity everywhere in the long run. Therefore, this approach was condemned by the Janata government in the year 1977. Acharya Shrimannarayan Agrawal, while he was a member of Planning Commission of India rightly pointed out that unemployment was enemy number one of Indian economy. Plan after plan, figures of backlog of unemployment went on piling up, and the
process still continues. Janata party government pinpointed the glaring flaws in the policy approach of the then congress government. Janata party government's policy was of generation of employment alongwith growth or say they visualised a pattern of growth, which was conducive to generation of employment. It recognised that there is no sufficient potential to provide wage employment to all the unemployed. Therefore they thought of providing self-employment to the needy and the poor. So in the latter phase, which started from 1977 which still continues, many programmes of poverty alleviation and self-employment have been vehemently launched. To begin with, one very ambitious poverty alleviation cum self-employment programme named as Integrated Rural Development Programme was launched in the year 1979-80. But most of these programmes were not very successful in achieving their objectives, which is evident from the studies and the reviews carried out by the different agencies and the individuals. Many such schemes were improved and streamlined and sometimes they were merged with some other scheme to make them more effective.

The latest scheme of providing self-employment to the educated unemployed youth belonging to the economically weaker sections is Prime Minister's Rozgar Yojana. Large amounts of public funds are expended on the implementation of the scheme in the form of subsidies and the concessional loans every year. This raised curiosity of the researcher to evaluate the scheme in relation to targets of the scheme, its social utility, its feasibility and practicability and the modus operandi vis-à-vis the Amravati district.

**REVIEW OF RELEVANT LITERATURE**

Before setting out for the actual study an exploratory survey of the relevant literature in the field was made which is presented in the following pages. As the self-employment scheme Prime Minister's Rozgar Yojana is of a recent origin, i.e., it was started in the year 1994-95, no study on this very particular scheme was
not found. Therefore a review of the literature on the cognate subjects like employment, unemployment and self-employment was taken.

1. **Dr. Mukta Mittal's Study on “Educated Unemployed Women In India”, 1994:**

   In her work Dr. Mukta Mittal deals with the implementation strategy for the government's policy to improve the status of women in India vis-à-vis their employment and financial freedom.

   This study dwells on the facts regarding the developmental needs and aspirations together with the socio-economic and behavioural problems of unemployed educated female youth. Besides, suggesting measures of minimising the socio-economic and psychological stressful situations among the unemployed educated female youth, the study basically makes an attempt to explore the role of professional social work in meeting the developmental needs and aspirations, as also in helping them cope with stressful situations arising out of the state of joblessness among them.

   The study in its final outcome assumes a social policy perspective in its design to identify programmes and methodology of women's participatory development, to be of wider interest to all those concerned with the issue of gender and equity.

   The study concludes that there is a lack of matured guidance from the policy makers due to which there is a lack of proper balance between the demand and supply of the labour and she suggests to adopt alternative techniques, fair selection process, expansion of social infrastructure (schools, hospitals, recreational centres etc.), popularising cooperative movement among women etc. for improving the employment opportunities for women.

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2. Dr. S. P. Gupta's Study on "Population Growth And The Problem Of Unemployment", 1990.2

This treatise seeks to examine the structure of population and the population growth in Jammu And Kashmir State, the composition of labour force, the magnitude of present and potential employment opportunities and the level of unemployment existing in the state. It also includes the study of structure of family planning programme in the state and people's attitude regarding various aspects of the family planning. Based on both the primary source and the secondary source of data the researcher surveyed two hundred families selected from four districts, two each from Jammu and Kashmir regions respectively.

The study concludes that the unemployment is continuously increasing and forwards the suggestions as follows.

a) Economic development should be stepped up.

b) Government should popularise the family planning programme for controlling the growth rate of population.

c) Social amenities in the rural areas should be brought at par with the urban areas to stop the unwarranted migration of rural population to urban areas.

d) Government should take measures to improve agriculture so that it can absorb more and more unemployed.

e) People belonging to age upto 15 years and above 60 years should not seek employment. It can reduce the unemployment problem by 13%.

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3. Dr. C Parvatamma’s Study on “Employment Problems Of University Graduates”, 1984.3

The study based on a sample survey of 2530 students from Mysore, Karnataka and Banglore universities. The study is quite revealing and it classifies the causes of unemployment into external and internal. External causes are those which cannot be controlled by the concerned individuals, while the internal causes often pertain to and emanate from the individuals over which a person always has certain amount of control. The study welcomes and notes an encouraging trend wherein a good percentage of students are willing to make arrangements for self employment; also they are ready to take up manual jobs if necessary; they are ready to seek jobs outside India and also in defence forces.

The study concludes that employment brings to a person prestige and status and without that the educated unemployed are evaluated unfavourably by their families and by the society. It also concludes that unemployment would cause increased unrest in general and provide incentive to students’ unrest in particular.

4. Dr. Pramod Kumar Bajpai’s Study on “Youth Education And Unemployment”, 1992.4

This study goes on deep to analyse the causes and impact of unemployment on the personality of youth and the society. Dr. Bajpai also dwells on the problems, attitudes and value system of the unemployed youth and their behaviour pattern and throws light on how to develop an insight into the problem for proper planning to strike at the root of the problem of unemployment in general and the youth unemployment in particular.

He concludes his study as follows.

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a) Politicians play a dubious role; they don’t have political will to solve the problem of unemployment. They just try to woo the unemployed by their utopian cries of ‘Bekari Hatao’ and ‘Garibi Hatao’.

b) It is an irony that those who are not able to get jobs in India are getting Nobel Prizes abroad.

c) The present unemployment is due to the failure of our policies, planning and the result of the imported culture that Nehruvian lobby introduced in India after independence.

d) No amount of policies and excellent combination of words can instil in the youth a commitment to principles and values because they find they have lost their relevance.

e) Unemployed youth are more inclined to government jobs rather than self-employment.

f) Recent wave of computerisation is curtailing the job opportunities for the youth.

g) It appears that the youth have lost faith in the system—social, political and economic.

This study forwards some important suggestions as follows.

a) Government and nongovernment organisations should start more and more workhouses to train unemployed youth in different trades.

b) Agriculture industries should be established in rural areas.

c) Education system should be commensurate with the manpower needs of the country.

d) Higher education should be selective. Japanese model may prove useful.
e) Attitudes of parents and the community towards unemployment should change. Every parent wants his child to be a ‘Babu’. This hampers the overall personality development of the child and also subjects the children to stress.


In this work Dr. Hebbar studied the Integrated Rural Development Programme in the Dakshina Kannada district of Karnataka state by taking a sample of 550 beneficiaries.

The main focus of the study was on the income generation from the activities financed and how far it has enabled the beneficiaries to cross the poverty line; and the problems of procedure and the implementing agencies. For assessing the incremental income, data was collected from the beneficiaries and from government agencies and backward and forward linkages were also studied by the researcher. Consumption pattern in the pre and post assistance periods were also studied by him to assess how far IRDP assistance resulted in improvement in living standards. Efforts were also made to ascertain the lines of activities into which the economic assistance had been fruitfully channelled from the point of view of the poor and conditions necessary for the success of these activities, so as to facilitate future planning in this behalf by the bankers and as well as government agencies.

Some of the important conclusions and suggestions forwarded by the study are as follows.

a) Bank staff shortage is a main block in materialisation of the IRDP dream.

b) It has been the experience of banks that once the loan is disbursed the bank is at the mercy of the borrowers.

c) Subsidy is a cause for many malpractices in IRDP.
d) Multiple borrowings by one borrower from various banks is a perplexing problem.
e) Selection of scheme should be as per the suitability of the local conditions and the existence of backward and forward linkages.
f) Benefit is not reaching the poorest of the poor.
g) Training beneficiaries is a must to wean them away from the traditional practices.
h) For dairy activity to be successful backward and forward linkages should be created by the government.
i) Task Force set up for the recovery of the IRDP overdues must be activated.
j) Strict action should be taken against bank officers who ask for the security for the finance.

The above review of the relevant literature clearly brings out the thing that researches have been made on the unemployment related subjects and their social, political and economic repercussions. Some researches are on a specific scheme like IRDP. Prime Minister’s Rozgar Yojana, the self-employment programme meant for the educated unemployed youth, being the recent scheme, researches on the very scheme did not come to the notice of the researcher. This being the recent programme and since the plausible period of interval elapsed, it becomes but needful that its working, problems and bottlenecks be delved deeper into. Hence this humble attempt at the critical study of the programme.

STATEMENT OF THE PROBLEM:

The present research work goes with the following title:

Since the facets that aroused the curiosity and led to the investigation into the present problem were: targets of the scheme, achievement of the scheme, its social utility, feasibility and practicability, its modus operandi and the institutional efficacy of the implementation are some of the points that addressed themselves to the investigator. Hence the justification of the problem.

Of late, a new trend for regional level researches at micro level are very much in vogue and rightly so. To study the problems of any government developmental scheme at national or state level shall be only vague and theoretical because of the vast geographical dimension. District level researches are, these days, recognised to be viable and plausible. Hence the researcher’s choice for his research for the working of the aforesaid scheme in the Amravati district.

Rationale of the period chosen for the study is that this research work is for a critical study of a specific government sponsored scheme. The scheme started in the year 1993, but it became fully operational throughout the country from 1st April, 1994. It naturally takes a period of four to five years for any scheme to judge its feasibility and practicability and to reveal its vulnerabilities. Hence the period for the research work has been taken from 1994-95 to 1998-99, a five year period.

HYPOTHESIS:

This study went on with the following null hypothesis.

“This self-employment scheme Prime Minister’s Rozgar Yojana is not a success in achieving its objectives”.

OBJECTIVES OF THE STUDY:

a) To study the overall procedure involved in the implementation of the scheme in India in general and in the Amravati district in particular.
b) To see whether the benefit reaches the needy and the eligible persons or there are any irregularities in the implementation of the scheme.

c) To study the difficulties faced by the beneficiaries, and the officers of the implementing agencies during the process of availing benefit and afterwards.

d) To see whether there is a need to innovate the modus operandi of the scheme such as the procedural aspects of the scheme.

e) To see the worthwhileness of implementing agencies for this scheme and the cognate schemes.

f) To suggest innovative measures for overcoming the impediments, hurdles and the difficulties in the effective working of the scheme.

Though, apparently the other schemes fall out of the orbit of the present research work, yet a very brief survey having been taken of the modus operandi of the cognate schemes, an attempt at the coordinated approach or the integrated implementation of the cognate self employment and the poverty alleviation programmes (except those of wage employment) has been made. A model has been forwarded in this connection, which has been given in the Appendix – 64.

SCOPE OF THE STUDY:

This study covers the working of PMRY in the geographical area of the Amravati Revenue district. There were 13 Talukas (during the period of study) in this district and all have been covered for the study. Working of the scheme includes the working of the beneficiaries, and the implementing agencies, namely, DIC and banks.

PERIOD OF STUDY:

Period of study for this project was taken from 1994-95 to 1998-99. This period has been deliberately selected as the scheme became fully operational in
the year 1994-95, even though it was launched in the year 1993. Period up to 1998-
99 has been selected as it was thought that for proper evaluation of the results of
the ventures, a lapse of at least two year’s period after their establishment is
necessary.

COLLECTION OF DATA

Following data were visualised for the completion of this research study:

a) Information relating to the District,

b) Information relating to the Beneficiaries of the scheme, Information
   relating to the benefits conferred on the beneficiaries, such as,
   financial assistance granted, consultancy and guidance and the mode
   of doing the above,

c) Information relating to the procedure followed by the implementing
   agencies and their performance with reference to PMRY,

d) Information relating to the conceptual framework of employment and
   unemployment, and

e) Information relating to the economic growth and developmental
   process, poverty alleviation programmes and employment generation
   and self-employment programmes.

In a research project of evaluation of any scheme or programme, primary
data collected from the target group is very important. For the present study primary
and as well as secondary data was collected. Primary data was collected from the
beneficiaries of the PMRY, Industries Inspectors of DIC and the bank officers.
Secondary data was collected from the office records of DIC office; Lead Bank
office of Amravati district; District Employment and Self Employment Guidance
Centre, Amravati; University Employment And Self Employment Information And
Guidance Bureau, Amravati; different libraries from Amravati, Nagpur, Pune and
Mumbai and some websites on Internet.
In the instant project, first hand data was collected from 322 beneficiaries of Prime Minister’s Rozgar Yojana, 10 Industries Inspectors of DIC and 64 bank officers from the Amravati district of the Maharashtra State. Period of study was 1994-95 (Year of commencement of PMRY) to 1998-99, a period of 5 years. Cut off year was deliberately kept 1998-99, as the survey was conducted between April, 2001 and November, 2001 and passage of at least 2 year’s period was felt necessary for the evaluation of the performance of the ventures started by the beneficiaries. For this project, a 5% sample of beneficiaries from universe of 5620 (1994-95 to 1998-99) was felt sufficient, which comes to 281 beneficiaries. But for giving proper representation to all the 13 Talukas of the district, each category of beneficiaries (SC, ST, VJ-NT, Muslims, Others), Sector of their ventures (Industry, Service, Business) and area of their residence (Rural, Semi-urban, Urban), it was decided to take a sample size of approximately 20 beneficiaries from each Taluka. It was also decided to survey at least 4 villages and the Taluka place from each Taluka. Criteria applied for the selection of villages was- 1 nearest village (to the Taluka place), 1 farthest village (from the Taluka place), 1 smallest village and one biggest village from each Taluka. This was deliberately done to see the effect of the size of the village and its distance from the Taluka place on the performance of the PMRY ventures. In the actual survey, based on a blend of judgement & convenience sampling, the villages from each Taluka ranged between 3 to 8. Around one thirds of the population of beneficiaries belonged to Amravati Taluka as it is a big Taluka and it is having a city of Amravati having municipal corporation. Therefore 84 (26.08%) beneficiaries were surveyed from Amravati rural and urban areas. Sample size of the beneficiaries comes to 5.73% of the universe of 5620.

**SOURCES OF DATA**

Both Primary and Secondary data have been collected for this study.
a) Sources of Primary Data:

i) Beneficiaries: First hand information has been collected from 322 beneficiaries from the district. Interview schedules have been used as instruments for collecting the data.

ii) DIC Officers: Information through the instrument of Interview Schedules and personal interviews of the Industries Inspectors; Managers, DIC; and the General Manager, DIC, was collected for this study.

iii) Bank Officers: 64 bank officers were interviewed and information regarding the scheme at their end was collected through administration of Interview Schedules.

b) Secondary Data:

The records of the concerned government offices, offices of the sponsoring agency – DIC, Lead Bank of the Amravati district etc constituted the secondary sources. Local Libraries and the libraries at Nagpur, Pune, and Mumbai were also the rich source of secondary data consisting of textbooks, reference books and periodicals etc.

Over and above the secondary data from the records of the implementing agencies, the reflections of the concerned personnel involved in implementation of the scheme, their perceptions, encounterence of difficulties at their end are of no less significance compared to the secondary data collected from their offices. These officers being in the localised area, mailed questionnaires were not found suitable and hence interview schedules were chosen as an instrument. Meeting a man personally has undoubtedly some added advantage over communication through letters.

Interview Schedules (See Appendices – 69, 70 & 71) were prepared for

a) Beneficiaries of the Scheme,
b) DIC officers, and  
c) Bank officers.

SAMPLE DESIGN:

a) Units of Study: Basically there are three units of study, namely,
   i) The beneficiaries of PMRY,
   ii) The officers of sponsoring agency- DIC, and
   iii) The officers of the funding bank branches.

b) Universe: Universe consisted of the beneficiaries of PMRY getting benefit between 1994-95 and 1998-99, residing in Amravati revenue district.

c) Sample Size:
   i) Beneficiaries: A sample size of 5% of the universe was considered sufficient to make it representative one. Sample size of the beneficiaries is 322, 5.73% of the universe of beneficiaries of 5,620.
   ii) DIC Officers: Almost all the field officers and one Manager and the General Manager consisted of the sample.
   iii) Bank Officers: Out of 149 bank branches in the district, 64 (42.95%) branches were selected for the study.

d) Sampling Technique: For selecting the sample a judicious blend of judgement (purposive) sampling and convenience sampling methods has been applied.
   i) Selection of Talukas: All the Talukas of Amravati districts have been selected for the study.
ii) Selection of Villages: Stratified purposive sampling method has been applied for selecting the villages. At least four villages from each Taluka- one village nearest to the Taluka place, one village farthest from the Taluka place, one small village and one big village from the Taluka were the criteria applied for the stratification. In all 61 villages from the Talukas were selected apart from the 13 Taluka places. Amravati Taluka place is a big city having Municipal Corporation and to give proper representation to it 34 different areas or colonies were selected from the city.

iii) Selection of Beneficiaries: A blend of purposive and convenience-sampling methods has been applied for selecting the beneficiaries. Due care has been taken to give proper representation to category, sex, sector of the ventures, religion and status of venture (closed or running) etc.

iv) Selection of Banks: Stratified purposive and convenience sampling method has been applied. Stratification was done on the basis that at least one branch from the Taluka place and one branch from the interior of the Taluka is covered.

ANALYSIS AND INTERPRETATION OF DATA :

The data collected through primary and as well as secondary sources have been analysed and tabulated. Simple and Cross tables have been prepared. Statistical techniques of Simple Average, Chi-square, Regression and Correlation have been applied at appropriate places. Inferences have been drawn from the analysis. The Methods applied for Correlation Analysis, Regression Analysis and Chi-Square Test are detailed as below.
1. Correlation:

Correlation denotes the degree of interdependence between two or more variables. To measure the degree of relationship between two variables is the purpose of correlation analysis. It helps us to know the degree and direction of relationship between two variables. Such a study is very useful for making forecasts in economic and business activities. To measure the degree or intensity of correlation between two variables, Karl Pearson’s correlation Coefficient denoted by ‘r’ is obtained by the formula

\[ r = \frac{\text{cov}(X,Y)}{s.d.(x) \cdot s.d.(y)} = \frac{n \cdot \Sigma xy - (\Sigma x)(\Sigma y)}{n \sqrt{\Sigma x^2 - (\Sigma x)^2} \sqrt{\Sigma y^2 - (\Sigma y)^2}} \]

Or

\[ r = \frac{n \Sigma xy}{\sqrt{\Sigma x^2} \cdot \sqrt{\Sigma y^2}} \]

Where \( x = X - \bar{X} \) and \( y = Y - \bar{Y} \) and \( \bar{X} \) & \( \bar{Y} \) are the means of \( x \) and \( y \).

The coefficient of ‘r’ lies between -1 and 1.

If ‘r’ < 0, then correlation is negative and if ‘r’ > 0, then correlation is positive.

2. Regression Analysis:

Regression analysis deals with establishing the average relationship between variables. More precisely, regression analysis is concerned with the formulation and determination of algebraic expression for the relationship between the two variables.

The relation between two variables may be linear or no-linear. However in most of the business and economic activities, linear relationship is assumed. If ‘x’ is independent variable and ‘y’ is dependent variable, the regression line equation is -

\[ Y = a + bx \]

& is called regression line of \( y \) on \( x \). The constants \( a \) & \( b \) are called regression coefficients. They are obtained as follows,
\[ b = \frac{\Sigma xy}{\Sigma x^2} \quad \text{&} \quad a = \bar{y} - b\bar{x} \]

Where \( x = X - \bar{X}, \ y = Y - \bar{Y} \)

In our study, regression analysis is useful in the formulation and determination of functional relationship and to study the average rate of increase or decrease in various phenomena.

3. **Chi-square Test:**

Chi-square \( (x^2) \) test is a powerful test to test the independence of two attributes. Let A & B be the two attributes under study. Let attribute A is observed at 'r' levels say \( A_1, A_2, \ldots, A_r \) and B is observed at 'c' levels say \( B_1, B_2, \ldots, B_c \); then the observed data can be classified in a table with 'r' rows and 'c' columns and is called \( r \times c \) contingency table. Let \( O_{ij} \) be the observed frequency in \((i, j)\)th cell. To test the independence between two attributes we carry out following steps.

i) We set the null hypothesis: \( H_0: A \& B \) are independent.

ii) We write the alternative hypothesis: \( H_1: A \& B \) are not independent.

iii) Fix the level of significance, usually \( \alpha = 5\% \).

iv) Calculate expected cell frequencies \( E_{ij} \) as

\[
E_{ij} = \frac{(A_i) \cdot (B_j)}{N}
\]

Where \( (A_i) = \) total of \( i^{th} \) row
\( (B_j) = \) total of \( j^{th} \) column
\( N = \) grand total

v) Compute \( x^2 \) calculated as

\[
x^2_{\text{cal}} = \sum (O_{ij} - E_{ij})^2 / E_{ij}
\]

or
\[
x^2 = \sum \frac{(O-E)^2}{E}
\]

vi) Compare \( x^2_{\text{cal}} \) with \( x^2_{\text{Tab}} \) at 5% level of significance for \( (r-1) \times (c-1) \) degrees of freedom.

vii) If \( x^2_{\text{cal}} \leq x^2_{\text{Tab}} \), we accept the null hypothesis, otherwise reject it.
ORGANISATION OF THE REPORT:

The report is divided into 12 chapters.

Chapter – I: Introduction: Concepts Unfolded:

In this chapter a brief overview has been taken of poverty alleviation programmes and the period of 50 years of planning has been divided into two principal phases, such as, the first phase being that of focus on generation of wealth and income. The aspect of distributive justice was more or less ignored in this phase. Critics argue the generation of employment was altogether lost sight of in this phase. The second phase, which started with the Janata government coming into power at the centre in the year 1977. They cared more for employment generation. Many employment programmes on comprehensive basis were launched in this phase.

Secondly, the concepts relating to the employment, unemployment and the other cognate concepts relevant to the research are also amplified in this chapter.

Chapter – II: Profile of Amravati District:

In this chapter light has been thrown on the topography of the Amravati district, population and other demographic characteristics, agriculture and allied activities, land use and cropping pattern, trade commerce & industry, and educational facilities etc.

Chapter – III Research Methodology:

This chapter deals with the methodology of this research project. It briefly discusses the rationale of the problem, review of relevant literature, objectives of the study, the null hypothesis, data collection, sampling technique, contribution to the field of knowledge, areas to further explore and the chapterisation scheme etc.

Chapter – IV Employment Orientation Of Indian Planning:

India has completed nine Five Year Plans and entered the Tenth Plan on April 1, 2002. During the five decades of experience of Economic Planning, Indian
economy has seen through vicissitudes: The First Five Year Plan was successful in achieving its targets while all other Plans could not stand up to their promises. The First Plan did not speak much of the employment generation, but all other Plans prominently included employment generation and distributive justice as their prime objectives. But all the Plans failed in achieving the targets of employment generation and as a consequence, the unemployment backlog went on piling up Plan after the Plan. During the first three Plans planners thought that the economic growth itself will take care of employment generation and distributive justice through its percolation or ‘trickle down’ effect. As the experience proved otherwise, from the Fourth Plan onwards government and the planners started paying attention to target group / area oriented programmes of self-employment and wage employment programmes as a supplemental activity for the alleviation of poverty and the empowerment of the poor. The era of self-employment programmes started with the launch of IRDP in 1979 followed by Self Employment Scheme For Unemployed Youth in 1983 and Prime Minister’s Rozgar Yojana in 1993 to mention the major ones. These facets have been studied in this chapter.

Chapter – V Prime Minister’s Rozgar Yojana: The Scheme, Procedure & Review:

The Prime Minister’s Rozgar Yojana, is an ambitious scheme of Self Employment for the educated unemployed youth of the country. PMRY was launched on 2nd October 1993. It covered only urban areas in 1993-94 and whole of India (urban and rural) from 1994-95. Self Employment Scheme For Educated Unemployed Youth was subsumed in PMRY. The scheme relates to setting up of self employment ventures in industry, service and business sectors, the project cost being upto Rs. 1 lakh, consisting of 5% margin money and 95% bank loan at the rate of interest to be fixed by RBI from time to time. It was aimed to provide employment to more than a million persons during the Eighth Plan period through 7 lakh micro enterprises. District Industries Centers and Small Scale Industries Service Centers are to work as nodal agencies for the scheme. All the persons aged
between 18 to 35, SSC pass or failed, residing in the area for not less than 3 years, having family income less than Rs. 24000 per annum and no member of the family being the defaulter to any bank or financial institution are eligible for the benefit under the scheme. Preference should be given to weaker sections and women. The scheme envisages reservation of 22.5% for SC/ST and 27% for OBC's. No collateral guarantee is required, only the assets created through the benefit are to be hypothecated / mortgaged / pledged to the bank. Repayment of loan would range from 3 to 7 years after an initial moratorium of 6 months to 18 months. After the loan is sanctioned, entrepreneurs have to undergo compulsory training (known as pre-disbursement training) to be provided by the government. State and union territory governments shall provide necessary infrastructure support like sites, shops, sheds and water and electricity connections on preferential basis.

The procedure followed for the benefit of this scheme has also been briefly dealt. The periodical review of the scheme by RBI and the Institute of Applied Manpower Research has also been included in this chapter.

Chapter – VI Analysis And Interpretation Of Data: Procedure And Performance Of The District Industries Centre And The Funding Banks In Amravati District:

There are two agencies, namely, the District Industries Centre (DIC), government agency sponsoring the scheme, and the Funding (Scheduled Commercial) Banks, which provide the loan under the scheme. This chapter goes into the procedure followed by these agencies for availing the benefit under the scheme and their performance from the inception of the scheme to 2000-01, in relation to the target achievements and the recovery of the loans.

Chapter – VII Analysis And Interpretation Of Data: Personal Information Of Beneficiaries:

In this chapter, personal information of the beneficiaries like place of their residence, sex, caste & religion, their status before getting the benefit, size of their family, their family income etc. have been dealt with.
Chapter – VIII Analysis And Interpretation Of Data: Venture Started, Loan Received And Investment Made:

This chapter deals with the type of activity and sector of the venture started, the source of primary information regarding the scheme, the motivating factor, loan demanded and received, its adequacy, management of additional finance in case of inadequate finance, investment made in the current and fixed assets etc.

Chapter – IX Analysis And Interpretation Of Data: Profitability, Employment Generation And Repayment Of Loan:

Profitability of the venture, employment generated by it and the repayment of loan taken from the bank are the pivotal points of this scheme. The main purpose of the scheme, that is, self-employment and paid employment to others is dependent on the profitability of the ventures. This aspect has been dealt with in this chapter.

Chapter – X Analysis And Interpretation Of Data: Procedural Problems And Follow Up By The DIC and Banks:

When it comes to the implementation of any government-sponsored scheme, there are bound to be some peculiar procedural problems and bottlenecks in the implementation of the scheme and materialization of its objectives. The problems faced by the beneficiaries, DIC officers and the Funding Banks during the process of availing benefit and in the follow up after the benefit is availed are the subject matter of this chapter.

Chapter – XI Analysis And Interpretation Of Data: Business Problems Of Beneficiaries, Their Business Performance, Impression Regarding The Scheme And Suggestions To Improve It:

This chapter deals with the business problems faced by the beneficiaries in their ventures related to the purchases and sales, knowledge of and maintenance of accounts, special problems of industry sector ventures. It also covers the performance of the beneficiaries in their ventures, whether they are successful
or failure in their respective activities with reference to earning a good livelihood from the ventures. It also dwells on the competition and the response of the public to the small ventures of PMRY. At the end the suggestions from the beneficiaries to improve the scheme have been given.

**Chapter – XII Analysis And Interpretation Of Data: Findings and Suggestions:**

It deals with the findings of the study and the suggestions. A model for structural and anatomical improvement in the machinery for the implementation of the Self Employment and Poverty Alleviation Programmes excluding the wage employment programmes has been suggested. This presents a consolidated picture of the present status of the scheme and its implementation and endeavors to suggest the remedial measures wherever possible.

**LIMITATIONS OF THE STUDY:**

One might fail in one’s duty as a researcher if one fails to record the difficulties and the limitations encountered during the course of the collection of data for the study.

1. This being the study of only a single self-employment scheme having its own peculiarities, one is faced with the difficulty of not being able to come forward with the generalizations in relation to the poverty alleviation programmes or self-employment schemes.

2. There is no much of relevant literature on the very theme of the research project. It may be possible that some researchers are working on this very theme, but no previous researches could be found due to its being a most recent scheme. Hence one is constrained to be contented with the consultation of the available literature on the poverty alleviation programmes and self-employment programmes in general.

3. Data on the value of investment, turnovers and the profits is based on the experience and the estimation by the beneficiaries, as the
CONTRIBUTION TO THE FIELD OF KNOWLEDGE:

The researcher has critically studied the core issue concomitant with the PMRY scheme only. But during the course of investigation, ponderings at his end resulted into following innovations, which, in all humility, the researcher ventures to call his humble contribution to this field of knowledge. The points of the contribution are as follows:

1. **Apex Monitoring Authority:**

   Government sponsored schemes in general and PMRY in particular require proper monitoring. At present these schemes are target oriented and have lost the sight of quality aspect. DIC and as well as banks are worried about the target completions. The selection and recommendation procedure of DIC needs improvement. This procedure should be so pruned streamlined and improved in such a fashion that procedure becomes simple, fast, and foolproof, only eligible persons get the benefit and if the ineligibles try to creep into the process, they are properly punished. Punishment should have the exemplary deterrent effect. Instead of achievement of physical targets, emphasis be laid on genuine and honest effectuation of the scheme, so that the government statistics on provision of self-employment become reliable and the hard earned money of the general public is put to proper use, for the social and economic amelioration of the have-nots. An apex monitoring authority assigned with the work only of seeing to the fulfillment of targets (in the right letter and spirit) of social and economic amelioration programmes unveiling the pseudo appearance of fulfillment of targets be created lest the convenience approach flourishes in carrying out the work. This Authority should be presided by the MLC of the Graduate Constituency of the respective region and the other members be drawn as follows: Palak Minister of the district concerned and one Representative of the Unemployed Youth who must be a
renowned social worker from the district. The Authority should act upon the complaints from the affected persons; general public and it should also go into the matters of importance on its own when it comes to its notice. It should see to it that the hard earned money of the general public is put to proper use, for the social and economic amelioration of the have-nots and it is not misused by the unscrupulous elements of the society with or without the collusion of the officers of the implementing agencies. The officers of the implementing agencies and the beneficiaries should be subjected to its jurisdiction. It should have not only the recommendatory powers but also the executive and quasi-judicial powers, so that it can award the stringent punishments to the guilty, ensure the implementation of the awards.

2. **Theory of Emulation Effect:**

The beneficiaries are not regular in repayment of loan and maximum of them are not repaying their loans. Eventhough their dues become overdue, banks and the sponsoring agencies are not taking any stern action against them due to unfructious police and judicial procedures. Due to this demonstration effect, those who are capable of repaying are also not repaying the loans thereby becoming the willful defaulters. This has been called emulation effect.

3. **Theory Of Nominal Entrepreneurship:**

During the last fifty years there have been the activities in the field of emancipation of women. Very recently the efforts are on to give at least 33% reservation to women in all walks of life. But as far the participation of women in entrepreneurship is concerned, the present study revealed that their participation is very negligible. On the top of that it was found that their entrepreneurship is just nominal. It is just a formality that the family members of the educated unemployed girls apply in their name for the benefit and when it comes to the management and running of the business, it was found that they are run by the male members of the family except in ladies related line of activities like ladies tailoring and beauty
parlours etc. This prompted the researcher to develop a theory of Nominal Entrepreneurship in case of women entrepreneurs in PMRY.

4. Theory of Thrust Entrepreneurship:

It is found that the governments in their populist fervor, one feels inclined to say, are virtually thrusting the finances and the benefits of entrepreneurship on the people who lack the basic urge, imagination, requisite skills and enthusiasm. Beneficiaries avail the benefits as they are easily available at concessional rates of interests and the subsidies from the government, and not because their internal urge to start the business ventures and get self employed. Therefore, these populist schemes at times result in an aberrated form of reaching the finance to those who are quite undeserving and inefficacious. It all comes in the form of entrepreneurship thrust from upwards to downwards and on those who are quite undeserving and inefficacious. Thereby it results into misuse and mischannelisation of funds and the fundamental purpose is not served. Even if it is true that 'entrepreneurs are not born but are made', it should be recognised that, 'everybody cannot be a successful entrepreneur. Therefore, there should be a scientific method for identifying and selecting the beneficiaries for the self-employment and poverty alleviation programmes. If the entrepreneurship is thrust indiscriminately, the results would be negative and the basic purpose of providing the self-employment would be defeated and the funds invested by the banks and the governments would go in vain.


There is a multiplicity of sponsoring (implementing) agencies and a plethora of different self-employment programmes and poverty alleviation programmes. In Amravati district itself, it was found that there are 17 odd government agencies and 70 odd schemes being implemented by them. Most of their schemes are similar and their jurisdictions are overlapping. Due to multiplicity of agencies and no proper coordination among them, there is ample scope for unscrupulous elements to take
the benefit under number of schemes sponsored by different agencies with the tacit or express collusion of the officers of the agencies involved in their implementation. Moreover, in the present models, generally two agencies are involved- one with the responsibility of identifying and recommending the beneficiaries and the other (banks) with the responsibility of sanctioning, disbursing the loan to beneficiaries and recovering it from them. The first agency behaves very casually as their interest is limited to the target completion and money is not involved in it. The other agency (banks) comes under trouble, as it has no other way than to sanction loans and disburse them to the candidates sponsored by the sponsoring agency. Here the economics of the funding is adversely affected. Moreover, the funding banks are like a tiger without jaws or a warrior without weapons. In the absence of guarantees and the collateral securities, their funds are becoming bad. Subjecting these tiny cases to the judicial process which is very cumbersome and time and money consuming is very costly and unfructious. As the adage goes in the management circles – Authority without responsibility is absurd, the responsibility without appropriate authority is so two times more.

Moreover, after unleashing the forces of Liberalization, Privatization and Globalization there is a very stiff competition before the Indian banking industry which is being starved of the level playing field due to priority sector finance, which basically is the responsibility of the government.

In view of the above it was felt that the banks should be relieved from the burden of direct involvement in funding of government sponsored self-employment and poverty alleviation programmes. In its place a new authority with complete responsibility of implementation (identification of beneficiaries, extending loans and recovering those loans) of all the government sponsored self employment and poverty alleviation programmes be created by merging majority of the different agencies. It would ensure better coordination of these activities and also it would be more effective in delivering the goods to the unemployed youth and the poor for their upliftment.
The suggested model would have its Head Office at the state capital assigned with the responsibility of framing the policy, designing and modifying the products (Schemes / Programmes). There shall be Divisional Office at each Revenue Division charged with the responsibility of divisional level coordination of the district offices and their activities. There would be District Offices charged with the responsibility of coordination and control of district level activities and the activities of the Field Officers operating from the Block Level. Field Officers stationed at Development Blocks and operating in their respective Revenue Circles shall be responsible for collecting the statistics and developing the development plans for each village in their Revenue Circles, identification of beneficiaries for the benefit, helping them in selection of activity and preparation of project, recommending the cases to the District office for the sanction of loan, after sanction disbursement of loan through cheques or drafts, monitoring the process of proper investment by the beneficiaries, regular follow up and recovery of the loan.

Banks may provide refinance at interest rates applicable to the priority sector to the unified Self Employment Board, as per their Annual Credit Plan. Banks may also work as the agents for collecting the recovery from the beneficiaries.

A doubt may arise in the minds of the critics that how is it concerned with PMRY. But PMRY is the specie of which the self-employment programmes are the genes. PMRY and other self employment programmes being tied to each other in specie-genus relationship, this model is relevant and quite warranted.

AREAS TO FURTHER EXPLORE:

The scope of the study has already been narrated above. With this scope in mind and the core issues vis-à-vis PMRY constitutes the circumference of the present work. Relevant cognate issues can hardly be gone into the details here. It is therefore proposed to suggest a few areas for further research, which are as follows:
1. Whether employment is an adjunct of general economic development or a distinct pursuit for socio economic development?

2. Positive impact of mechanization and modernization of Indian agriculture on employment generation.


5. A study of lapses and lacunae in the small businesses in relation to evasion of taxes and nonobservance of labour legislation.