

PERFORMANCE OF PMEGP IN MANIPUR

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ABSTRACT

Rural Development will be successful only when it goes along with the development of human resource, employment generation and infrastructural development. Manipur a hill girt tiny state lying in the north east India has been facing with many problems of unemployment, militancy and still lagging behind other states in infrastructure development. Absence of industrial establishment is considered to be one of the reasons for economic backwardness of the state. So far the participation of private sector undertaking in employment generation is very low and most of the peoples cannot rely a livelihood on it. In this connection Prime Minister Employment Generation Programme(PMEGP) is playing an important role in generation of employment opportunities through rural industrialization. Therefore, it is necessary to study the rural industrial activities as an instrumental approach for reducing the emerging problems of increasing unemployment and poverty in rural areas.

KEYWORDS: Employment Generation, Industrialization, KVIB, KVIC, REGP.

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INTRODUCTION

In the situation of increasing trend of population and unemployment, agriculture sector alone cannot be in a position to create additional employment opportunities. Undoubtedly the importance of initiating the efforts of village industrialization would be more desirable in economically backward and the hilly states as compared to developed states. To overcome the problems of unemployment and poverty, it is necessary to commercialize the production of farm and nonfarm. But the diversification of economic activity is limited in the hilly states due to difficult terrain, inaccessibility to markets and modern inputs and technology, deficient infrastructure and insufficient energy and high transportation costs leading to non competitiveness of products (Mehta G.S. 2002). The significance of the village industry is more pronounced in the agriculturally backward and low productive regions of Manipur also.

Manufacturing activities constitute the second largest sector after agriculture and account for over 7 per cent of the total and one third of the non agricultural employment in rural areas (Papola 1992). The expansion of rural industrial activities should be maintained; otherwise it will be rather difficult to overcome from the problems of unemployment in rural areas (Mathur 1993). The establishment of rural non-farm enterprises in general and manufacturing activities in particular requires very low levels of capital investment.

Both the term non farm sector and rural industrialization are interchangeable, NABARD defined non farm sector by listing a spectrum of small, cottage, tiny and village industries along with 22 major categories (Arunkumar A.V. 1997). Khadi and Village Industries (KVI) include artisans in tiny industrial units and is any industry located in a village or town inhabited by population not

exceeding 10,000 which produces goods and renders services with or without the use of power in which the fixed capital per head does not exceed Rs. 15,000.

SIGNIFICANCE OF STUDY

The total number of persons employed in the organized sector in the state was 80,600 as on 31st March, 2005. Out of the persons employed in organized sector, 78,000 were under public sector and the remaining 2,600 were under private sector. Thus, it is revealed from Table no. 1, that the number of job seeker is incomparably exceeding the number of persons working in the organized sectors in the state. During the year 2004-05 to 2008-09, out of 15140 vacancy notified, only 1058 appointment were made. The state government could not accommodate to employ all the job seeker in its public sector organization. Therefore the importance of providing job through private sector has become an essential step.

Table No. 1: Unemployment and Placement through Employment Exchange in Manipur

Year	No. of Unemployed Persons	No. of Vacancy Notified	No. of Job Applied	No. of Persons Appointed
2004-05	491476	1019	20984	-
2005-06	548704	3273	105882	489
2006-	583653	3011	74339	357

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2007-08	605840	3170	52707	2
2008-09	642247	4667	61923	210

Sources: Directorate of Employment, Govt. of Manipur

While Table no. 2 reflects that, in the year 2005-06, the employment generated through registered industrial units is 53,719, which is again cannot be considered as a substantial measure for unemployment problems in the state. On the other hand participation of shop and other commercial establishment in employment generation is also less efficient with a total employment of 2,475 in the year 2002-03 (Statistical Survey 2010-11).

Table No. 2 Registered Industrial Units in Manipur

Year	No. of Units	No. of Employment	Investment (Rs. In Crores)	Average Investment per Unit (Rs. In thousand)	Production (Rs. In Crores)	Average per unit Production (Rs. In lakh)
2001-02	9744	50364	36.07	37.02	162.30	1.67
2002-03	9867	51123	37.7	38.21	168.80	1.71

2003-04	9993	51842	39.37	39.39	173.08	1.73
2004-05	10151	52857	41.38	40.76	177.79	1.75
2005-06	10264	53719	43.27	42.16	183.72	1.79

Sources: Directorate of Economics & Statistics, Govt. of Manipur

Thus the problems of unemployment has been a challenge to the economic planners of the state, and the gap in the employment has been made through unorganized sector, either in agriculture, its allied activities, tiny and village industry. The nonfarm and village industry has been taking a very important role in mitigating the problems of unemployment in the state. Hence it is found very significant to study the approach of village industries in the state.

Prime Minister Employment Generation Programme (PMEGP) is a new credit linked subsidy programme implemented by Khadi and Village Industries Commission (KVIC) in the National level. It was introduced on 31st March 2008, by merging two schemes namely Prime Minister's Rojgar Yojana (PMRY) and Rural Employment Generation Programme (REGP), for generation of employment opportunities through establishment of micro enterprises in both rural and urban areas. This scheme is implemented by state KVIC, Khadi and Village Industries Board (KVIB) and District Industries Centre (DICs). The objectives of PMEGP are highlighted as;

1. Generation of employment opportunities in rural and urban areas by setting up new ventures or micro enterprises.
2. To bring together widely dispersed traditional artisans, rural and urban unemployed youths.

3. To provide continuous and sustainable employment to a large segment of traditional and prospective artisans to prevent from migration of rural artisan to urban artisans.

OBJECTIVES AND METHODOLOGY OF THE STUDY

The objectives of the study are to review the performance of Khadi and Village Industry (KVI) under PMEGP in Manipur. Grossly the study is based on both primary and secondary data. Primary data include interviews, comments, observations, opinion, questionnaire of the persons concerned with the Khadi and Village Industry. And secondary data includes publication, journal, annual reports, economic survey etc. The total sample size is 150 units who are registered in the Directorate of Industries, Government of Manipur as Khadi and Village Industries (KVI) units. Attempts were made to cover 30 percent of sample as ST, 10 percent as SC and the remaining as OBC/General in the nine districts of Manipur.

PERFORMANCE OF PMEGP

To become a KVI artisans or an entrepreneur is a final option for employment of many educated youth. Inability to get a government job or lack of proper financing in other venture may be the main driving force for adopting KVI. The participation of women in the last three year is 28.39 percent in 2009-10, 37.02 percent in 2010-11 and 27.05 in 2011-12. Textiles industries are mainly dominated by women while other industries by men, 77.42 percent in 2009-10, 84.73 percent in 2010-11 and 45.66 percent respectively of the total employment in textiles industries are women. 42.46 percent of employment was increased during the year 2010-11 and 85.81 percent during the year 2011-12.

Table No. 3 EMPLOYMENT THROUGH KVI IN MANIPUR

Type of	2009-10	2010-11	2011-12
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Industries	Women	Men	Total	Women	Men	Total	Women	Men	Total
Agro based	47	179	226	19	146	165	69	267	336
Forest Based	43	86	129	63	57	120	86	239	325
HMP & Fibre	0	0	0	0	0	0	0	0	0
Mineral Based	65	154	219	50	220	270	82	495	577
Polymer & Chemical	0	0	0	0	11	11	10	64	74
RE & BT	0	238	238	6	451	457	42	383	425
Service	14	144	158	22	96	118	119	318	437
Textile	168	49	217	466	84	550	442	526	968
Total	337	850	1187	626	1065	1691	850	2292	3142

Sources: Annual Progress Report, KVIC Manipur

DIC sponsored 490 projects out of 979 projects during the year 2009-12, followed by KVIB with 251 projects and state KVIC with 238 projects. During these three years, no projects were sanction for Handmade Paper and Fibre while polymer and chemical industries accounts for only 10 projects as the lowest. Maximum numbers of Projects were sanction in Textile industries (284) followed by Rural engineering (202).

Table No. 4 NUMBER OF KVI PROJECT IN MANIPUR

Type of	2009-10				2010-11				2011-12			
Industri	KVI	KVI	DI	Tot	KVI	KVI	DI	Tot	KVI	KVI	DI	Tot
es	C	B	C	al	C	B	C	al	C	B	C	al
Agro based	11	11	13	39	5	6	14	23	9	21	34	64
Forest Based	11	12	6	25	8	3	5	15	24	12	20	56
HMP & Fibre	0	0	0	0	0	0	0	0	0	0	0	0
Mineral Based	8	11	9	26	7	2	20	35	8	21	33	62
Polymer & Chemic al	0	0	0	0	0	0	1	1	2	2	5	9
RE & BT	10	11	23	44	18	5	32	55	29	28	46	103
Service	3	0	21	27	6	0	12	18	9	20	64	93
Textile	16	18	17	50	26	1	30	57	41	51	85	177
Total	59	63	89	211	70	20	11	204	122	155	28	564

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Sources: Annual Progress Report, KVIC Manipur

The application of machineries in the KVI are revealed as per the field survey as, 57.3 percent of the respondent are semi mechanized, 28.2 percent were not mechanized, 7.3 percent are fully mechanized and 7.3 percent are using outdated and risky tools and machineries.

26.67 percent of the respondent has lack of technical support, 19.67 percent have inadequate working area, 10.67 percent found the high cost of technology, 20 percent cannot meet the demand and 22.99 percent found some other difficulty in production like interrupted power supply, law and order situation, seasonal raw materials etc.

30.67 percent of the respondent sold the product through sales representative on commission basis. 10.67 percent have opened their own sales outlet, 16.67 percent through Khadi Gramodyog, 20 percent sold through retailer, and another 21.99 percent used to participate in Fair and Exhibition at national and international level.

FINDINGS

1. Manipuri women have been playing an important role in the promotion of KVI, particularly in textile industries. They have some unique and artistic quality in hand woven and embroidery which make handloom industry an internationally renowned.
2. The growth rate of employment generation through PMEGP has tremendous inclination as compared to the last two previous years.
3. In spite of having adequate raw materials for handmade paper, the number of projects under this industry is nil. Therefore, training and awareness is required for promotion of skill to develop this industry in the state and it could be a viable avenue for promotion of KVI.

4. KVIC has been involved with providing margin money in getting loan but it is also necessary to take initiative for acquiring the right machineries and development of skills through technical support etc.
5. Irregular power supply and law and order situation has been a common interrupting factor for the establishment of any ventures in the state.

CONCLUSION

KVI product in the state has good demand but their supplies are not adequate. It is also necessary to diversify the KVI projects into industries like Handmade Paper & Fibre and Polymer & Chemical industries with innovation. It is also necessary to make maximum effort to utilize the raw materials available in the state to its full extent and attract the educated youth to initiate such industries to prevent them from migration of rural artisans to metropolitan city for job.

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