

**A STUDY ON THE IMPACT OF
EMPLOYMENT GENERATION PROGRAMMES
IN MADURAI DISTRICT**

Synopsis submitted to Madurai Kamaraj University
for the award of the Degree of
DOCTOR OF PHILOSOPHY IN ECONOMICS

BY
M. MANJULA
(REG. No : F 9329)

Under the Guidance of
Dr. Mrs. M.REGINA MARY, M.A., M.Phil., Ph.D.,
Associate Professor,
Research Centre of Economics
Fatima College (Autonomous),
Mary Land
Madurai



MADURAI KARMARAJ UNIVERSITY
MADURAI - 625 021
TAMIL NADU
INDIA

JULY 2019

A STUDY ON THE IMPACT OF EMPLOYMENT GENERATION PROGRAMMES IN MADURAI DISTRICT

SYNOPSIS

INTRODUCTION

Rural development programmes in India started well before the independence. These programmes started in the year 1858, when the British Government took over the governance of India. Even in ancient periods, top priorities were given to the development of socio economic conditions of the people. Our Ancient Indian philosophy explains the relationship between human resources and economic development. In their daily prayers and the old Vedas like Atharvana Veda, Rig Veda, there are verses exists like "Let us live together, work together, acquire knowledge together, our education becomes powerful and dynamic". In India, Kautilya proposes a systematic treatment of management of human beings as early in 4th century B.C. In his treatise "Arthashastra", Kautilya Provides an excellent discussion on staffing and personal management, embracing job descriptions, qualifications for job, selection procedures, executive development, incentive systems and performance evaluation.

At present, unemployment is an universal problem of all countries and societies. The reasons may vary in different places. In India, there has always been serious degrees of unemployment as well as under employment and it has constituted as one of the serious problems the country faced continuously. The disturbing features of unemployment are rising year by year. Being mainly an agricultural country, the great majority of unemployed and under employed are in the rural areas of India. As for the urban areas particularly, the main problem among the educated is unemployment. It is considered the greatest obstacle in the way of economic development of our country. Had this problem been solved, the economic scenario of India would have been revolutionarily changed. Government of India has ever been very serious about this problem. All the five-year plans completed so far in the country have concentrated upon

this problem. Number of measures have been taken and number of programmes have been launched with a view to eradicate or at least to minimize the problem of unemployment.

RESEARCH PROBLEM

One of the major problems of our country today is the continued migration of people from rural to urban areas, which is essentially the reflection of the lack of employment opportunities in villages. Unemployment and poverty continuous to plague the India's economic development, the magnitude as well as the percentage of unemployment and underemployment has also been on the rise. However, the achievement in the field of employment generation is far below the target. In most of the developing countries the percentage of unemployment is gradually increasing.

According to the fifth annual employment-unemployment survey (2015-16) at all India level, about 77 per cent of the households were reported to have no regular wage or salaried person. Unemployment rate in India has shot up to 5 per cent in last five years up to 2015-16. Under the Usual Principal Status (UPS) report also said that the unemployment rate was higher among females compared to males. The report also said that female unemployment rate was estimated to be 8.7 per cent where as for male it was only 4.3 per cent. There are various programmes implemented by the Government of India for eradicating poverty and creating self-employment among the people. All those programmes are not successful in all the regions due to various socio economic factors such as poor administration, poor planning skills, inadequate awareness among rural people, low wages, discrimination against women, corruption and lack of entrepreneurial development, un-willingness of people to start the self-employment business as their career and the passion for the white collar jobs among educated youth.

The financial institution, which can offer credit facilities on easy terms have important role to play in relieving the poor from the control of poverty. While realizing this very fact there are several programmes have been chalked

out from time to time by the government of India through several institutions and agencies. However, the success of any programmes rests on the implementation strategies of the institutions and agencies.

Hence, the present study is an attempt to evaluate the selected employment generation programmes namely **Rural Employment Generation Programme (REGP)**, presently the **REGP** was renamed as **Prime Minister's Employment Generation Programme (PMEGP)** and **Self Help Groups (SHG)**.

SCOPE OF THE STUDY

The present study covers Selected Employment Generation Programmes through rural and urban inhabitants in Madurai district. There are number of Employment Generation Programmes run by both Central and State Governments in Madurai district. This study is to identify and evaluate the various Programmes implemented through Khadi and Village Industries Commission (KVIC), Khadi Village Industries Board (KVIB) and District Industrial Centre (DIC) and other Government and as well as non-Governmental organizations in Madurai District. The beneficiaries of this Programmes varies from house wives to technically skilled professionals and to self-employers of a cottage to corporate industry.

Among the varies employment generation programmes, the researcher has selected two flagship programmes namely **Self Help Groups (SHG)** and **Rural Employment Generation Programme (REGP)**, the programme was renamed as **Prime Minister Employment Generation Programme (PMEGP)** in the study area. PMEGP programme also merged into Prime Minister's Rozgar Yojana (PMRY). These two programmes like SHGs and REGP/PMEGP programmes are operated successfully from the year 1995. Hence, the researcher would like to find out the effectiveness of these two programmes in India and Tamil Nadu in general and Madurai district in Particular.

SIGNIFICANCE OF THE STUDY

The Government of India had initiated a number of rural development policies, including rural employment generation schemes since the year 1980 onwards. There are different innovative schemes and programmes have been initiated from time to time and again at different five year plans. Some have helped to achieve goals, whether they are short or long term, where as others have faced technical and implementation snags. The main purpose of the selected employment generation programmes like REGP/PMEGP and SHGs are run successfully since its inception. And also helps to promote better quality of life for all people. These selected programmes are implemented through various institutions like SHGs, through Tamil nadu Women Development Corporation (TNWDC) and National Rural Livelihood Mission (NRLM). REGP/PMEGP, Khadi and Village Industrial Commission (KVIC), Khadi and Village Industrial Board (KVIB) and District Industrial Centre (DIC) in study area. This can be achieved by empowering people to identify their economic needs and explore ways and means to fulfill those needs, by developing self-confidence and ability to undertake income generating activities through appropriate training and motivation, by providing opportunities for continuous upgrading of vocational knowledge and skills for gainful employment and by developing a team sprit to working together for sustainable social and economic growth. The significance of the study explores these employment generation programmes which create wholesome economic development in the district of Madurai.

OBJECTIVES OF THE STUDY

1. To study the achievements of selected Employment Generation Programmes in India, Tamil Nadu and in Madurai district in particular.
2. To study the Socio-economic profile of the beneficiaries under the selected Employment Generation Programmes in Madurai district.
3. To study the impact of selected Employment Generation Programmes on Income, employment and savings of beneficiaries in the study area.

4. To study the problems faced by the beneficiaries in receiving the benefits under the selected employment generation programmes in the study area and
5. To offer suitable suggestions for the effective implementation of the selected employment generation programmes and reduce the identified problems.

HYPOTHESIS

- H₀** - There is no significant difference between the income of the respondents before and after joining the scheme.
- H₀** - There is no significant difference between the savings of the respondents before and after joining the scheme.
- H₀** - There is no significant difference between the income and various employment activities of the sample respondents .

METHODOLOGY

A Research study in any field is an investigation of the unknown items based on the known. Any Research study requires an appropriate methodology.

The word 'research' is derived from the Latin word 'measuring to know'. It is a systematic and a replicable process, which identifies and defines the various problems, within certain specified boundaries. It employs a well-designed method to collect the data and to analyze the results. It disseminates the findings to contribute to knowledge, which can be generalized.

Research is, thus, an original contribution to the existing stock of knowledge making for its advancement. It is the pursuit of truth with the help of study, observation, comparison and experiment. In short, the search for knowledge through objective and systematic method of finding solution to a problem is research.

This methodology section deals with the research techniques and the methods applied in the collection of data, analysis, and presentation pertaining to this study.

SOURCES OF DATA AND SAMPLING TECHNIQUE

The sources of data for the present study are both primary and secondary data. The primary data are collected through the pre-tested interview schedule. The Secondary sources of data are collected from various reputed journals, articles, files, records and various government departmental orders concerned with Administration of District Rural Development Agency and other publications which are drawn from some others original data.

Moreover, the Secondary sources of data are collected from the District Collector office, Madurai district, Khadi and Village Industrial Commission (KVIC), Khadi and Village Industrial Board (KVIB) and District Industrial Centre (DIC), Tamil Nadu Women Development Corporation (TNWDC) and National Rural Livelihood Mission (NRLM), District Rural Development Agency (DRDA), Ministry of Rural Development, Government of India, Anna Centenary Library, Chennai and District Library, Madurai.

Sample Design

In order to analyse the impact of employment generation programmes in the study area, 430 sample beneficiaries under the selected schemes are randomly selected. For this the list of beneficiaries who are engaged in micro enterprises under selected schemes are obtained from Tamil Nadu Women Development Corporation (TNWDC), National Rural Livelihood Mission (NRLM), District Industrial Center (DIC), Khadi and Village Industries Commission (KVIC) and Khadi and Village Industrial Board (KVIB) in Madurai district.

The SHGs scheme obtained from TNWDC and NRLM at Madurai district as on March 31, 2015 disclosed that the 'Universe' consisted of 4483 entrepreneurs, also the PMEGP scheme obtained from KVIC, KVIB and DIC at Madurai district as on March 31st 2015 disclosed that the 'Universe' consisted of 3854 beneficiaries. More than 15 per cent of the beneficiaries are randomly

selected by using proportionate random sampling techniques from the selected micro enterprises list. Totally, 450 samples are collected, each programme covered 225 sample beneficiaries but for other reasons of the beneficiaries, the researcher selected both in SHGs -217 and PMEGP- 213 samples are taken for the study. The sample people chosen in the study areas are involved in various enterprises viz Tailoring and designing works, Masala powder making etc. Each enterprise is considered a cluster; the researcher has applied probability of cluster sampling testing only in the highly populated clusters.

Collection of data

Both primary and secondary data are used for the present study. A reconnaissance survey is made in the selected beneficiaries to get acquainted with enhancement of income, generation of employment and empowerment of beneficiaries. On the basis of information gathered in a well designed pre-tested interview schedule was drafted and used in the field survey to collect primary data. Before undertaking the main survey, a tentative interview schedule is prepared and administered to 15 SHGs and 15 PMEGP beneficiaries in order to test the validity of the interview schedule. It facilitates the removal of the non-responses and unwarranted questions and the modified final schedule is prepared on the basis.

The selected beneficiaries are contacted in person and the objectives of the study are clearly explained to them and their co-operations are ensured. The details relating to the overall objectives of the study to have the collection of the sample beneficiaries through the direct personal interview method.

The secondary sources of data relating to willingness to availing of loan, number of loan sanctioned, number of units registered and the like are collected from the published, details and documents which are placed in the public domain.

Recording the first objective, details of Selected Employment Generation Programmes in India, Tamil Nadu and Madurai district from 2000-01 To 2014-15 have been taken into consideration, as Macro level Study.

PERIOD OF STUDY

The present study is confined to the period from 2000-01 to 2014-15 covering fifteen years for secondary data analysis. The primary data are collected from the sample units during the six month period from October 2014 to March 2015 for the collection of primary data. The reference period of the survey was 2015-16.

DATA ANALYSIS

Descriptive, analytical and empirical methods have been made use to analyse the data. The researcher also has made use of SPSS in the analysis of the data.

THE ANALYTICAL FRAMEWORK

The **first objective** is that to study the achievements of selected employment generation programmes in India, Tamil Nadu, and in Madurai district, a Compound growth rates are worked out by using the formula for analysing the growth of selected indicators.

Second Objective

The **Second objective** is to study the socio economic conditions of sample beneficiaries under the selected employment generation programmes in Madurai district, a **Percentage method** is used to analyse the data.

Third Objective

The **third objective** is that to study the impact of Selected Employment Generation Programmes on Income, savings and employment. To analyse this objective the following statistical tool paired '**t test , One way and Two way ANOVA, and Chi-square test** are applied for the study.

Fourth Objective

The fourth objective is to study the problems faced by the beneficiaries under the selected schemes in the study areas. **Garrett's Ranking** test is also used to test this objective.

ORGANISATION OF THE STUDY

Chapter - I introduce the subject and to discuss the importance of the employment programmes from the pre and post period of employment generation programmes. The scope and objectives, hypothesis, research problems and significance of the study are also reported.

Chapter II relates to review of literature. This chapter explains the various studies conducted by different authors, Research gap and various concepts are used in the present study.

Chapter III discusses the research methodology and profile of the study area. Hence, the researcher explains the sample size, research design, construction of research tools, pre-test and data collection and also the profile of Madurai district.

Chapter- IV describes two sections namely A and B. Section A discuss with the theoretical background of the selected employment generation programmes in both SHGs and REGP / PMEGP. Section B deal with the achievements of selected employment generation programmes in India, Tamil nadu and Madurai District.

Chapter- V describes the socio-economic conditions of the sample beneficiaries in the study areas.

Chapter VI analyses the impact of Selected Employment Generation Programmes on income, savings, employment and problems faced by the beneficiaries in the study areas.

Chapter VII provides a summary of findings of the present study and offers various suggestions for the successful implementation of the selected employment generation programmes in the study area are given at the end of the first chapter.