1.1 INTRODUCTION:-

Lord J. M. Keynes put forth the concept of Employments in his book ‘General Theory of Employment Interest & Money’ During the period of recession it is clear that many countries the economy have to face unemployment due to a large extent and it is proved during the international recession of 1929-33. According to him one of the prime reason for it, is the decrease in private investments due to fear of loss during recession. This loss can be fulfilled by public investment and by increasing effective demand. This formula has been put forth by Keynes.

Other workers like Reagor & Rarther also put forth certain theorems about daily wages for the undeveloped countries e.g. Lewis has concluded that the unemployment in the rural region due to capitalization in agricultural field can be minimized by using those human resources in industrial field can be minimized by using those human resources in industrial field by developing industrialism. But for this the payment of industrial worker must be more than the payment of rural agriculture according to Lewis. In the beginning of 20th Century many schemes were implemented for employment. But due to rapid Globalization, market must get more Freedom, this thought is emerging and getting accepted throughout.

Also it is considered to be the best utility in the present era. Today in the era of globalization maximum human resources lying in between 15 to 60 of age group. The fundamental problems of unemployment are that, the human resources are not being utilized properly. This could be hazardous for our Nation. And if a useful youth is getting ignored, we are ourselves diminishing our economy. Hence the human resources of our country must get employment so as to help our country to be a developed country.
Out Government is always emphasising self-employment from the time of freedom. This is continuously planned and implemented by Govt. from time to time. Govt. always tries to decrease the rate of unemployment and suggest youth to become self-employed. Unfortunately many times due to improper communication and in adequate information most of the youth is remaining unnoticed. To have definite information about the Govt. projects/plans, many institutes, organization are voluntarily contributing. It is said that ‘Entrepreneur is to be born’ but now a days it is clear that with the help of proper training and guidance an entrepreneur can be produced.

To become a successful entrepreneur one requires confidence and hard work, in the same way for proper training complete proper information and guidance is required. An individual should have all of the above training facility at one destination. Govt. has established DIC in every district. Central Govt. has developed these centers to enhance entrepreneurship and consequently decrease the disaster of unemployment. DIC offices are the prime station through which many schemes are being implemented and financial supports are also provided for entrepreneurship among all these schemes one is very important and useful i.e. Prime Minister Rojgar Yojna.

**Prime Minister Rozgar Yojana (PMRY) :-**

Central Govt. implemented PMRY from 2nd Oct. 1993 on the birthday of the Father of the Nation are called Rastrapita Mahatma Gandhi. This scheme is carried out with the support of State Govt. /Reserve Bank & other financial organization.

Prime Minister’s Rozgar Yojana was launched on 2nd October 1993 to assist educated unemployed youth to set up self-employment ventures. The scheme targeted for setting up of nearly 7 lakh enterprises and consequent employment generation to more than one million educated unemployed
youth in the last four years of the 8th Five Year Plan. Initially, the scheme was implemented only in the urban areas of the country. Since 1994-95, it is in operation in both urban as well as rural areas. The scheme continued in the 9th Five Year Plan with the plan target of 11.00 lakh beneficiaries with annual target of 2.20 lakh beneficiaries. The PMRY is continuing in the 10th Five Year Plan also with the plan target of 11.00 lakh beneficiaries.

Common Minimum Programme (CMP) of the UPA Government envisages creation of additional employment opportunities in the rural non-farm sector. Accordingly, the target for the year 2004-05 & 2005-06 under the Yojana has been enhanced from 2.20 lakh beneficiaries to 2.50 lakh beneficiaries per annum.

Initially this scheme was implemented in urban areas only, but later on it was made available to rural areas and all other regions. From 1st April 1994 at the beginning it was affective and selected for groups only like hilly region, deserts etc. The main objective of the scheme is to provide employment and consequently improve life style, economy and social status. Various development projects are conducted through many organizations like Gram Panchayat, Panchayat Samiti etc, so as to achieve rural development. For this 20% of the fund is provided/contributed by State Govt. and 80% from Central Govt. In 1993-94 central Govt. has provided Rs.1,500 Crores for the scheme. By considering the importance of PMRY it is decided for the study–

1. Information and guidance to the qualified but yet unemployed youth.
2. Employment of the peoples.
3. Benefited segments of society due to scheme.

1.2 STATEMENT OF RESEARCH PROBLEM:-
A study of Impact of Prime Minister’s Rozgar Yojana with special Reference to Osmanabad District.

1.3 BRIEF HISTORY OF HON’BLE PRIME MINISTER OF INDIA, ANNOUNCED A NEW SCHEME THE PRIME MINSTERS’ ROZGAR YOJNA (PMRY) ON 15TH AUGUST 1993:-

Immediately on receipt of targets from the Central Government, State/UT Governments would convey district wise targets to each district. During the year 1993-94, it was proposed to cover 40,000 beneficiaries under PMRY in urban areas only. Since 1994-95 the scheme has been continuing with annual plan target of 2.20 lakhs persons. The target for 2005-06 has been enhanced to 2.50 lakh.

1. Basic Target are distributed by giving 50% weightage to population and 50% weightage to educated unemployed youth registered in the Employment Exchanges of the State/UT. Additional targets are also allocated to States/Uts depending upon the (a) past performance of the State/UT, (b) Special need of the State/UT, (c) Assurance to address to loan recovery, (c) other issue like furnishing of utilization certificates etc.

2. The Task Force would invite applications in Prescribed From form eligible persons through advertisements in local newspapers. Bank branches have also been authorized to receive applications directly under the scheme. Publicity would also be given by display on Notice Boards in the Banks and BDO’s offices. (prescribed application form is an indicative one and can be suitably modified if need be, in the District Level Bankers Committee.)

3. The applicant is required to submit application form duly filled along with an ac Affidavit on plain paper.
4. These applications will be approved by the District Task Force Committee and would be recommended to concerned bank branches. The names of the beneficiaries approved by the Task Force would be displayed on the Notice Board in the office of the Chairman of the Task Force immediately after the meeting.

5. All the cases received by the Branch Managers after recommendation by the Task Force Committee would be disposed of expeditiously.

6. The successful applicants are required to submit the Affidavit on the relevant no judicial stamp paper (Value being determined as may be applicable to the concerned state). The affidavit should be duly attested by a Notary and not by the Oath Commissioner.

7. Training Institutions should be identified and modules for training should be kept ready by the time the loan is sanctioned by banks.

8. As soon as the cases are sanctioned intimation will be sent to DICs etc. (i.e. implementing agency) by the banks so that training activity can start.

9. In order to ensure that the desired results are achieved all activities should be completed in a time bound manner and difficulties experienced should be sorted out in the District PMRY Committee.

10. State/UT Governments may provide necessary infrastructure support like provision of industrial sites, shops, water on preferential basis to these entrepreneurs. Provisions of sites and sheds at concessional rate to service ventures in urban areas will be essential for the success of service ventures. Many State/UT Govts. are providing various tax concessions and incentives under their Industrial policy. Such concessions should also be extended to the beneficiaries under the scheme.

1.3.1. GENESIS OF PMRY:-
1. Unemployment is considered as a bane of India’s development particularly the educated unemployed youth who become unproductive and frustrated are to be paid special attention. The small-scale sector includes village and cottage sectors are founds out to be the best means to solve the growing unemployment problem. Self-employment is the only solution to the unemployment. Policy makers and economists studied and drew conclusion that setting up a small scale unit with a moderate investment has got the potential to provide employment to about 4 to 5 people directly and indirectly. The satisfaction of self-employment and the contentment of contributing to the National Income and proving livelihood to few unemployeds can have positive multiplier effect. Adding to it the SSI sector has got the inherent advantage of utilizing the local resources, technologies for productive purposes and at the same time could satisfy the needs of the local people and exploit the local market at micro level.

2. Taking all these into consideration the Central Government initially launched Self Employment Scheme for Educated Unemployed Youth (SEEUY) popularly known as. Gramodaya Scheme introduced by Government of India in 1985 wherein financial assistance of not more than Rs. 35000 was provided for industries, Rs. 25000 for service units and Rs. 15000 for business ventures by way of composite loans to eligible educated unemployed youth to start their small enterprises. District Industries Centre (DICs) operated this central scheme at the district level, where 25% of the sanctioned loan amount was granted as subsidy by Central government to be deposited as fixed deposit in the name of the candidate. This scheme could not be continued successfully.
It was estimated that more than 70% of the units became sick and subsequently closed down.

3. The scheme was launched on the auspicious day of 2nd October, 1993, the birth Anniversary of Mahatma Gandhi all over the country. The main objective of the PMRY scheme was to provide easy subsidized financial assistance to educated unemployed youth for starting their own enterprises in manufacturing, business & service and trade sectors. Initially, the scheme was aimed at providing self-employment to one million educated unemployed youth in the country by setting up 7lakh micro enterprises through inducting service and business ventures over a period of 2 ½ years. The scheme was a stupendous success and caught the imagination of the youth. Overwhelmed with the response and ever-increasing need, the Government has decided to make it permanent scheme and farmed modalities & guidelines for its successful implementation and to fulfill the purpose for which it is designed.

1.3.2 SALIENT FEATURES OF PMRY SCHEME:

- This is a centrally sponsored scheme
- The Development Commissioner (Small-Scale Industries) under Ministry of Small Scale, rural and Agro, Industries Government of India is the apex body for this scheme.
- The respective Commissioner/Director of Industries implements the scheme at the State level except the four metropolitan cities, with an overall monitoring by the concerned Secretaries of Industries.
- The implementation agencies at the grass root level are district Industries Centre (DIC) who would be instrumental for the grounding of the units.
• Small Industries Service Institute (SISI) located in the four Metropolitan cities of Delhi, Kolkata, Mumbai and Chennai are the implementing agencies of this scheme.

• The DCSSI has setup a special PMRY division in the headquarters under the able guidance of an IAS officer. DCSSI formulates the rules, regulations and guideline instructions and provides clarifications on all the matter4s pertaining to PMRY scheme. It has also devised a complete feedback information by the means of getting monthly, quarterly and annual progress reports form all the states to closely monitor the implementation and progress of the scheme.

• Similarly at the state level, State Level PMRY committee meetings monitors the progress of the scheme every quarter.

• The yearly targets for number of beneficiaries for each state is fixed by DCSSI.

1.2.3 PARAMETERS OF PMRY :-

1. **Age:** For all educated unemployed between the age group of 18-40 years, in general with a 10 years relaxation for SC/STs, ex-servicemen, physically handicapped and women.

2. **Educational Qualification:** 8th passed Preference will be given to those who have been trained for any trade in Government recognized/approved institutions for a duration of at least six months.

3. **Family income:** Neither the income of the beneficiary along with the spouse nor the income of parents of the beneficiaries shall exceed Rs.40000 p.a.

4. **Residence:** Permanent resident of the area for at least 3 years.

5. **Defaulter:** Should not be a defaulter to any nationalized bank / financial institution /cooperative bank. Further, a person already assisted under
other subsidy linked government schemes would not be eligible under this scheme.

6. **Activities covered:** All economically viable activities including agriculture and allied activities but excluding direct agricultural operations like raising crop, purchase of manure etc.

7. **Project Cost:** Rs.1.00 lakh for business sector Rs.2.00 lakhs for other activities. Loan to be of composite nature. If two or more eligible persons join together in a partnership, project upto Rs.10.00 lakhs are covered. Assistance shall be limited to individual admissibility.

8. **Subsidy and Margin Money:** Subsidy will be limited to 15% of the project cost subject to ceiling of Rs.7,500/- per entrepreneur. Banks will be allowed to take margin money from the entrepreneur varying from 5% to 16.25% of the project costs as to make the total of the subsidy and the margin money equal to 20% of the project cost.

9. **Collateral:** No collateral for project upto Rs.1 lakh. Exemption from collateral in case of partnership project will also be limited to an amount of Rs. 1 lakh per person participating in the project.

10. **Rate of Interest and Repayment Schedule:** Normal bank rate of interest shall be charged. Repayment schedule may range between 3 to 7 years after an initial moratorium as may be prescribed.

11. **Training and other Assistance:** The training expenses and operational expenditure to be covered within the ceiling of Rs.2,000 per case. The existing system of revising the scale of expenditure in consultation with the Finance for various activities and flexibility would be available to the implementing agencies of the state and central levels subjects to condition that over all to the implementing agencies of the state and
central levels subjects to condition that over all training and operating
ingredients remain within the ceiling of Rs.2,000/- per case sanctioned.

12. **Implementing Agency**: The District Industries Centers and the
Directorate of Industries shall mainly be responsible for scheme
implementation along with banks.

13. **Linkages of Target with recovery**: Basic minimum targets based on
the population and the number of educated unemployed. Additional
targets would be linked to the recovery of loans sanctioned, past
performance of sanctions or special circumstances prevailing in the
state/UT.

14. **Reservation**: Preference should be given to weaker sections including
women. The scheme envisages 22.5% reservation for SC/ST and 27% for
other Backward class (OBCs). In case SC/ST/OBC candidates are not
available, States/UTs Government will be competent to consider other
categories of candidates under PMRY.

**1.3.4 HOW THE SCHEME IS IMPLEMENTED :-**

1. **Fixing of Targets**: Basically these targets are given for a year starting
from April to March. These targets are fixed by DCSSI after carefully
taking into consideration the important factors like population,
unemployment and backwardness of the areas. The targets fixed for a year
would be regularly monitored and may also be revised taking into
consideration the recovery to loans and performance for the year. The
scale of Andhra Pradesh was allotted the basic target of achieving of
16,900 number of beneficiaries. DCSSI in its guidelines dated 8th June,
2000 allotted an additional target of 16,900 nos. Totaling to 33,800
beneficiary to AP state for the year 2000-2001. Commissioner/Director of
Industries, AP State Govt. is the implementing agency of the PMRY scheme in Andhra Pradesh.

2. **Allocation of Targets by States:** The state Government reallocates the states targets to all District Industries Centres (DIC) of the district, where the scheme is in vogue. Andhra Pradesh is implementing the PMRY Scheme in all its 23 district including the twin cities of Hyderabad and Secunderabad.

3. **Allocation of Financial Targets to Banks:** Along with DICs, the banks also from a part of the implementing agencies for sanction of loans. The Chief General Manager, RPCD of Reserve Bank of India is intimated about the targets allocated to the states, they intern issue the necessary guidelines and funds to the lead banks of the states. Lead banks of the states issue the necessary instructions to their respective bank branches of each district for the disbursement to be made in accordance with the fixed targets.

4. **Calling for PMRY Applications:** The District Industries Centre (DIC) along with banks being the implementing agency at the grass root level of each districts calls for people to apply for PMRY loans. The required application forms are available at DICs, with the local Industry Promotion Officers of the concerned areas as well as local banks. The application form is a simple format seeking the basic details of the candidate (Application form enclosed).

5. **Constituting the Task Force Committee:** The GM, DIC constitutes the task force committee and convenes meeting to conduct interview of the candidates. The members of the task force committee are GM DIC, all the financing bankers, officials of all other developmental agencies like SISI. The objectives of the taks force committee is to take interview of the
applicants to assess their knowledge about the proposed project, aptitude, interest, and entrepreneur qualities so as to make the proposed project a success and to sincerely repay the proposed loan amount given under the PMRY scheme. The committee selects the candidates by the process of grading marks. Task Force Committee selects the candidate and allocate to the bank. The selected candidates, are duly intimated and directed to approach the selected bank branch for sanction of the loan, with this the selection process is completed.

6. **Providing Training to the Selected Candidates:** As per the DCSSI guideline all the selected candidates under PMRY have to undergo training. The GM, DIC’s have to provide the training to the candidates by making the necessary arrangements. They are provided with training materials, training schedule and good faculty and convenient training centres. The candidates get familiarized with the finer points of starting and successfully running their selective enterprises. The period of training is 15 to 20 working days for candidates setting up industry sector and 7 to 10 working days for business/service sector.

7. **Monitoring and Reviewing of PMRY:** The DCSSI has devised a procedure to review and monitor the progress of PMRY. Under this, every district has to furnish the information on sanctions, disbursements, training, grounding and recovery of loan sanctioned, and furnish the same in a prescribed format giving monthly, quarterly and annual progress reports to the Commissioner of Industries for preparing the same reports for the State. These reports are submitted to the DCSSI and RPCD of RBI for review. The State Level PMRY committee meetings are convened under the Chairmanship of Chief Secretary to State Government with Secretaries of Industries, Finance, Commissioner of Industries, General
Manager, SLBC of Banks, lead bank managers, General Manager, RPCD of RBI, Director, SISI as members and all the related organization, as invitees to discuss the progress of PMRY, category of units benefited and suggestions for improvement. The District Industries Promotion Committee (DIPC) meetings at the District level under the chairmanship of the District Collector are convened every month by the DICs to review the progress of the PMRY at the district level. All these measures are aimed to make the objective of the scheme i.e to provide employment to educated unemployed youth of the society for whom the scheme is formed.