CHAPTER-VII

FINDINGS, SUGGESTIONS AND CONCLUSION
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In this chapter, the researcher makes an attempt to present the summary of the major findings of the study and offers a few suggestions and conclusion for the better execution of the PMRY scheme.

The subject of the thesis is “A Study of Prime Minister’s Rozgar Yojana – PMRY – with special reference to Coimbatore District, Tamil Nadu”. It covers almost all aspects of the scheme. Valuable primary data and available secondary data were collected, analysed and interpreted to draw useful conclusions. The thesis is divided into seven chapters and this is the last one. In this concluding chapter, the summary of the previous chapters, valuable suggestions and conclusions are brought together.

CHAPTER I

Today the unemployment problem is of global magnitude. Unemployment is probably the greatest single factor in breeding social unrest. Unemployment leads to a huge wastage of manpower resources. The rate of Educated unemployment of the educated youth in India, which contributies a significant portion of unemployment, has been increasing at a vary rapid scale. Unemployment in India is not due to a sudden fall in effective demand as in the advanced countries. There is chronic unemployment in the rural sector and the educated, skilled and semi-skilled unemployment in the urban sector of the economy.
The prosperity of the country depends on the development of the educated youth. Employment for educated youth will change the economic environment and accelerate the growth of the economy. The problem of educated unemployed is assuming ever increasing and alarming dimensions. The educated unemployed person is considered a greater waste because the society has made an investment on him by providing education at subsidized cost with the hope that he will add to social well being.

The problem of unemployment can be solved primarily by two ways, viz., (i) Providing employment opportunities, and, (ii) Providing self-employment. Of these two, the first solution alone is practically impossible because, jobs cannot be provided for all.

Self-employment scheme is one of the surest methods by which unemployment problems can be solved. Many schemes like RWP, SFDA, MFAL, IRDP, JRY, MSY, NRY, EAS, CSRE, NREP, TRYSEM, DWCRA etc. have been implemented for generating employment opportunities in India. PRIME MINISTER'S ROZGAR YOJANA (PMRY) is a scheme for educated unemployed youth launched by the government of India on 2nd October 1993. The PMRY scheme has been launched in India for mitigating the problems of unemployment among the educated unemployed youth by generating opportunities for gainful self-employment. The main objectives of the scheme are to provide employment for educated unemployed youth in the Industrial, Service and Business sectors.

The main objectives of the study is to evaluate the performance of the PMRY and analyse the impact of the PMRY scheme in Coimbatore District of Tamil Nadu. The specific objectives of the study are, (i) To study the performance and growth of the PMRY scheme in Coimbatore District, (ii) To find out the changes in socio-economic
status of the beneficiaries of the PMRY, after receiving benefits under the PMRY, (iii) To compare additional level of income and employment among the beneficiaries of each of the three sectors – Industry, Business and Service sectors, (iv) To bring out the problem faced by the beneficiaries of the PMRY Scheme in this district, and (v) To suggest the concrete measures for the effective implementation of the PMRY scheme.

Primary data were collected from the beneficiaries and from the records of the Directorate of Industries and Commerce, Chepuk, Chennai, and the District Industries Centre, Coimbatore. Secondary data were also collected from different sources such as Banks, Websites, Government Departments and various Journals and Newspapers. For analyzing the primary and secondary data and measuring the impact of the Prime Minister’s Rozgar Yoajan (PMRY) scheme in the study area needed and suitable financial and statistical tools have been used.

CHAPTER II

The past studies related to the present study are reviewed in this chapter. This chapter is divided into three parts. The first part reviews the studies on factors generating employment and those relating to entrepreneurship development is reviewed in the second part. The final part reviews the PMRY scheme and its evaluation.
CHAPTER III

Coimbatore, the second biggest city of the southern state of Tamil Nadu, is identified as one of the fast developing metros of India. Coimbatore District has performed well in the implementation of the PMRY scheme in Tamil Nadu. This district has in it three important Taluk head quarters, namely, (i) Tirupur, (ii) Pollachi, and, (iii) Udumalpet.

Coimbatore District is mainly inhabited by agricultural labour, industrial labour and educated unemployed youth, who really deserve the benefits of the self-employment programmes of the government of India. So the researcher has undertaken this study on the impact of the PMRY scheme to see whether the target groups of people are really benefited. The present study attempts to analyse the performance of the PMRY scheme in Coimbatore District of Tamil Nadu.

During the years 1995-1996 to 1999-2000, 6408 PMRY beneficiaries availed of the assistance in Coimbatore District (an average of 1282 beneficiaries). Out of 1282 average beneficiaries 250 sample beneficiaries were selected at random (20 percent). The selection of respondents was purely on the basis of the judgement of the researcher. The sample respondents consist of 100 beneficiaries of the Industrial sector, 50 beneficiaries of the Service sector and 100 beneficiaries of the Business sector.
CHAPTER IV

The role of the PMRY at the national level and the state level are analysed.

The performance of the PMRY regarding the loan assistance and the percentage of disbursement showed that there was a mixed trend in the performance of the PMRY in India. Total assistance of Rs. 8,445.31 crores was provided as loan assistance to the PMRY beneficiaries for nine years from 1993-1994 to 2001-2002.

With regards to the number of beneficiaries of the PMRY in India, 18,59,693 beneficiaries got assistance against the target of 26,09,288 beneficiaries, during the period from 1993-1994 to 2001-2002. The average achievement of the PMRY scheme in India was 71.27 percent during the above said period.

UttarPradesh state performed the way in the disbursement of the PMRY assistance in India during the study period. The percentage of disbursement on target in UttarPradesh State was 61.60. The percentage of disbursement on total in India by UttarPradesh State was 16.70 percent.

During the study period the PRMY achievement was 56.59 percent in Tamil Nadu. A total of 79,829 beneficiaries got assistance under the PMRY in Tamil Nadu during the study period. Highest number of PMRY achievement was 81.03 percent made in the year 1999-2000.

Regarding the districtwise loan distribution under the PMRY in Tamil Nadu, Coimbatore District performed well in providing the loan assistance under this scheme and it secured the first place during the study period.
Regarding the number of the PMRY assistance, Chennai District achieved the first place and Coimbatore district finds the second place in Tamil Nadu during the study period. The medium level achievement with 2118 number of beneficiaries of the PMRY scheme was done by Namakal District which secured the 15th rank in the target achievement of performance. Only 819 numbers of beneficiaries got PMRY assistance during the study period in Virudhunagar District which shows the poor performance in the PMRY achievement.

The analysis of variance indicates that there are significant differences in the disbursement of loan under the PMRY scheme among the districts.

CHAPTER V

The achievement of the PMRY scheme in Coimbatore District during the study period from 1993-1994 to 2001-2002 is analysed in terms of target, number of applications received, amount sanctioned and disbursed, yearwise PMRY assistance, percentage of loan distribution, number of beneficiaries, loan assistance, number of persons trained and the stipend disbursed to the beneficiaries.

The total number of persons benefited by this scheme in the study area during the study period was 10,215 and the total amount of assistance provided was Rs.6072.43 lakhs. Out of the nine years taken for this study, the highest assistance was provided during the year 1995-1996 (1430 beneficiaries, 1002.02 lakhs) and the lowest assistance was given during the year 1993-1994 (221 beneficiaries with the amount Rs.157.76 lakh).
Coimbatore Town got assistance of the highest number during the study period (6094). In Tirupur Town 1491 were given assistance and it took the second place next to Coimbatore Town. Udumalpet Town found the last place and only 299 beneficiaries got assistance under the PMRY scheme during the study period.

The participation and involvement was higher in the case of Most Backward and Backward communities in Coimbatore District of Tamil Nadu.

Public sector banks are more involved than the private sector banks in the disbursement of loan assistance in Coimbatore District under the PMRY scheme during the study period. State Bank of India provided the largest number of assistance (1455 beneficiaries) followed by Indian Overseas Bank (1329 beneficiaries) and Canara Bank (1213 beneficiaries) in the study area during the study period.

Among the three sectors of assistance, the Business sector found the first place and provided 4172 (40.84 percent) assistance during the study period in the study area. The Industrial sector found the second place and provided assistance to 3647 (35.80 percent) persons, followed by the Service sector which provided assistance to 2386 (23.36 percent) persons. The study found that all the three sectors consider it important to provide assistance but the business sector assistance is more in number than that of the other two sectors.

Of the total training expenditure, 52.07 percent was provided to the Industrial sector and 30.13 percent was provided to the Business sector. But the training expenditure incurred for the Service Sector was only 17.78 percent of the total expenditure during the study period in Coimbatore District.
2343 women beneficiaries (27.83 percent) got loan assistance under this scheme and the men beneficiaries were 7372 (72.17 percent). The analysis shows that men beneficiaries got more assistance than the women beneficiaries in Coimbatore District.

Of the total persons trained, 2109 persons (20.6 percent) got training at the Centre for Research in Social Service Technology and Culture, Coimbatore followed by 1947 persons (19.0 percent) at Coimbatore District Small Industries Association (CODSSIA). The Avinishanilingam Shirmaic Vidya Peeth, Coimbatore, also played a major role by providing training to 1798 beneficiaries (17.6 percent) in Coimbatore District.

Since the calculated 'F' value is significant the null hypothesis is rejected and it is concluded that the PMRY assistance is not the same among different communities.

Since the calculated value is significant, the null hypothesis is rejected and it is concluded that the achievement in loan distribution is not the same among different towns in Coimbatore District.

The calculated 'F' value is significant at 1 percent level of probability. Hence the null hypothesis is rejected and it is concluded that the distribution of loan assistance is not the same among different sectors under the PMRY in Coimbatore District.

Since the 't' value is significant at 1 percent level of probability, the alternate hypothesis is rejected and it is concluded that loan assistance for males under the PMRY scheme is higher than that for females in Coimbatore District of Tamil Nadu.

CHAPTER VI

To analyse the performance and impact of the scheme, 250 sample beneficiaries were selected. Of the total sample beneficiaries, 100, 50, 100 were drawn from Industrial, Service and Business Sectors respectively. Regarding the socio-economic status of the
sample PRMY beneficiaries, the dominating factors are: male entrepreneurs (78.4 percent), 25-30 age group persons (29.6 percent), married beneficiaries (77.2 percent), backward community (44.8 percent) and educated upto higher secondary level (40.8 percent).

The family status of the beneficiaries paved the way for the success of the venture. Joint family beneficiaries got more help from their family members. It helped them to run the venture successfully. In the study area individual family beneficiaries failed to run their ventures successfully. In the study area the maximum number of respondents (74.6 percent) under all the three sectors are from nuclear families.

The father's occupation status also played an important role in the success of the scheme. 52.8 percent of the respondents' fathers are business people. It is evident that those who had prior knowledge of their business or obtained guidance from their parents involved in establishing new ventures through PMRY assistance.

Under the PMRY scheme loan assistance is provided in two ways (i) Independent assistance, and, (ii) Partnership assistance. In the study area the maximum number of respondents (88.4 percent) received PMRY assistance under Independent status in all the three sectors.

Banking sector has a dominant role to play in providing PMRY assistance. In the study area 43 different public sector and private sector commercial banks are available to provide financial assistance to educated unemployed youth for setting up own enterprises. State Bank of India, Indian Bank, Indian Overseas Bank and Canara Bank are providing assistance to maximum number of youth in the study area.
Many factors influence the selection of entrepreneurial activities. The study analyses seven important factors responsible for selecting the particular kind of assistance in Coimbatore District under the PMRY scheme. The study found that the two main factors such as knowledge of business (39.2 percent), previous experience (25.2 percent) and family business (15.2 percent) have influenced the PMRY beneficiaries.

The loan repayment schedule is fixed by the bank after an initial moratorium as may be prescribed by the banks at the time of sanctioning of loan. The study finds that the repayment holidays provided by the banks are not sufficient. The service sector beneficiaries required a minimum repayment holiday period of one to three months. The business sector beneficiaries required an average of 3 to 12 months' repayment holiday period and the Industrial sector beneficiaries required the maximum repayment holiday period of 6 months to one year.

The study finds that nearly 61.2 percent of the PMRY respondents were unemployed before getting assistance under this scheme in Coimbatore District.

The main objective of the PMRY scheme is to eradicate unemployment and under-employment through packages of assistance. Hence the implementation of the scheme is in no way contradictory to the overall objective of the scheme. The average size of the family labour working in all the three sectors after availing of PMRY assistance was 69.33 man days (38.6 males, 22 females and 8.6 children). The average size of hired labour working in all the three sectors after availing PMRY assistance was 90.33 man days (40.6 male, 31 female and 18.6 children). The average size of the total labour working in all the three sectors after availing of PMRY assistance was 159.66 man days.
The major portion of the bank loan was used by the PMRY beneficiaries for fixed capital assistance and for the working capital investments the sample entrepreneurs used their own fund (37.74 percent) or get finance from private financial institutions (34.77 percent). Lack of sufficient working capital is one of the major reasons for the poor financial position of the business units belonging to the sample beneficiaries.

The income statement shows that the overall profitability and performance of the units belonging to the sample beneficiaries is good. The industrial and business sector units earn more income than the service sector units.

The commonsize income statement shows that the profitability of all the three sectors belonging to the PMRY beneficiaries is satisfactory and that they keep various expenses under control.

From the comparative income statement analysis, it is understood that the profitability of all the three sectors is almost common with some marginal differences.

The various profitability ratios of the sample units belonging to the PMRY beneficiaries in the study show a satisfactory position.

The study reveals that 89.6 percent respondents stated that the amount of stipend provided during the training is not sufficient and that they require more amount of stipend, while 80 percent of the sample respondents stated that the training provided under this scheme helps to develop the business skills and ability. Regarding the problems faced by the PMRY beneficiaries, most of the respondents (87 percent) stated that the training institutes do not provide specialised training for the venture they are going to undertake.
The major problem faced by the PMRY beneficiaries in District Industries Centre is delay in processing the PMRY application.

Under the PMRY scheme the beneficiaries are asked to prepare detailed projects before applying for getting assistance. Most of the respondents (91 percent) stated that the project preparation helps to run the venture effectively and efficiently.

The study found that the banks demanded security for providing loan assistance. It is the major problem faced by the PMRY beneficiaries for getting assistance under this scheme.

The banks are not providing need based loan assistance to the PMRY beneficiaries. This is the major reason for irregular repayment / overdues of loan amount.

The study found that the respondents' attitude to the PMRY scheme is highly satisfied. The social status of the PMRY beneficiaries after the assistance is good.

The correlation analysis indicates that loan assistance and employment are highly related and have a positive relationship. A similar relationship exists between loan assistance and earnings. Needless to say, the higher the initiative to start business enterprise higher the earnings will be.
SUGGESTIONS

The suggestions proposed here are mainly based on the measures suggested by the beneficiaries and the officials during their interview with the research scholar. The personal observations at the time of the visits to the sample units and different offices of commercial banks have also been kept in view while making the suggestions for better implementation of the scheme.

1. There are two major reasons for the present predicament. First, the youth here lack enterprise. They are badly in need of exposure and encouragement. They have no will to try any venture. It is imperative that venture culture and motivation should be inculcated from the higher secondary studies. It is imperative that entrepreneurs be groomed from the beginning and by the time they complete their studies they should be ready to plunge into some sphere of self-employment.

2. The sources also blamed the present bank rules and held the bank managers, who apply the rules, responsible for non-performing assets. This rule has completely demoralized the bankers, who are already cautious by nature, and they are always on the look-out for rejecting the applications rater than for helping the green horns. If the applications were to pour in at the fag end of the financial year, the banks would have no time to process them properly. The bankers who are already overworked because of various other governmental programmes would be in no mood to help the budding entrepreneurs. These are the major reasons for a large
number of rejections despite the applications being recommended by the DIC after thorough scrutiny.

3. In order to attract as many entrepreneurs as possible, the DIC has provided applications to all the 265 bank branches in the district.

4. Service organisations like Rotary Clubs, Lions Clubs, Small Scale Industries Associations, old students associations, etc., must be requested to co-operate in this endeavour.

5. NSS volunteers should be deployed to analyse and provide a feedback on the Prime Minister's Rozgar Yojana (self-employment programme) in Coimbatore District. The volunteers should go from door to door to get the feedback.

6. Time-lag between the identification of beneficiaries and disbursement of loans should be reduced to the minimum through joint efforts of the DIC and bank officials.

7. Bunching of applications at the end of the financial year should be discouraged with a view to affording a reasonable time to the bank branches for taking proper decision on the merits of each case.

8. Personal contact with the borrowers by the DIC and banks will help in spreading the message about the scheme quickly and most effectively.

9. Frequent visits on the part of the bank and DIC officials as proper follow-up and supervision will improve the recovery to a great extent.

10. The Task Force can recommend an approved list of suppliers of machinery or equipments to the banks in order to avert misuse of loan by the beneficiaries in collusion with bogus or dishonest suppliers.
11. The most important aspect of the self-employment scheme is the identification of beneficiaries in various trades and activities where there is considerable scope for gainful occupation. To make the scheme more realistic, suitable project profiles should be kept ready by the DIC for the use of PMRY beneficiaries. These project reports should be based on local resources available and local needs.

12. Due to fund constraints, benefits could not reach more people. To avert such a situation, a high level recovery committee should be constituted with the Collector as its chairman, and the general manager of the District Industries Centre as convener.

13. The government should take necessary steps to implement the PMRY scheme through educational institutions. That would help to start self employment in a successful way.

14. The authorities also should take necessary step to provide self employment assistance to those who have prior knowledge about the venture and provide assistance to their family based business.

15. The banker should take necessary step to provide need based assistance to educated the unemployed. That helps to start their venture with all faculties and run their business successfully.

16. The banker should also take necessary steps to provide working capital assistance to PMRY beneficiaries. That helps to run the business without difficulty.

17. There should be periodical meetings among the officials of the DIC and the banks to discuss the problems confronted in the implementation of the scheme.
18. While giving assistance care may be taken to provide such assistance to those who want involve in doing their family business and who are supported by the members of their family in the business.

Conclusion

After the implementation of the programme in the study area all the beneficiaries who started ventures with full commitment and involvement have enhancement in their employment and income level. To conclude, it can be categorically stated that the PMRY scheme is really working well and laudable and well directed towards curbing of ever growing unemployment problems of the educated youth in the country witnessed in the recent years. Over the last one decade the scheme has greatly helped a large number of educated unemployed youth to become self-employed and hence self-dependent. In fact, the success or otherwise of any government sponsored scheme would highly depend on the honesty and the efficiency of the beneficiaries.