



## OVERVIEW OF PRIME MINISTER EMPLOYMENT GENERATION PROGRAMME IN NORTH EASTERN REGION

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### **Abstract**

*Employment generation serves as a significant indicator of economic development, requiring collaborative efforts from local bodies, state governments and central government to stimulate job creation across all sectors. The success of a country hinges upon achieving higher and more stable rates of economic growth, supported by policies and programs that encourage employment opportunities in all sectors of the economy. With a long-term vision, two programs were merged in 2008-09 to establish the Prime Minister Employment Generation Programme (PMEGP). The primary objective of the program is to provide employment opportunities for both rural and urban youth with a special focus on the North Eastern Region (NER) in India. The NER includes Arunachal Pradesh, Assam, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura. By strengthening the economic foundation of this region and harnessing its untapped resources, the PMEGP aims to promote better utilisation and development for the benefit of NER.*

**Keywords:** *PMEGP, NER, Employment etc.*

### **Introduction**

Generating productive and adequately compensated jobs is an essential element in the battle against poverty. All the states and union territories in India face a significant challenge in this endeavour. Considering that India is primarily a rural country, Mahatma Gandhi emphasised the Go to Village approach. Whenever any programme or scheme is planned for growth and development of India, it becomes necessary to take both urban and rural development into consideration. Poverty hinders the achievement of equality in our nation. Employment generation serves as a vital instrument in combating poverty, but it is a complex task. Formulating effective programs and policies presents an even greater challenge for the states. Employment generation serves as an economic development indicator and requires collaborative efforts from local bodies, state governments and the central government to stimulate job creation across all sectors. A country's success depends on restoring higher and more stable rates of economic growth, accompanied by supportive policies and programs that foster employment opportunities in all sectors of the economy. Achieving the target necessitates coordinated action and efforts from various ministries and government departments at both the national and state levels. Since after independence and implementing five-year plans, Indian government has endeavoured to create employment for rural and urban youth through different schemes, funds and policies. The Rural Employment Generation Programme implemented by Khadi and Village Industries Commission aimed to promote self-employment among rural youth. At the district level Pradhan Mantri Rojgar Yojna was implemented by District Industry Centres which pursued a similar objective of providing employment opportunities to young people. In 2008-09 these two programs were merged to form the Prime Minister Employment Generation Programme (PMEGP) with a long-term vision of offering employment to both rural and urban youth.

The generation of productive remunerated employment is an indispensable component in the fight against Poverty. PMEGP is one of employment generation programme designed to provide employment to unemployed youth of rural and urban areas. The aim of the present research paper is to



the overview of PMEGP in North Eastern Region in terms of the employment generation, Units assisted in a decade under PMEGP in this region.

### **Objectives of the study**

1. To know about Prime Minister Employment Generation Programme (PMEGP)
2. To study the impact of Prime Minister Employment Generation Programme (PMEGP) in North Eastern Region (NER).

### **Prime Minister Employment Generation Programme (PMEGP)**

Rural Employment Generation Rojgar Yojna (PMRY) and Rural Employment Generation Programme were operated till 2008. But in 2008 Prime Minister Employment Generation Programme was launched with merging these both schemes. It is centrally controlled and administered by Ministry of Micro, Small and Medium Enterprises (MSME). It is also known as new credit linked subsidy programme. Though the whole control is under MSME, KVIC is a single nodal agency for the implementation of the scheme at national level. This scheme is implemented through KVIC state directorates, Khadi and Village Industries Boards (KVIBs), and District Industry Centers (DICs) and banks. Beneficiaries get government subsidy in their bank accounts through identified channels via KVIC. Means KVIC has the crucial role in successful implementation of PMEGP.

### **PMEGP is launched with some deliberative objectives. Some of them are as follows**

1. To generate employment opportunities in rural as well as urban areas of the country through setting up of new self-employment ventures/ projects/ micro enterprises.
2. To bring together widely dispersed traditional artisans/rural and urban unemployed to the extent possible, at their place.
3. To provide and sustainable employment to a large segment and prospective artisans and rural and urban unemployed youth in the country, so as to help arrest migration of rural youth to urban areas.
4. To increase the wage-earning capacity of artisans and contribute to increase in the growth rate of rural and urban employment.

PMEGP is a key initiative of the Ministry of MSME that effectively generates employment opportunities in both urban and rural areas of India by facilitating the establishment of micro enterprises. The economy of the North Eastern Region in India possesses distinctive physical, economic and socio-cultural characteristics. Despite its significant development potential, the regions economy remains underdeveloped, characterised by poverty, underutilised human resources and untapped natural resources. The eight states in NER exhibit variations in terms of resource endowments, levels of industrialisation and infrastructure. In comparison to other regions in the country, the NER is the least industrially developed, with a slow pace of industrialisation. The industrial sector in the region is primarily concentrated in specific areas such as tea, petroleum, coal, jute and forests.

Regional planning plays a crucial role in evaluating the potential of regions and developing them for the benefit of the entire nation. However regional planning can only contribute positively to the economy when it is integrated effectively with national level economic and social development. Therefore to attract and foster a conducive investment in NER, it is imperative to implement both regional and national planning strategies to accelerate industrial growth in this area.



India exhibits diverse nature and characteristics, necessitating a comprehensive focus on every region for overall development. It is particularly crucial to prioritise the North Eastern Region which possesses its distinct identity shaped by its unique physical, economic and socio cultural aspects. Despite its immense potential, this region has remained underdeveloped, leading to widespread poverty. It is evident that the NER consistently lags behind other regions in terms of industrialisation. Thus studying the role and impact of PMGP in NER becomes essential in addressing it and promoting growth in this sector.

The unemployment rate in India is estimated to be around 8.8% as compared to 6.1% in USA, 3.9% in Japan. The solution for this malady is urban and rural industrialization which can generate employment opportunities. PMEGP scheme is successful in addressing this issue. Since inception of the Scheme in 2008-09, a total of 2.89 lakh units were set up in the country generating 25.41 lakh employments by disbursing Rs.5652.47 crore as margin money till 31.12.2015. In North Eastern States, since inception of Scheme a total of 48195 have been set up, involving margin money of Rs.557.90 crores and providing employment to 2.90 lakhs persons.

Unemployment is considered as an indicator of health of economy. When people cannot seek jobs according to their skills and ability, the state can be summarised as unemployment. Employment fosters to growth and development of economy and overall mankind. Unemployment is a greater challenge for India from its origin. Here special focus is on North Eastern Region. Arunachal Pradesh, Assam, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura are included in NER in India. 70% population in this region is dependent on agriculture for their livelihood. Agriculture has the characteristic of disguised and seasonal unemployment. So it becomes very challenging for north east economy to boost the employment ratio of the economy. Government is trying very hard for getting better results in this area. PMEGP also playing a bigger role towards it.

Special efforts are made by KVIC through PMEGP to create and provide employment in NER. The following table and graph shows how many PMEGP projects were assisted by utilising Margin Money Subsidy in North Eastern Regions during 2017-18 to 2021-22.

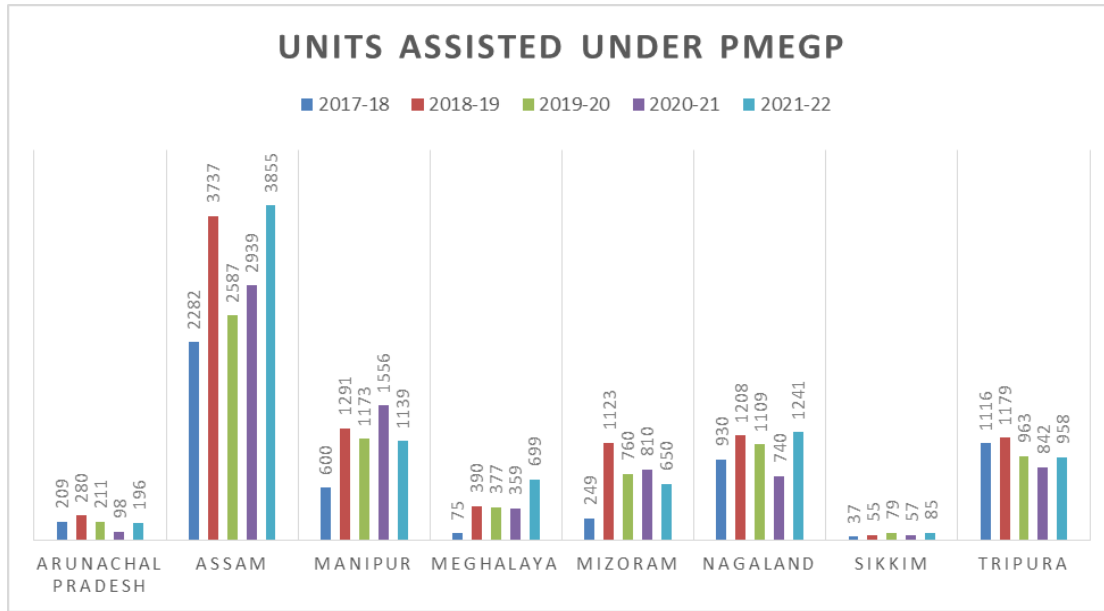
**Table 1.1,Units Assisted (Number) under PMEGP**

Sr No	State	2017-18	2018-19	2019-20	2020-21	2021-22
1	Arunachal Pradesh	209	280	211	98	196
2	Assam	2282	3737	2587	2939	3855
3	Manipur	600	1291	1173	1556	1139
4	Meghalaya	75	390	377	359	699
5	Mizoram	249	1123	760	810	650
6	Nagaland	930	1208	1109	740	1241
7	Sikkim	37	55	79	57	85
8	Tripura	1116	1179	963	842	958
	<b>Total</b>	<b>5498</b>	<b>9263</b>	<b>7259</b>	<b>7401</b>	<b>8823</b>

Source: <https://msme.gov.in> MSME Annual Report 2017-18 to 2021-22



The achievements made in terms of units assisted under PMEGP is presented in the above table. Number of units assisted is increased in 2021-22 by 37.69% than 2017-18. But if compared 2019-20 with 2018-19, the result is reversed. It has decreased by 21.63% than 2018-19. This happened during COVID-19 pandemic. Then again the trend is in ascending order. These units numbers increased by 3.27% in 2020-21 and by 16.11% in 2021-22. This is a hoping trend in this underdeveloped region which is necessary to get balanced growth and development in overall country.



When the point of erosion of poverty, balanced growth and development, come it becomes necessary to create employment opportunities through various programmes and various efforts. PMEGP is a one part of such schemes. Hence not only to study and analyse the number of units assisted under the same will show the result of this scheme but it becomes necessary to take a overview about the rate of employment generated through it. The following table shows these figures which are collected through the MSME reports of Government of India.

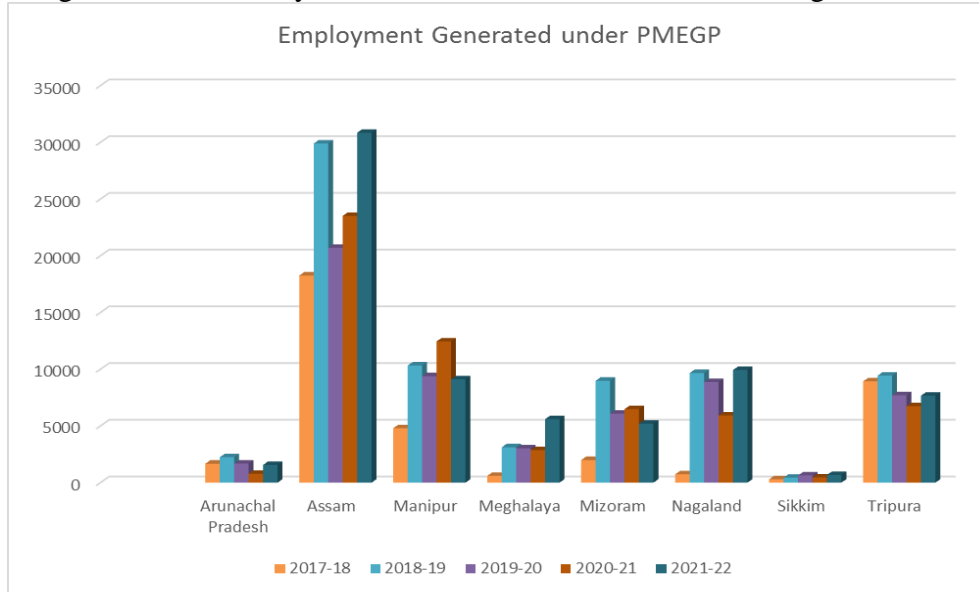
**Table 1.2, Employment generated**

Sr No	State	2017-18	2018-19	2019-20	2020-21	2021-22
1	Arunachal Pradesh	1672	2240	1688	784	1568
2	Assam	18256	29896	20696	23512	30840
3	Manipur	4800	10328	9384	12448	9112
4	Meghalaya	600	3120	3016	2872	5592
5	Mizoram	1992	8984	6080	6480	5200
6	Nagaland	740	9664	8872	5920	9928
7	Sikkim	296	440	632	456	680
8	Tripura	8928	9432	7704	6736	7664
	<b>Total</b>	<b>43984</b>	<b>74104</b>	<b>58072</b>	<b>59208</b>	<b>70584</b>

Source: <https://msme.gov.in> MSME Annual Report 2017-18 to 2021-22



The graph can provide a clear design about how the no of employment generated through PMEGP is going on, each eight state wise and year wise from 2017-18 to 2021-22 at a glance.



Employment generation is a key factor of development. This is clear from the table 1.2 that how much employment generated under PMEGP in North Eastern Region during 2017-18 to 2021-22. Total increase in employment in the year 2021-22 is 37.68% than 2017-18. Here also the same situation during COVID-19, in the year 2019-20. The rate of employment generated unde PMEGP gets down in 2019-20 by 21.63%. But again it starts to increase gradually after 2019-20 which was 1.96% more than 2019-20 and it shoots up by 49.59% in 2021-22.

### Conclusion

Thus it can be said that Prime Minister Employment Guarantee Programme has a crucial role in determining the economic wellbeing of North Eastern Region. PMEGP is also getting importance in the NER economy in our country such as KVIC. It can help to strengthen the economic base of this region and tap the untapped resources for better utilisation for the sake of the region.

It is clear that the scheme has obviously increased the income of the rural poor’s and unemployed youths, but to the limited extent. The PMEGP scheme along with other state government schemes have been doing well in providing jobs over the years. But the increasing rate of units assisted under this programme and employment generation is not satisfying. There can be various reasons. Hence the study can further be proceeded by taking certain variables for studying the impact of PMEGP on North Eastern Regions growth and development.

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