CHAPTER 3

RESEARCH METHODOLOGY
Chapter III

Research Methodology

3.1 Scope of the Research

This Research study mainly focuses on Prime Minister Rojgar Yojana (PMRY) Scheme. It is an empirical investigation. The study is confined to the Nasik districts in four Sub divisions Nasik, Kalwan, Niphad, and Malegaon.

This is a micro study based on inductive analysis. for this purpose, the units that received assistance are selected through a stratified proportionate sampling method, to enable the researcher to draw inference over the entire functioning of the PMRY scheme with regards to income, employment generation and asset creation in the areas covered by the study.

3.2 Objectives of the study

The major objectives of the study are:

- To study Progress of the PMRY Scheme in Nasik District.
- To estimate the impact of Scheme on employment, income and assets position of the beneficiaries.
- To examine the role of the various institutions in implementing the PMRY Scheme.
- To estimate the impact of the programmes on the standard of living of the Prime Minister Rojgar Yojana Beneficiaries.
- To assess the effectiveness of the program implementation machinery in Nasik District.
- To document the views of the stakeholders to sharpen the implementation of the scheme.
- To suggest measures to improve the implementation of the scheme.
3.3 Hypothesis

The hypotheses developed for the purpose of the study were.

- Growth rate in target and growth rate in achievement does not differ significantly.
- There is no significant relationship between amount sanctioned and amount disbursed.
- There is no significant difference between percent of disbursement to sanction and percent of disbursement to target.
- The PMRY Scheme had no significant and positive impact on the employment generation in Nasik District.
- There has been no Positive impact of the PMRY Scheme on Income of the Beneficiaries.
- All the borrowers under the PMRY Scheme in the district repay the loan out of the income generated from the project.
- The beneficiaries under the PMRY Scheme in Nasik District are not satisfied with their present activity.

3.3.1 Variables Studied

The dependent and independent variables of the study are listed below.

<table>
<thead>
<tr>
<th>Independent Variable (IV)</th>
<th>Dependent Variables (DV)</th>
</tr>
</thead>
<tbody>
<tr>
<td>IV-1-Loan</td>
<td>DV1- Utilization of Loan</td>
</tr>
<tr>
<td></td>
<td>DV2- Information about mis-utilization</td>
</tr>
</tbody>
</table>
IV-2-Motivation

DV1-Rate of Interest

DV2-Collateral Security

DV3-Subsidy

DV4-Unemployment

DV5-Low Family Income

IV-3-Satisfaction of the Training Programme

DV1-Content

DV2-Skilled Faculty

DV3-Duration

DV4-Methodology

DV5-Location of Training Institute
IV-4-Delay of Getting Loan

DV1-Procedural Formalities

DV2-Document Submission

DV3-Site Inspection

IV-5-Overall Efficiency

DV1- Sales

DV2-Competition

         DV3-

   Employment Generation

         DV4- Income

   generation

DV5-Repayment of Loan

IV-6- Default

DV1-Comparison between Earnings and Default

DV2- Utilization and Repayment

DV3-Sufficiency and Repayment
IV-7-Satisfaction level of Beneficiaries

DV1-Previous employment

DV2-earning from previous employment

IV-8-Difficulties in achieving Target

DV1- Rejection of Application

DV2- Withdrawal of Applications

DV3- Non Viable Proposals

DV4- Technical Difficulties

IV-9-Non-Performing Assets under PMRY Schemes.

DV1-Default

DV2- Diversion of Fund

DV3- Income from unit
IV-10- Reasons for Failure of

DV1- Borrower selection

DV2- Loan disbursement

DV3- Lack of working capital

DV4- Lack of Follow-up

IIV-11-Impact

DV1- Income

DV2- Employment

DV3- Repayment

DV4-Standerd of Living

DV5-Social Status
3.4 Database and Methodology

3.4.1 Sources of Data

The Data were collected both from primary and secondary sources, in the first stage Secondary data were collected from the Following sources:

1. District Industries Centre (DIC), Nasik

2. Publications of the Reserve Bank of India such as RBI Bulletin.


4. National Institute of Bank Management (NIBM), Pune.

5. Reports of Lead Bank, Bank of Maharashtra, Pune

6. Training Institutes like MCED, MITCON, and KVIC etc.


In the second and final stage primary data was collected through a field survey. For this purpose two sets of structured questionnaire schedules were prepared, for the beneficiaries
and the other for bank officials. Which would give qualitative and quantitative information regarding Socio-economic characteristics of the beneficiaries, the procedures and formalities, difficulties in implementation of the PMRY scheme, impact of the scheme through employment generation, income earned, assets acquired and the standard of living and problem faced by the Prime Minister’s Rojgar Yojna Beneficiaries in the Nasik District. Besides relevant information had collected through discussions with Director KVIC, Managers of District Industries Center and other officials who were associated with the implementation of the PMRY scheme.

3.4.2 Selection of the sample

For studying the impact of the PMRY Scheme, structured schedules were separately prepared for beneficiaries and Bank Manager in the survey design. The Nasik District the researcher belongs was selected For the purpose of the study. The Nasik District which consists of 15 Talukas, which are divided into four regions, Nasik subdivision, second Region is Kalwan Subdivision, third Region Niphad Subdivision, and fourth Malegaon Subdivision. In Nasik District No. of Beneficiaries in the period 1997 to 2007 is 8661. Considering 5% of total number of Beneficiaries around 432 samples were chosen by considering from four subdivision of Nasik district. Thus the sample size consists of 432 beneficiaries selected by using proportionate Stratified sampling techniques were applied in selecting the respondents.

Table 3.1 Stratified sampling techniques

<table>
<thead>
<tr>
<th>Sub division</th>
<th>No. of Beneficiaries</th>
<th>Proportionate of each division</th>
<th>Sample size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nasik</td>
<td>4945</td>
<td>0.56</td>
<td>247</td>
</tr>
<tr>
<td>Kalwan</td>
<td>1009</td>
<td>0.12</td>
<td>50</td>
</tr>
<tr>
<td>Niphad</td>
<td>1003</td>
<td>0.12</td>
<td>50</td>
</tr>
<tr>
<td>Malegaon</td>
<td>1704</td>
<td>0.20</td>
<td>85</td>
</tr>
<tr>
<td>Total</td>
<td>8661</td>
<td>100</td>
<td>432</td>
</tr>
</tbody>
</table>
For an assessment of the PMRY Scheme – perception and opinion of officials, the convenience sampling method was adopted. To elicit information regarding the scheme, 60 Bank Officials were interviewed from the four subdivisions by using a questionnaire and structured schedule. Also lead bank Manager, DIC officials’ opinion was taken. Hence the results were expected to be reliable.

3.4.3 Pilot Study and Finalization of Interview Schedules

A pilot study was conducted in Dindori Taluka for finalizing the questionnaires for the interview schedules. For this purpose 15 PMRY beneficiaries and 2 Bank Managers were selected. The beneficiaries and bank managers were interviewed using the original interview schedules.

On the basic of the pilot study necessary changes were made to the questionnaires for preparing final interview schedule and the finalized questionnaires were used for field survey. Copies of these questionnaires are given in Appendices.

Period of Study

The study covers a period of ten years of the functioning of the PMRY Scheme. Accordingly, the period of study is 1997-1998 to 2006-2007. As the year 1993-1994 being the year of introducing the scheme.

Statistical Tools Used For Analysis

Depending upon the necessity, tables, graphs and charts were used and were supplemented with sophisticated statistical tools such as Coefficient of correlation (r), Coefficient of Regression, Chi square test, t test and the data were processed through SPSS and Excel packages in the computers.
1. t-test is used to compare Growth rate in Target and Growth rate in Disbursement.

2. t-test and correlation used to know significant relationship between Amount sanctioned and amount Disbursed.

3. t-test is used to find out difference between percent of disbursement to sanction and percent of disbursement to target.

4. Chi-square test is used to find out whether PMRY scheme has positive impact on employment Generation.

5. Chi-square test is used to find out impact of the PMRY scheme on Income of the Beneficiaries.

6. Chi-Square test is used to find out whether the income generated from the project is adequate to repay the loan.

7. To know the satisfaction of borrowers in Nasik district Chi-square test has used.

### 3.5 Resume of the Work Done

The study as stated earlier is based on the primary and secondary data. The data collected from these sources were critically analyzed. A brief account of the procedure of the analysis is given below.
The PMRY lending for the last ten years, i.e. from 1997-1998 to 2006-2007 was analyzed in Nasik district were number of sponsored account and sanctioned account collected from Lead bank i.e. Bank of Maharashtra, also bank wise sanctioned and disbursed cases analyzed in Chapter VI.

The primary data collected through field survey has been thoroughly and systematically analyzed to evaluate the procedures of PMRY lending in the District. The socioeconomic profile of the borrowers, their difficulties in getting loans and their problems in starting self-employed units is separately analyzed in Chapter VII.

The utilization and impact of PMRY schemes are analyzed in Chapter VIII. The income generated by the borrowers, their assets position, problems and difficulties experienced by them and the problems of banks in implementation of the scheme are also presented in this chapter.

### 3.6 Reference Period

This study is more qualitative than quantitative. Hence the length of period of the study is immaterial; However, Secondary data was collected for a period of 26 years from 1982 to 2008. For the detailed analysis of the PMRY scheme, data from the Scheme in the District, i.e., from 1997-1998 to 2006-2007 as taken. This covers a period of ten years.

### 3.7 Limitations of the Study

Even though the study is extensive, innovative, unique and pioneering in certain aspects, it suffers from the following limitations.
Some of the branch managers were reluctant to provide certain information especially those relating to non-performing assets; it required special permission from head office which was denied. Hence the attempt to analyses defaulted cases was discarded.

Majority of the beneficiaries did not maintain proper records of their income expenditure and savings. Hence the study was made on the basis of facts provided by them out of their memory.

Some of the sample respondents were hesitant to give correct information. Therefore the study may suffer from non-sampling error.

In spite of the above limitations, the study provides dependable, useful and valuable information. The suggestions made in the study will be helpful for future planning and successful implantation of the scheme.

3.8 Presentation of the Study

Chapter I Introduction

It covers the Importance of the study, Identification of Problem, Role and Importance of Self employment, Entrepreneurship Development Programme.

Chapter II Review of Literature

It reviews the available literatures on earlier studies on PMRY Bank credit to weaker sections and priority sector lending and self employment also reviewed in this chapter.

Chapter III Research Methodology
This chapter contains scope of the study, objectives, Statement of Hypothesis, Database and Methodology, limitations of the study and presentation of the study.

Chapter IV PMRY Scheme – An Overview

It reveals an overview analysis of the PMRY scheme. The criteria for assistance and other conditions are discussed in general.

Chapter V Profile of Nasik District

This chapter gives an idea of profile of Nasik District. It focuses more about History, Population and Economic condition of Nasik District. Also Employment and Unemployment conditions analyzed.

Chapter VI PMRY Lending in Nasik District

This chapter deals with the analyses of PMRY scheme in Nasik District for a period of 10 years commencing from 1997 to 2007. Bank group wise and Taluka-wise performance were also analyzed in this chapter. It also includes sanctioned cases to all sections under PMRY scheme.

Chapter VII Socioeconomic Profile of PMRY Beneficiaries

Analyses the Socio-economic indicators of the beneficiaries in the Nasik Districts and presents a profile of the sample beneficiaries in terms of their level of education, family background, employment status and income level at the time of opting for the self employment scheme.
Chapter VIII  Impact of PMRY scheme

This chapter reviews the PMRY scheme impact on self employment, income, asset creation. Reasons of default in repayment of loans are analyzed with the help of primary data. The problems and difficulties experienced by bankers and beneficiaries are thoroughly analyzed. Testing of Hypotheses presented with the use of statistical test.

Chapter IX Findings, Conclusions and Suggestions

This presents the findings, conclusion and suggestions resulting thereof.