



## Entrepreneurship as an instrument for generating employment avenue among youth

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### Abstract

Entrepreneurship play a paramount role in the career development of educated unemployed youth. Government has been implemented various scheme to create employment opportunities among youth. The research objectives were to study the progress of EDP on Prime Minister's Rozgar Yojana Scheme; To examine the contribution of DIC and Banks in promoting entrepreneurship development scheme of PMRY; To evaluate the impact of EDP on business, service and industrial units; and to assess the perception of beneficiaries about the EDP under PMRY scheme. This study has adapted multi-stage non-probability sampling method namely Judgement Sampling. The target population of the study was 349. The major findings of the study were the employment opportunities created to the educated unemployed youth nearly 9.78 lakhs, 14.46 lakhs and 17.88 lakhs beneficiaries during 8<sup>th</sup>, 9<sup>th</sup> and 10<sup>th</sup> plan respectively; Majority of the respondents (66 per cent) opined that entrepreneurship training was very much useful for getting an exposure of the business; Around 81.94 per cent opined that, they were economically empowered through the scheme. The study concludes that government programme has been implemented for the growth and development of unemployed youth towards generating employment opportunities to eradicate unemployment in our country.

**Keywords:** Entrepreneurship, employment opportunity, unemployed youth and PMRY scheme

### Introduction

Entrepreneurship plays a significant and potential role in career development of unemployed youth. It refers to identifying or innovating ideas, product and services; mobilizing resources; organizing production or service and finally marketing them covering the risk with constant strive for growth and excellence.

India's population has been increasing day by day but employment opportunities are not increasing proportionately. Hence, the Government of India has been implementing various employment and self-employment schemes to improve their skills, personality, thinking capacity and entrepreneurial ability of the educated unemployed youth. The pioneering scheme in this line is Self-Employment Scheme for Educated Unemployment Youth (SEEU) which was implemented on August 15, 1983 and subsequently renamed as Prime Minister's Rozgar Yojana (PMRY) scheme on October 2, 1993 with unique salient features are training-based lending towards aspiring unemployed youth by imparting entrepreneurial spirit.

Income generating and self-employment activities undertaken by an entrepreneur not only create employment for him but also for others. The objective of entrepreneurial development is to motivate a person for entrepreneurial career and to make him capable of perceiving and exploiting successful opportunities for enterprises<sup>[1]</sup>. Entrepreneurship Development Programmes are carried out by various Universities, Colleges and Non - Governmental Organization with the support of State and Central Government.

The Entrepreneurship Development Programme has been implemented through various recognized agencies in the state of Tamilnadu. The District Industries Centre has undertaken the job of promoting the entrepreneurship at the grass root level through Prime Ministers Rozgar Yojana Scheme which is brought under the direction of Government

of India. Hence, it is an instrument for creating employment opportunities among productive age group. Therefore, the researcher attempted to assess PMRY scheme in promoting entrepreneurship in Tamilnadu.

### Statement of the Problem

The Government of India has implemented various employment-oriented schemes (IRD, JRY, NRY and EAS etc) to remove poverty, unemployment and underemployment. Among the various schemes, Prime Minister's Rozgar Yojana (PMRY) is very popular and continuously carried out for generating employment opportunities among educated unemployed youth. Under the scheme, the beneficiaries could obtain financial assistance for setting up of micro enterprises apart from the need-based training programme and also facilitates the weaker sections of the community to establish micro enterprise and improve their standard of living and obtained the growth and development as a whole. A significant portion of beneficiaries were not able to receive the necessary training programme, financial institutions were not lending adequate credit assistance to the beneficiaries and concentrated more on business, service sector rather than industrial activity. Besides poor repayment, slow disbursement of credit to the beneficiaries, inadequate credit against the proposed amount is some of the persisting problems under this scheme. It is essential to study and evaluate the success or failure of any governmental programme and such evaluation helps the government to review the scheme and incorporate necessary changes towards its betterment.

Out of thirty-two districts in Tamilnadu, Sivaganga, Pudukottai and Dindigul districts were alone chosen for the study. The State of Tamilnadu was divided into three strata, namely Developed, backward, and most backward and one district from each category was chosen to be the sample district representing the category on the basis of judgement.

Hence, the study has made an attempt to evaluate the self-employment scheme especially PMRY scheme and offer valuable findings and suggestions to Government, Bankers, and Policy makers in order to work out the modus operandi of this self-employment scheme in future.

### Specific Objectives of the Study

1. To study the progress of Entrepreneurship Development Programme on PMRY scheme.
2. To examine the contributions of District Industries Centre and Banks in promoting entrepreneurship development scheme of PMRY.
3. To evaluate the impact of Entrepreneurship Development Programme on Business, Service and Industrial units.
4. To assess the perception of beneficiaries about the Entrepreneurship Development Programme (EDP) under PMRY scheme.

### Hypotheses of the study

The following hypotheses were formulated and tested so as to substantiate the objectives of the study:

- There is no significant difference in the type of occupation of the PMRY Beneficiaries in the three districts.
- There is no significant difference between the EDP training provided by the various institutions of the three districts.
- There is no difference on opinion about bankers' priority of financing among the beneficiaries of three districts.
- There is no difference in the associated factors that influenced bankers to finance under PMRY scheme in the three districts.

### Methodology of the Study

The present study is an empirical research based on both primary and secondary data, facts, figures and information. The primary data were collected from the selected beneficiaries of PMRY scheme through a well-structured Interview schedule in the selected districts of Tamilnadu. Being the link agents under the scheme, opinion from the officials of Banks and District Industries Centre were also obtained and utilized in the study.

The secondary information was collected from state level banker's committee report, annual credit plan prepared by the concerned district lead bank, Annual Reports of Ministry of Agro and Rural Industries, records maintained by the District Industries Centre and Banks and also from various Journals, Magazines, newspapers and related websites.

### Sampling Method

For collecting reliable primary data from the PMRY beneficiaries, the present study has adapted multi stage non-probability sampling method *viz.*, Judgement sampling. Respondents were selected representing both the Gender categories. In this direction, the banks have disbursed loan to 6,988 beneficiaries during the period 1993-94 to 2002-2003. From this, researcher has chosen 5 per cent of the total population as sample respondents which comes to 349. They were identified by judgement basis from the selected districts namely Sivaganga (93), Pudukottai (121), and Dindigul (135) in Tamilnadu.

### Data Analysis

It is an evaluatory type of research based on both primary and secondary data. Beneficiaries under PMRY scheme were approached through personal interview and their perceptions were taken in to account for eliciting meaningful attributions and statistical inferences. Comparison may be made among commercial Banks and District Industries Centres and among the gender classification of beneficiaries and also among various trades. The study also applied cross sectional analysis in addition to the measure of central tendency (Mean, Median and Mode) and dispersion apart from descriptive statistics. Besides, relevant hypothesis tests *viz.*, Chi-square test, Annual and common growth rate, ANOVA, Rank correlation and Kendall's Correlation test were also applied for analysis and to elicit meaningful inferences.

### Period of the study

The secondary data has been collected from the inception of the Prime Minister's Rozgar Yojana Scheme *i.e.*, from 1993-94 to 2006-2007. For the purpose of collecting primary data, the beneficiaries who have launched and operated their business ventures under this scheme and who have minimum of 3 years post training experience were contacted, interviewed and their perception about the training programme, utilization of credit, banker's view on PMRY scheme was elicited.

### Limitations of the Study

The study entails certain limitations encountered in the present research work. One of the important limitations is that though there are large numbers of self-employment programme operated in Tamilnadu, the present study is confined only to the Prime Minister's Rozgar Yojana which was launched on October 2, 1993. Yet another limitation is that the study is confined to geographical area of Sivaganga, Pudukkottai and Dindigul Districts alone. Based on evaluation the study has specifically identified beneficiaries who have completed a minimum of three years of post-training experience and successful their business people. The analysis shows that majority of the respondents were not ready to show their property details, fearing tax and other consequences so as to assess the economic empowerment.

### Review of Literature

A comprehensive review of the earlier research studies on Entrepreneurship Development Programme, credit utilization of PMRY scheme, evaluation of Prime Minister's Rozgar Yojana scheme is highly imperative and essential to identify the "Problem area" related to the present research work. It also helps in the identification of the research gap and various research reports, leading magazines, and books relating to entrepreneurship development were reviewed. The most important literatures have given below:

Natarajan, P. & Kanagaraj, K (2006) <sup>[5]</sup> in their research article on "*Entrepreneurial Opportunities*" stated that the training programme under PMRY scheme have been conducted mainly for creating employability among educated unemployed youth. The authors found that 68.42 per cent of beneficiaries belonged to urban areas, while 31.58 per cent of them belonged to rural areas. Due to lack of awareness about government schemes, the beneficiaries

in rural areas were unable to avail benefit under this programme.

The ultimate aim of the scheme is to lend financial assistance towards for establishing business venture to generate an employment opportunity in order to solve the problem of unemployment but majority of the trainees who have undergone through the training programme applied for the loan mainly for the expansion of their existing units. The study reveals that most of the beneficiaries have availed loan for undertaking trade activities followed by service and manufacturing units. The DIC should recommend that the priority should be given to manufacturing sector rather than business and service.

Josephine Jerry (2006) <sup>[5]</sup> in his research article on “*Analysis of the credit utilization by the unemployed youth under PMRY's*” the study emphasized that, under the scheme more entrepreneurs should be encouraged to take up the venture in engineering, automobile, textile units, so that they can enjoy the different advantages of the unit. It is imperative and essential that Women workers are to be encouraged still more.

The study incorporated 75 samples out of 520 beneficiaries through lottery method. Majority of the sampled unemployed youth were males. The samples have involved in six types of industrial occupations like service, Agro, textile, engineering, automobile and electrical and electronics.

The study found that majority of the women workers in the study area had some experience and knowledge about their business; the number of experienced workers was more in service sector industry, rather than in engineering, automobile, textile and electrical and electronic units; Child labour problem is insignificant in the study area except in the textile units and majority of them were members of women's union.

The study concluded from the point of view of profit, engineering industries stands first and automobile industries stands first in savings and it is left to the mindset of the entrepreneurs in choosing the area of industrial occupation and the study suggested that under PMRY scheme more entrepreneurs should be encouraged to take up the venture in engineering automobile, textile unit so that they can enjoy the different advantages of the unit.

Udayakumar and Sreedhara (July, 2002) <sup>[7]</sup> in their article entitled “*Entrepreneurship Development Programme: An Analysis*” state that, a larger number of governmental and non-governmental institutions are engaged in conducting training activities directed towards developing entrepreneurship. The objective of this EDP is to increase the number of entrepreneurs who start new business units, diversifying the social base of entrepreneurs from non-conventional sources, improving the quality of entrepreneurship to reduce the incidence of industrial sickness and also reducing the incidence of unemployment by creating opportunities for self-employment. These objectives can be achieved through a well-designed EDP

which has three important stages like pre-training, training and post training.

The methodology of selecting the aspirants for entrepreneurial training are on the basis of certain psychological variables like the need for achievement, ability to take calculated risk, self-confidence, problem solving nature, awareness of available alternatives and leadership qualities. The study concluded that evaluation studies on EDP show that the number of trainees who started business units after training intervention is not up to the expected level. Therefore, entrepreneurial aspirants have to change their mindset by acquiring new ideas and skills during the training period consciously and consistently.

Kanagaraj, K (1999) <sup>[8]</sup> in his research article on “*Prime Minister's Rozgar Yojana: An evaluation*” stated that Unemployment is considered as a significant problem in all developing countries. To eradicate the problem of unemployment the government of India has implemented employment generation programme for Educated Unemployed Youth (SEEUY). Under this scheme, the beneficiaries got little amount of financial assistance for starting business venture. To overcome this demerit, the government of India has formulated a new scheme called Prime Minister's Rozgar Yojana on 2<sup>nd</sup> October 1993 with the aim of setting up 7 lakhs micro enterprises, providing self-employment to more than a million people.

Out of 688 beneficiaries, the study reveals that, nearly 80.08 per cent of the beneficiaries belong to males and 24.86 per cent are females; urban borrowers are more benefited, that is 71.22 per cent of beneficiaries belong to urban areas, 28.77 per cent belong to rural areas, because of lack of awareness about the programme.

Generally, major loan amount is given to manufacturing unit rather than business and service unit, only 20.2 per cent of the beneficiaries were production-oriented borrowers and rest of them undertook other than manufacturing activity. Hence, the Department of Industries and Commerce should strongly recommend for the selection of new entrepreneur, and the priority should be given to manufacturing sectors.

The author has pointed out some important suggestion in order to strengthen the scheme namely to create awareness about the scheme both in rural as well as in urban areas. The bank loan should be given to new entrepreneur and not to existing entrepreneur. The government should take necessary action whether the loan should be properly utilized by the beneficiaries. The bank should not insist on the collateral security from the beneficiary.

## Results and discussion

### Profile of Respondents

It is given that PMRY scheme has been implemented in India without any gender discrimination developing mainly on the population of both men and women entrepreneurs. To know the ratio of participation of gender category in different study district areas, gender wise classification of respondents was made as given in Table 1

**Table 1:** Gender wise classification of respondent's

S. No	Name of District	Male	Female	Total
1.	Sivaganga	48 (52)	45 (48)	93 (27)
2.	Pudukottai	47 (39)	74 (61)	121 (35)
3.	Dindigul	78 (58)	57 (42)	135 (38)
Total		173 (49)	176 (51)	349 (100)

Source: Primary data

Table 1 shows that gender-wise classification of respondents obtained from the selected districts. As a whole, the table reveals that 51 per cent of beneficiaries were females and 49 percent of them were males. It is inferred that women are more in participating in the PMRY schemes and at the same time availing benefits.

**Age of Respondents**

Age factor has a direct relationship with the entrepreneurship. As the person grow up in age, they gain experience, acquire sense of responsibility and take-up ventures. It is important to promote & involve productive age group and make accessible to the entrepreneurship skills.

The Age wise classification of the respondents considered the norms fixed by the government of India, namely persons in the age group of 18–35 years for all educated unemployed in the country are eligible to get loan. Moreover, scheduled caste and scheduled tribes, ex-service men were also eligible to participate in the scheme.

An application of measures of central tendency (Mean and Mode) to find out the average age of respondents involved

and participated in PMRY scheme reveals that, the average age of respondents who participated more in the selected district is 32 in Sivaganga followed by 31 in Pudukottai and Dindigul districts. The table shows that, the age of 31 is the average age for the total selected districts.

But the average age of the respondents among three districts was slightly different from each other. The above table 2 shows that 31 is the modal age in Sivaganga, 34.00 in Pudukottai and 26 in Dindigul district. Hence, youth has come forward to cultivate the habit of entrepreneurship for improving their socio- economic status.

**Occupational Distribution Pattern**

PMRY scheme encourages unemployed youth to take up self-employment avenues in all the three categories of business namely, trade, service and industry. The occupational profile of the respondents helps in the identification of the preference of a particular business and also PMRY beneficiaries in taking up different business category in respective districts. It refers to the type of occupations they undertake by availing assistance under PMRY scheme.

**Table 2:** Occupational distribution pattern of respondent’s

S. No	Name of District	Business	Service	Industry	Total
1.	Sivaganga	34	40	19	93
2.	Pudukottai	61	38	22	121
3.	Dindigul	67	52	16	135
Total		162	130	57	349

Source: Primary data

The operational activities of the beneficiaries under PMRY scheme were classified into business, service and manufacturing sectors. As per the government regulations, majority of the loan should be given to industrial oriented units rather than business and service ventures.

Table 3 shows that the distribution of respondents based on their occupation indicate that nearly 43.01 per cent belong to service sector in Sivaganga district whereas, around 50.41 per cent in Pudukottai district and 49.62 per cent in Dindigul district belong to business sector.

The formulated hypotheses are:

**H<sub>0</sub>:** There is no significant difference in the type of occupation of the PMRY Beneficiaries in the three districts.

**H<sub>1</sub>:** There is a significant difference in the type of occupation of the PMRY Beneficiaries in the three districts.

It was essential to test the hypothesis, it is found that the calculated chi-square value (7.48) is less than the table value (9.488) at 5 per cent level of significance, degree of freedom 4. Hence, the hypothesis is rejected and the null hypothesis

is accepted which means, there is no significant difference in the type of operational activities of the beneficiaries among three districts. It is therefore inferred that beneficiaries of all selected districts were involved for establishing a self-employment unit like Petty shop, Provisional shop, Xerox shop, Hotel, Spare parts shop (two-wheeler), candle making, and agarpathi making under PMRY scheme.

**Training Institutions**

There are lots of recognized training institutions imparting entrepreneurial skills and training to entrepreneurs throughout the country. Moreover, Regional Level Institutions, State Level Institutions, Non-Governmental Organizations (NGO’s) and many universities are involved in offering training programme. The District Industries Centre is made arrangements to approach the recognized university/college or reputed progressive NGOs for the purposes of engaging them to offer required training inputs.

**Table 3:** Training institutions imparting entrepreneurial skills to PMRY beneficiaries

S. No	Institutions	SVG	PUDI	DGL	Total
1.	University / College	80 (86.02)	8 (6.61)	22 (16.30)	110 (31.52)
2.	Non-Governmental organization	13 (13.98)	31 (25.61)	91 (67.1)	135 (38.68)
3.	Centre for Entrepreneurship Development (CED)	0	79 (65.28)	22 (16.30)	101 (28.94)
4.	Not participated	0	3 (2.48)	0	3 (0.86)
Total		93	121	135	349

Source: Primary data, SVG – Sivaganga, PUDI – Pudukottai DGL - Dindigul

Entrepreneurship Development Training (EDP) is an organized and systematic way of building the capacity,

ability, capability of PMRY beneficiaries in order to overcome the problems while doing business activity and

regarded as a tool of industrialization, economic development and ultimately offering solution to unemployment problem.

Entrepreneurship Development Training is carried out by universities, colleges, non-governmental organizations and government institutions like Centre for Entrepreneurship Development, Rural Training Centre etc. The above table 5 shows the institutions from which EDT was undertaken by the beneficiaries. Nearly 86.02 per cent of the respondents in Sivaganga district have undergone the training programme from recognized academic institutions like university, college; around 65.29 per cent of beneficiaries in Pudukottai district have received the training through government institutions like, Centre for Entrepreneurship Development and 67.41 per cent of the beneficiaries in Dindigul district acquired training through non-governmental organizations like WIDE trust, Entrepreneurship Development Institute, (Guindy), and Centre for Entrepreneurship Development (Madurai)

The formulated hypotheses are:

**H<sub>0</sub>:** There is no significant difference between the EDP training provided by the various institutions of the three districts.

**H<sub>1</sub>:** = There is a significant difference between the EDP training

provided by the various institutions of the three districts.

It aims at examining the relationship existing between the training input received from institutions by the beneficiaries of three districts.

It is imperative to test the hypothesis the calculated chi-square value and the table value were compared. It was found that the calculated chi-square value was greater than the table value at 5 per cent level of significance. Hence, hypothesis is proved which means there is difference in the Entrepreneurship Development Programme Training provided by the Training institutions in the three districts. It is therefore inferred that both government as well as non-government organizations have imparted management-oriented training programme to the PMRY beneficiaries and created awareness among the youth about small and medium enterprises.

**Priority in financing**

For a banker, Priority in financing depends largely on the ability and capacity of the borrower to repay the loan regularly without fail namely both the principal amount and interest amount. Several bankers in the past experience had declined to finance a particular sector or business activity wherein there are large numbers of defaulters. Hence, it is highly essential to find out from the loan beneficiaries of the PMRY, the indifference shown by bankers in lending credit under PMRY scheme. It is clearly indicated in Table 4.

**Table 4:** Opinion on bankers’ priority of financing

S. No	Line of Activity	SVG	PUDI	DGL	Total
1.	Business Venture	40 (43.01)	49 (40.50)	58 (42.96)	147 (42.12)
2.	Service Unit	16 (17.20)	8 (6.61)	27 (20.00)	51 (14.62)
3.	Manufacturing unit	36 (38.71)	59 (48.76)	47 (34.82)	142 (40.69)
4.	Other activities	1 (1.08)	5 (4.13)	3 (2.22)	9 (2.57)
Total		93	121	135	349

**Source:** Primary data

Bank plays a significant role in promoting entrepreneurship in the areas of business, service and manufacturing sectors. The above table 6 presents respondents’ opinion about bankers’ priority of financing different lines of activity. The table shows that nearly 43.01 per cent of the respondents in Sivaganga district and 42.96 per cent of the respondents in Dindigul district indicated that bankers are lending credit facilities by giving much importance on the business venture whereas 48.76 per cent of the respondents in Pudukottai District have opined that bankers are also providing credit facilities to the manufacturing sector.

The study has used chi-square test to examine whether the bankers had given equal preference for all line of activities in the sample districts chi-square test has been used.

The formulated hypotheses are:

**H<sub>0</sub>:** There is no difference on opinion about bankers’ priority of financing among the beneficiaries of three districts

**H<sub>1</sub>:** There is a difference on opinion about bankers’ priority of financing among the beneficiaries of three districts

Since the calculated value of chi-square (13.63) is greater than the table value (12.592) at 5 per cent level of significance. The hypothesis is proved and null hypothesis is disproved, which means that there is a significant difference on opinion about bankers’ priority of financing among the respondents of three districts. It is therefore inferred that bankers are not treated equally on the line of activities selected by the beneficiaries and also observed the amount proposed by the beneficiaries for every business ventures. Further, it is interesting to note that bankers have not fully come forward for promoting lending functions in the manufacturing sector compared with business, service sector. Subsequently, the study reveals that Bankers are not willing to provide credit facilities to the new entrepreneurs rather than the existing entrepreneur.

**Bankers Objectives of Financing under PMRY Scheme**

The primary objective of any financing institution in lending operations is earning profit whether private sector or public sector. In order to know the objectives of the banker, researcher analysed the perspective of the borrowers under this study.

**Table 5:** Opinion of bankers objectives of financing under PMRY scheme

S. No	Objectives	SVG	PUDI	DGL	Total
1.	Achieving the target set by government.	32	71	84	187
2.	Creation of new Entrepreneur	36	31	34	101
3.	Political influence	2	1	2	5
4.	Developing existing Entrepreneur	22	2	4	28
5.	Other objectives	1	16	11	28
	Total	93	121	135	349

**Source:** Primary data, SVG – Sivaganga, PUDI – Pudukottai DGL – Dindigul

The respondent's opinion on the objectives of bankers while extending financial assistance to the beneficiaries of PMRY scheme shows that a significant portion of the respondents (38.70 per cent) in Sivaganga district opined that the banker's objectives are lending credit facilities to the beneficiaries for creating new entrepreneurs, rather than financing of the existing entrepreneurs. Nearly 58.67 per cent of the respondents in Pudukottai district, and 62.22 per cent in Dindigul district expressed that the main objective of the bankers was only to achieve the target fixed by the state government. Hence, there is a marked difference of opinion regarding the factors that influenced bankers to finance stipulated projects. It is therefore inferred that achieving the target is the main objectives of bankers rather than generating new entrepreneurs against the existing entrepreneurs.

In order to examine association of responses of the three districts towards the factors that influenced the banker in financing under PMRY scheme.

The formulated hypotheses are:

**H<sub>0</sub>:** There is no difference in the associated factors that influenced bankers to finance under PMRY scheme in the three districts.

**H<sub>1</sub>:** There is a difference in the associated factors that influenced bankers to finance under PMRY scheme in the three districts.

Since the calculated value of chi-square (62.055) is greater than the table value (15.507) at 5 per cent level of significance, the hypothesis is proved and null hypothesis is disproved which means that there is a difference on the factors that influenced bankers to finance under PMRY scheme in the three districts.

The study reveals that the bankers are providing credit facilities to the PMRY beneficiaries mainly for achieving the target set by the Government and not for creating new breed of entrepreneurs neither for developing the existing entrepreneur.

### Role of District Industries Centres in Promoting Self-Employment

The District Industries Centre acts as a bridge between the government and the general public and its role is inevitable to individual entrepreneurs for their growth and development. The main objective of DICs is to promote district-wise industrial development in India

The aim of DIC's is to mitigate the small industries, rural artisans in the Backward Areas so as to help the weaker sections of the community in the rural / backward areas to initiate village industries in order to improve their economic status. The DIC programme is a centrally sponsored scheme, and it is implemented by the state governments. All the activities of the agencies like Coir Board, Silk, Khadi, Handloom, Handicrafts and Village Industries are integrated

with the DIC. The General Manager is the head of the DIC and coordinates with all the above agencies in operating these programmes in the district. The DIC programmes will be monitored at the District, State, and regional levels.

### Progress of PMRY Scheme at the National Level

The government of India introduced a novel scheme known as PMRY to educated unemployed youth, with an objective of setting up 7 lakhs micro enterprises during the eighth plan period. As per the report of RBI, a total of 6.52 lakhs cases were disbursed against the target of 7 lakhs micro enterprises. It was estimated that nearly 93.2 per cent of the beneficiaries received the credit assistance and it further indicates that around 9.78 lakhs persons received the employment opportunities during the same period.

As per the RBI report, nearly 9.64 lakhs beneficiaries have received the credit from the financial institutions against the target of 11 lakhs micro enterprises. It was estimated that nearly 87.7 per cent of the individuals have obtained the credit facilities nearly 14.46 lakhs persons have got employment opportunities during 9<sup>th</sup> plan period.

As per the RBI report around 11.92 lakhs individuals obtained financial assistance through commercial banks during 10<sup>th</sup> Plan. It was estimated that the scheme had generated the employment opportunities up to the tune of nearly 17.88 lakhs individuals.

The report further shows that 77 per cent of the beneficiaries have received the credit and consequently benefited during 1993-94 as against 83 per cent of the individuals who selected and received the credit during 2006-07. It is understood that the performance of credit availed by the individuals has displayed increasing trend over a period of time i.e. 1993-94 to 2006-07.

The study has utilized co-efficient of correlation in order to determine whether the allocated target has been achieved by the bankers at the national level over a period of time namely 1993-94 to 2006-07. It indicated a positive result with high level of correlation showing a value of 0.93 between target Vs sanction, 0.91 between target Vs disbursement, and 0.97 between sanction Vs disbursement which means one fourth (1/4) of beneficiaries have not received the credit assistance.

### Major Findings

The following are the major findings of the study and suggestions for policy makers, implementing bodies and also to the beneficiaries.

- It was observed that the employment opportunities provided to the educated unemployed youth has been increased plan wise in the entire country. It was noted that nearly 9.78 lakhs beneficiaries have benefited during 8<sup>th</sup> plan, 14.46 lakhs beneficiaries during 9<sup>th</sup> plan and 17.88 lakhs persons during 10<sup>th</sup> plan.

- The study emphatically revealed that 51 per cent of beneficiaries were females and 49 per cent were males.
- The minimum educational requirement of PMRY scheme is SSLC pass/ fail at the time of inception of the programme. Majority of respondents in Sivaganga district possess higher secondary education and under-graduation level. But most of the beneficiaries in the remaining two districts have completed their SSLC only.
- The study reveals that the average age of respondents in the selected district i.e., Pudukottai and Dindigul district was 31, but in Sivaganga district, it was found to be 32.
- The rank correlation on the response between Industry and Business units was (-) 0.89. It was found that a negative correlation between Industry and Business sector. Therefore, the beneficiaries have to be motivated by District authorities, bankers and successful entrepreneurs to emphasis more on manufacturing activities rather than business or service sectors.
- It was found out that the value of Pearson's rank correlation was 0.53. It is a positive and medium level correlation which means the authorities have equally sanctioned and disbursed the credit to both service and business sectors.

### Suggestions

The following suggestions are prescribed for policy makers to enrich the effective implementation of PMRY scheme.

- The Government of India may consider that eligibility age limit may be increased from 18 to 35 to 18 to 40 under PMRY scheme.
- Bankers should change their attitude and to promote the entrepreneurial culture among educated unemployed youth rather than working for achieving target only.
- The orientation programme about the scheme should be given to all bank officials and the matters should be discussed at the District and State level bankers' committee meeting for lending credit to the beneficiaries in a speedy manner.
- The beneficiaries of PMRY scheme should undergo through the necessary EDP programme conducted by the recognized institutions and the state authorities have advised bank officials not to provide credit to the individual beneficiaries before completion of EDT programme.
- The authorities should delegate adequate legal powers to the bank officials to seize property from the individuals if the beneficiaries do not repay the loan amount within the stipulated time such as overdue for over 3 months.
- The Government of India may organize awareness programmes on PMRY scheme for disseminating accurate information about age, educational qualification, training period, individual contribution, government subsidy and training institutions to the new entrepreneurs.
- Banks and District Industries Centre must identify viable industrial activities and include all of them under PMRY scheme. Hence, the beneficiaries can earn higher income which will be useful to achieve the desired results.

### Conclusion

To conclude PMRY scheme is a viable scheme to uplift the life style, socio-economic status, families' recognition and standard of living of unemployed youth by imparting entrepreneurial activities among them. The coordinated efforts of the bankers, DIC officials and the training institutions will pave the way for yielding better results and achieving the purpose of the scheme.

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