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## Research Article

# IMPACT OF PMEGP ON ENTREPRENEURIAL DEVELOPMENT OF TRIBAL BENEFICIARIES – A CASE STUDY OF LOHIT DISTRICT OF ARUNACHAL PRADESH

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### ABSTRACT

The poverty eradication is the biggest challenge to attain the objectives of inclusive growth in India. Poverty is a socio-economic phenomenon that is intimately allied to inequality, poor lifestyle, deprivation, malnourishment, illiteracy and low human resource development. It adversely affects physical well-being, psychology, efficiency and productivity as well disturbs their economic status. No country can claim economic growth when sections of the people are marginalized. India is home to 22 percent of the world's poor. Reduction of poverty in India, is, therefore, vital for the attainment of MDGs and SDGs. The poor's entrepreneurship, a participatory transition through self-employment, is readily recognized as a means of circumventing existing power structures, embedded gender inequalities and gaining agency through improved financial status, which can be possible through the state livelihood development program interventions like Prime Minister's Employment Generation Programme (PMEGP), particularly in the north-eastern region of India. Therefore, present research paper aims to study the performance of PMEGP in the study area in terms of its impact in developing the entrepreneurship and in turn, socio-economic growth of the beneficiaries in those regions.

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## INTRODUCTION

Poverty is the single most important issue of the world as more than three fourth populous of the world, living in developing countries, hold only 16% of the world's total income, while the richest 20% have 85% of the global income (Todaro, 1997<sup>i</sup>). Thus, the livelihood development is the shifting of power from a state of unjust to one that is just. It includes the provision of opportunities to those deprived sections of the society for making their decisions with reference to their household matters (economic) which include production related activities and investment in different futuristic livelihood options (Shah *et.al.*, 2010<sup>ii</sup>). It is a form of transition where the poor feel free from any sense of subservience to the richer. This means the livelihood development programmes echo in the increasing self-reliance to enable them to recognize and improve their multifactor well-beingness. Thus, people empower themselves by increasing their ability to control their own lives and economic resources in order to create a more fulfilling existence through mutual efforts to resolve their shared problems through the government sponsored programmes (Maser, 1997<sup>iii</sup>).

Regardless, it is clear that one's work is critical to the survival and security of their households and thus, their economic contributions should be given importance in policy design. Poor continue to have systematically poorer command over a range of productive resources, including land, knowledge, skill, information and financial resources. International experience demonstrates that when they feel relatively equal, economies tend to grow faster, the poor move more quickly out of the poverty and the well-being of men, women, and children is enhanced. Entrepreneurship, developed through the state's intervention, plays an important role in determining economic growth, poverty reduction, and development effectiveness, through the control over the decisions and resources (Kabeer, 2003<sup>iv</sup>).

While micro business activities in India and other developing world managed to relieve poor of the burden of un/under-employment and provide them with some economic returns to reduce their poverty, numerous constraints continue to hold them back - a dearth of available capital or finance including other resources; basic infrastructure, technology, education, and other basic business skills (Jena, 2014)<sup>v</sup>. Rich have

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immense control of poor because employment relations embody ideas, values and identities; allocate labour between tasks, activities and domains, determine the distribution of resources and because rich-poor relations assign authority, agency and decision-making power. (Kabeer, N. 2003, pp 169-193)

In old days, a number of market, government, educational and systemic “failures”, deficiencies in institutional arrangements, and gender discrimination combine to adversely affect poor’s access to development, food, education, training, management, finance, credit, professional business development services, market information, representation and other economic resources and opportunities. Local entrepreneurs in the north-eastern state, Arunachal Pradesh, face an intimidating array of challenges arising out of their socio-cultural, economic, legal, political, and technological milieus. Moreover, adverse conditions in local regulatory, normative, and cognitive systems play the role of the hostile brother to put an additional burden on these poor who want to become entrepreneurs or to expand an entrepreneurial venture. (Amine & Staub, 2009<sup>vi</sup>).

As Sen & Parpart argue: “we reject the belief that it is possible to obtain sustainable improvements in poor’s economic and social position under conditions of growing relative inequality, if not absolute poverty, for both women and men. Equality for poor is impossible within the existing economic, political, and cultural processes that reserve resources, power and control for small groups of people. But neither is development possible without greater equity for, and participation by poor. (Parpart, 2000<sup>vii</sup>; Sen & Parpart in Desai & Potter, 1988<sup>viii</sup>). The poor’s entrepreneurship, a participatory transition through self-employment, is readily recognized as a means of circumventing existing power structures, embedded gender inequalities and gaining agency through improved financial status, which can be possible through the livelihood development program interventions like Prime Minister’s Employment Generation Programme (PMEGP) provided by the governments from time to time, in the north-eastern region of India.

### Research Background & Review of Literature

**PMEGP:** Government of India has introduced Prime Minister's Employment Generation Programme (PMEGP), on 15th August 2008, a credit linked subsidy programme, by merging two schemes that were in operation till 31.03.2008, viz., Prime Minister’s Rojgar Yojana (PMRY) and Rural Employment Generation Programme (REGP) for generation of employment opportunities through establishment of micro enterprises in rural as well as urban areas. PMEGP is a central scheme to be administered by the Ministry of Micro, Small and Medium Enterprises and implemented by Khadi and Village Industries Commission (KVIC) as the single nodal agency at the National level; and State KVIC Directorates, State Khadi and Village Industries Boards (KVIBs) and District Industries Centres (DICs) and banks at state level. The Government subsidy under the Scheme is routed by KVIC through the identified banks for eventual distribution to the beneficiaries/entrepreneurs. The implementing agencies are associated with various local bodies in the implementation of the scheme, especially for identification of beneficiaries & setting up viable projects and providing training for entrepreneurship development.

**Table No 1** PMEGP - All India Achievement - Progress of PMEGP during XI (2008-09 to 2011-12) & XII Plan (2012-13 to 2015-16)

Year	MM subsidy released (Rs crore)	MM subsidy utilized# (Rs crore)	No. of projects assisted	Estimated employment generated
XI Plan Total (2008-09 to 2011-12)	3131.65	3067.69	1,64,283	16,05,865
2012-13	1228.44	1080.66	57,884	4,28,246
2013-14	988.36	1076.45	50,493	3,78,907
2014-15	1073.17*	1122.54	48,168	3,57,502
2015-16	1013.53	872.44	38,103	2,78,160
XII Plan Total	4303.5	4152.09	1,94,648	14,42,815
XI and XII Plan Total	7435.15	7219.78	3,58,931	30,48,680

NB.: \* including un-utilized balance funds of previous year.

Source: <https://msme.gov.in/schemes/pm-employment-generation-program-and-other-credit-support-schemes>

According to official estimates, employment generation under the PMEGP has declined consistently after 2012-13. While 4,28,246 jobs were generated in 2012-13 under PMEGP, in 2013-14 the number fell to 3,78,907 and further dipped to 3,57,502 in 2014-15. In 2015-16, the jobs creation stood at 2,78,160, whereas according to provisional estimates, between March and October 2016, employment was generated for 1,87,000 persons. The general category beneficiaries under the scheme can avail of margin money subsidy of 25% of the project cost in rural areas and 15% in urban areas. For beneficiaries belonging to special categories such as SC, ST, OBC, minorities, women, ex-servicemen and physically handicapped, the margin money subsidy is 35% in rural areas and 25% in urban area.

**PMEGP, Entrepreneurship Development and Socio-Economic Development:** The entrepreneurship development is indispensable to achieve overall desired economic development in the country. It is a process in which persons are injected with motivational drives of achievement and in sight to combat uncertain and risky situations especially in dynamic business undertakings. Skill human resource always owe to assets creation which can be ensured through entrepreneurship development, creativity innovation and diversification in the business venture. The process of entrepreneurial development focuses on financial, training, education, reorientation and creation of conducive and healthy environment for the growth of enterprises (Desai, 2010<sup>ix</sup>; Edward, 2012<sup>x</sup>; Jena, 2015<sup>xi</sup>; Gupta & Khanka, 2000<sup>xii</sup>; Harlay, 1990<sup>xiii</sup>).

The benefits of the present economic growth in India, generated by a handful of modern industries, do not necessarily trickle down to those business sectors where the largest proportion of the population is engaged, and not at an acceptable pace, with respect to poverty reduction and inclusive growth. It is therefore necessary to take a multi-dimensional perspective on poverty reduction and includes “bottom-up growth strategies” to encourage the broad-based rise of entrepreneurial initiatives. The “bottom-up growth strategy” focuses on the transformation and diversification of micro and small-scale enterprises to growth-oriented activities and on increasing the productive capacity in order to enable them to participate in the mainstream economy of the nation. This strategy is not a welfare programme, but a necessary

condition for attaining sustainable inclusive economic growth by unleashing under-utilized productivity potentials. Thus, the aim of a “bottom up economic growth strategy” is to help poor people to grow out of the poverty trap through micro entrepreneurship (Stevenson, 1986)<sup>xiv</sup>.

Dunn et. al. (2006)<sup>xv</sup> points out that microenterprise play a vital role in poverty reduction in both urban and rural areas and reinforce urban- rural linkages for social and economic development. The linkages are essential not only for local resources but also in acting as agents for the flow of goods and services between rural and urban areas. Their roles are important since they facilitate self-employment generation through labour intensive traditional enterprise and craftsmanship, employment to poor and women, optimum use of local resources, meeting basic needs of the poor, self-satisfaction on the job, new entrepreneurship venture and equitable distribution of income among poor (Hernandez et al. 2012<sup>xvi</sup>; Malhotra, Kaneshathasan and Patel 2012<sup>xvii</sup>; Kesh 2011<sup>xviii</sup>),

The ability of the poor to grow through self-employment depends on the finance. It may be the venture or seed capital or the working capital needs, the poor faces the constraints. Lack of awareness, inability to provide security, lack of constant flow of income and present oriented-life-style made them vulnerable towards generation of capital to be self-employable or self-reliant. The livelihood development programmes like SGSY, PMEGP, SJSRY, NRY, and PMIUPEP etc. enhance their capital generating capability by eliminating the constrictions of institutional financing, which ultimately leads to a sustainable socio-economic development (Jena, 2015<sup>xix</sup>). Many research findings reveal that the livelihood development programmes in India are leading to lopsided success, by providing a financial base for the entrepreneurial development. (Medhora, 1965<sup>xx</sup>; Singh, 1974<sup>xxi</sup>; Heggade, 1983<sup>xxii</sup>; Mohsin, 1985<sup>xxiii</sup>; Behari, 1990<sup>xxiv</sup>; Roy et.al., 1990<sup>xxv</sup>).

The similar results were also instituted by other researchers like Sharma & Parthasarathy, 2008<sup>xxvi</sup>; Kabeer, 1995<sup>xxvii</sup>; Nirmala, 2007<sup>xxviii</sup>; Luber & Leicht, 2000<sup>xxix</sup>; and Pandey, 1990<sup>xxx</sup>. Importance of government programmes for development and livelihood on first generation entrepreneurs. Her study reveals that PMRY programme, which enhances financial accessibility and skill, had a positive impact on increasing personal effectiveness of the beneficiaries. The training imparted, under the scheme, has infused higher confidence level among the participants. However, the traditional and conventional activities are predominated among first-generation entrepreneurs. Majority of the enterprises have suffered due to inadequate finance particularly from the formal sources. Therefore, diversification, modernization and identification of suitable schemes could bring substantial results of entrepreneurship activities, if and only if they provided a sound base for generation of capital for development and running of the enterprises (Mathur, 2009<sup>xxxi</sup>; Karalay, 2005<sup>xxxii</sup>; Jain, 2001<sup>xxxiii</sup>; Kour, 2008<sup>xxxiv</sup>; and Kumar et.al., 2010<sup>xxxv</sup>).

Kh. Dhiren Meetei et.al. (2012)<sup>xxxvi</sup> exhorted rural development will be successful only when it goes along with the development of human race, entrepreneurship, financial power, employment generation and infrastructure development. Livelihood through self-employment has become an indispensable tool to eradicate poverty as the north-eastern states couldn't accommodate to employ all the job seekers through formal sector jobs. KVI has been tremendously successful in promoting entrepreneurship and livelihood opportunities among the Manipuri women, particularly in textile industries, through PMEGP. The growth rate of employment generation has tremendous as adequate supply of financial products is provided to poor entrepreneurs.

**Table No. 2** Achievements of PMEGP in Arunachal Pradesh

Year	Applications			Forwarded to Bank		Sanctioned by Bank		Margin Money Claimed		Margin Money Sanctioned	
	Received	Placed	Recommended	Project	MM in Lakhs	Project	MM in Lakhs	Project	MM in Lakhs	Project	MM in Lakhs
09-10	342	288	260	201	432.39	174	311.89	176	186.98	158	114.81
10-11	470	396	371	329	426.06	290	387.80	248	293.45	232	249.40
11-12	848	646	580	490	61.07	451	732.87	423	675.00	374	431.63
12-13	1570	711	512	481	798.50	379	531.78	311	396.87	261	296.50
13-14	2569	2244	1114	1304	1987.83	497	2155.03	467	1201.79	193	294.48
14-15	1691	1063	892	1339	1805.15	305	388.44	826	370.69	693	817.55
15-16	1946	2231	1543	906	1808.35	886	218.44	795	121.31	699	1106.83

Source: <https://www.kviconline.gov.in/pmegp/pmegpmr/pmegpOldRepo.jsp>

**Table No 3** Subsidy Released and Utilised (in Rs. Lakh) under PMEGP in Arunachal

	2012-13		2013-14		2014-15		2015-16	
	Released	Utilised	Released	Utilised	Released	Utilised	Released	Utilised
	296.50	296.50	889.42	889.42	817.55	817.55	1106.83	1106.83
	(98.06%)	(98.06%)	(92.31)	(92.31)	(84.40%)	(84.40%)	(85.27%)	(85.27%)

Source: <https://www.kviconline.gov.in/pmegp/pmegpmr/pmegpOldRepo.jsp>, <http://pib.nic.in/newsite/PrintRelease.aspx?relid=118557>

Other researchers too have a similar view in this regard with respect to the success of livelihood programmes in developing entrepreneurship. (Dhineshsankar et.al., 2012<sup>xxxvii</sup>; Nabi & Mohanty, 1992<sup>xxxviii</sup>; Banerjee & Talukdar, 1997<sup>xxxix</sup>; Kumari, 2013<sup>xl</sup>; Desai, 1995<sup>xli</sup>; Anuradha Tyagi, 2017<sup>xlii</sup>; and Bhuyan, 2013<sup>xliii</sup>).

**PMEGP in Arunachal Pradesh:** Arunachal Pradesh Government has recently launched many laudable steps in field

of the entrepreneurship development. State Govt. constituted AP Skill Development Society to mould virgin talents of the indigenous people. Many beneficiaries under PMEGP, as started in 2009, have been benefitted and enhanced income and employment opportunities. 158 youths in 2009-10 & 232 youths in 2010-11 were given opportunities to establish their business venture under PMEGP scheme and after that there is no fall back<sup>xiv</sup>.

The table no – 3 provided an insight about the performance of the PMEGP in the state of Arunachal Pradesh. Every financial year, the number of beneficiaries has been increased. 699 projects with a margin money outlay of Rs. 1106.83 lakhs were approved and sanctioned in the year 2015-16. With respect to the utilisation of the subsidy released under the PMEGP, more than 84% of the funds were utilised in last 4FYs starting from 2012-13 to 2015-16.

## RESEARCH GAP AND QUESTIONS

There is a growing trend of poverty and unemployment in North-East regions, especially in Arunachal Pradesh. The agriculture and traditional economic activities in the locality alone cannot be in a position to create additional employment opportunities. There is need to give importance on propagating entrepreneurship and self-employment. At the same time, it is hard truth that village or rural areas or hilly areas have peculiar nature of geographic or topographical problems as compared to the developed states. Therefore, programs or plans of the Govt. need to thoroughly be scrutinized according to their applicability of the local problem and requirements. Above all, a huge research gap is present as none of the researchers have undertaken any such research endeavours to study the effectiveness of the Govt. sponsored livelihood development programmes and schemes in Arunachal Pradesh. Therefore, it is imperative to study the performance of PMEGP in the study area in terms of its impact in developing the entrepreneurship and in turn, socio-economic growth of the beneficiaries.

## RESEARCH OBJECTIVES

Present study has emphasized to underscore the importance of the Prime Minister Employment Generation Programme (PMEGP) to provide financial intervention to the under-employed population to set up self-employment ventures and to encourage entrepreneurship.

Thus, the basic objective of the study is to analyse the impact of PMEGP in developing the entrepreneurship and socio-economic growth of the beneficiaries, in the study area.

### Hypothesis

H<sub>0</sub>: Participation in PMEGP scheme has not increased entrepreneurial capabilities of the respondents in the study area, significantly.

H<sub>0</sub>: Participation in PMEGP has not increased individual or household capabilities of the respondents in the study area, significantly.

## RESEARCH METHODOLOGY

The above impact hypotheses posit that participation in PMEGP programme leads to positive impacts on entrepreneurship which was studied at two levels: at the

organisational level and at the individual or HH level which is a consequence of the change with the former. The present study has selected Lohit district of Arunachal Pradesh as study area due to two reasons; firstly, no such study has been conducted in this district so far, and secondly, it is the second largest district with PMEGP beneficiaries which included beneficiaries hailing from 222 villages.

While conducting present study an effort was made to make the empirical study at best possible manner, based on both primary and secondary data. The impact analysis was conducted through primary data collected during two periods i.e., 2012 and 2017. To collect primary information direct personal investigation, oral investigation, schedules, personal observation, formal and informal discussion and focused group discussions (FGDs) with beneficiaries, panchayat members, local representatives, and Govt. official of implementing agencies were undertaken.

Based on the objectives stated above, the current research study was based on the primary data from the beneficiaries of PMEGP from the study district with the help of a pilot-tested schedules, and through FGDs. After the preliminary field research, a questionnaire / schedule was drafted, pilot tested and finalised. The draft questionnaire / schedule was based on the pattern of primary data collection that had been developed and tested for the AIMS study between 1995 and 2002 by the USAID for the sponsored the Assessing the Impacts of Microenterprise Services (AIMS) Project as a part of the Microenterprise Innovation Project. For making the schedule usable for the present study, some modifications and changes were made in the most of the common questions, and by adding some context-specific data categories and context-specific questions.

A field survey was conducted covering the whole district with all seven (7) administrative circles. Study was explorative in nature therefore it was predetermined that 150 respondents would be covered during field survey who were randomly selected from each seven-administrative circle of the study area. Sample size was 20% of total beneficiaries from each circle and the number will be made rounded up to the next ten for ease in computation. Random sampling and Convenient Sampling techniques were used to select the respondents.

Various appropriate advanced statistical tools and techniques were applied basing on the nature of the data and inferences expected. The advanced statistical package like SPSS and MS-Excel were used. With the help of those software package; ANOVA, Gain Score Analysis, Rank Correlation, chi square test, F-test, paired T- test and others statistical tools deemed fit were used to draw the final conclusion.

### Basis of Analysis

The present research hypothesized that Prime Minister Employment Generation Programme (PMEGP) has impacts on the entrepreneurship in the Lohit Districts of Arunachal Pradesh, i.e., on the variables - the revenues, fixed assets, employment, and transactional relationships (with both suppliers and customers) of the enterprises. For most livelihood development programmes, the first place one would expect to find impact is in the enterprise operated by the beneficiaries, primarily. It would normally be expected that an effective

Livelihood Development Programme (LDP) would raise the revenues, fixed assets, and employment of that particular enterprise. During the review of literature, it was found that many an impact studies undertaken previously look no further beyond the primary enterprise for impact of the LDPs. But the current study goes beyond the first level of study – the impact at entrepreneurial level, to the second level i.e., individual and household levels. There are, however, three important reasons for searching more widely. The first argument, which is general, is fungibility. Although loans are taken for particular stated purposes, by enlarging the pool of resources available to the household they can lead to increased expenditure on any of a number of potential uses. Borrowers often have more than one microenterprise, and they may choose to invest in an enterprise other than the one for which the loan was nominally taken. Further, they may not invest in a microenterprise at all. The other two reasons for looking beyond the respondent’s primary microenterprise relate to differences between PMEGP and the common type of microenterprise credit programs. PMEGP are more interested in promoting livelihood and entrepreneurship sustainably than in making loans. For this reason, as well as because we believe that entrepreneurship is as important as credit in general, this study evaluates the impact of PMEGP on developing the entrepreneurship. The third and the most important reason is that the growth of entrepreneurship leads to rise in economic flow to the individual beneficiary or to his household. The rise in economic flow affects the life style of the individual and his HH. This will be reflected through various variable leading to changes like Material, Cognitive, & Perceptual Changes. (Fig. 1)

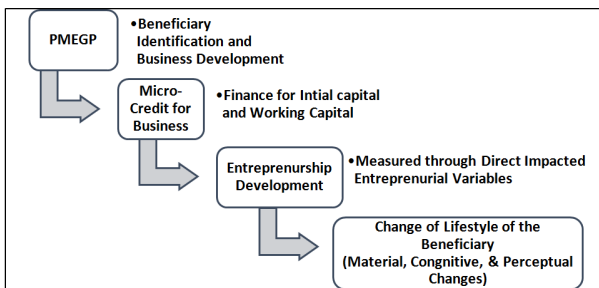


Fig 1 Basis of Analysis

**Impact of PMEGP on Entrepreneurship Development – An Analysis**

The first null hypothesis of the present study is “ $H_0$ : Participation in PMEGP scheme has not increased entrepreneurial capabilities of the respondents in the study area, significantly”. The variables are studied to substantiate the present research hypothesis are: revenue or income, profit, asset acquisition, employability, savings and loan usability / fungibility, sanction of loan availability and repayment, transactional relationship, and record keeping and management. Therefore, to quantify the above research hypothesis all the above variables for the enterprise are widely tested with the help of descriptive statistical analysis, and ANOVA and presented in table no 4. To nullify the inflationary trends, the values of the two periods were put under the GDP Deflator Index, which is 100 in the year 2012 and 125.1 in the year 2017<sup>xiv</sup>. The major inferences found from the comparative analysis between two survey periods of the statistics of various entrepreneurial variables are as follows:

1. The changes in average annual revenue and profit, both in absolute and deflated values, between two survey periods are significant statistically and in absolute terms. This rise lead to a significant increase in the value of fixed assets and ploughing back or reinvestment of profit in the business.
2. The employment generation capabilities of the enterprises are also significantly raised between two survey periods in absolute & statistical terms.
3. A turn-around effect, a growth of 17 times in absolute terms and 13 times in terms of deflated values, was experienced with respect to the saving habits of the entrepreneurs.
4. Fungibility of the loans i.e., diverting loans into non-sanctioned purposes, has been reduced in significant manners which proves that the HH has enough income to maintain the day-to-day expenditures and future eventualities.

Table no. 4 Changes in the Entrepreneurial Variables (Direct Impacted) between Two Survey Periods - 2012 and 2017

Entrepreneurial Variables	Absolute Change	ANOVA		Changes
		F	p	
Average Revenues (Absolute Value)	+ 159.41%	1546.41	.000*	Significant
Average Revenues (Deflated Value)	+ 106.52%	1234.89	.000*	Significant
Annual Average Profit (Absolute Value)	+ 269.12%	7295.47	.001*	Significant
Annual Average Profit (Deflated Value)	+ 179.12%	6294.89	.000*	Significant
Value of Fixed Asset (Absolute Value)	+ 377.46%	6760.59	.000*	Significant
Value of Fixed Asset (Deflated Value)	+ 199.72%	5982.56	.000*	Significant
Weekly Average Employment Hour Generated	+ 103.89%	4.75	.002*	Significant
Annual Average Savings (Absolute Value)	+ 1742.79%	4.45	.008*	Significant
Annual Average Savings (Deflated Value)	+ 1373.06%	4.80	.008*	Significant
Reinvestment of Profit in business	+789.56%	1190.98	.000*	Significant
Average % of Loan Used for Business Purpose	+ 40.16%	78.92	.003*	Significant
Number of subsequent Loan issued	+ 591.56%	449.08	.000*	Significant
% of Loan repaid	+ 79.69%	320.77	.000*	Significant
Transactional Relation with Superior Suppliers	+ 235.10%	10.03	.090**	Significant
Transactional Relation with Superior Customers	+ 48.03%	3.02	.148	Non-Significant
Uses and management of various records	+ 303.03%	22.32	.000*	Significant

\* at 5% Significant level, \*\* at 10% Significant Level

Source: Field Study in 2012 & 2017 and Analysis thereafter

5. With respect to the subsequent loans, sanctioned after successful repayment of previous loans, the respondents have a growth of 591.56%. The growth in number of subsequent loans, which is statistically significant, indicated that the business undertaking makes a good revenue to cover the loans. The impact is also seen with respect to the repayment of loans, which is also statistically significant with a growth rate of 79.69%.
6. Though the respondents experienced a statistically significant change in transactional relationship with the superior suppliers like wholesalers, manufacturers, and middlemen / intermediaries; but the transactional relations with superior customers like retailers, wholesalers, middlemen / intermediaries, government and private offices has not been increased as expected and the growth rate of 48.03% is not statistically significant.
7. Though it is mandatory on the part of the entrepreneurs under study to maintain and keep some records as a pre-condition of the financial services under the banking procedures and PMEGP guidelines, the change in the preparation and maintaining of various financial and personnel records shows a positive trend also whereas the maintenance of store records does not show a remarkable change as compared to others. The advent of the GST has made the respondents to start maintaining the store records as per guidelines.

The second null hypothesis of the present study is “*H<sub>0</sub>: Participation in PMEGP has not increased individual or household capabilities of the respondents in the study area, significantly*”. The factor variables are studied to substantiate the present research hypothesis are: the material changes (HH income, HH Diversified Income, Expenditure on HH assets); the cognitive change (Increased Mobility, Ability to cope with financial shocks / crises, Ability to take economic decisions, Ability to deal with the future, Increased knowledge and skills and its dissemination, and Control & Ownership over Assets & Resources);, and the perceptual change (Self-Esteem: enhanced perception of own individuality, interest, and value; Self-Confidence: enhanced perception of own ability and capacities; Visibility and Respect: increased recognition and respect for individual's value and contribution; Participation: increased participation in society; and Self-Reliance: reduced dependence on intermediation by others for access to resources, markets, public institutions and ability to act independently).

**Impact on the Material Changes:** Substantial evidence was found and analysed through descriptive statistics and ANOVA that participation in the micro financial services of PMEGP has a positive impact at the household and individual levels. The statistical tests suggest that use of the credit and savings services of PMEGP raises household income. It also favourably affects the income diversification, expenditure on housing, expenditure on HH assets, and the ability to cope with future financial exigencies. Long-term participation or repeated borrowing under PMEGP has a positive impact on income, and spending on housing and consumer durables.

**Impact on the Cognitive Changes:** With respect to the cognitive changes, the respondents show positive changes with respect to the independence during economic decisions, control over the economic resources & decisions, ability to deal with the future, awareness, acquisition of knowledge and skills but the changes with respect to coping pattern for financial shocks and dissemination of knowledge and skill are very insignificant. The respondents of the study area still dependent on the traditional pattern of coping the financial eventualities by selling and mortgaging their properties rather opting for formal financial sources or depending on insurances. Another peculiar aspect has been traced out which indicate selfishness attitude of the individuals when the financial matters are coming to forefront. By citing the cause of this attitude as “Business Secrecy”, the respondents try to dilute the issues.

The following inferences have been drawn from the table below (Table no 6):

1. The difference in adopting the Strategy – II (Insurance, formal loans etc), not the Strategy - I(sale of productive assets) to cope with the future financial shocks, which is treated as a higher or better strategy, is not statistically significant and the null hypothesis holds good. But the rising figures is also robust to anticipate that the changes may be as expected due to advent of many measures taken by the present government at state and central level.

**Table No. 5** Material Changes within Individual / HH (Indirect Impacted) Variables between Two Survey Periods- 2012 and 2017

Individual / HH Variables (Average monthly Figures)	Absolute Change	ANOVA		
		F	p	Changes
Income of the HH (Absolute Value)	+ 271.18%	1502.59	.000*	Significant
Income of the HH (Deflated Value)	+ 196.51%	1476.12	.000*	Significant
Diversified Income of the HH	+ 543.33%	104.57	.000*	Significant
Expenditure for Housing	+ 156.30%	40.51	.008*	Significant
Expenditure for Assets Acquisition	+ 125.80%	56.19	.008*	Significant
Expenditure for Medical & Education	+ 98.65%	7.89	.097**	Significant
Expenditure for Food and Clothing	+ 168.95%	59.82	.003*	Significant
Savings / Investment	+ 1373.06%	4.80	.008*	Significant

\* at 5% Significant level, \*\* at 10% Significant Level  
Source: Field Study in 2012 & 2017 and Analysis thereafter

2. ANOVA shows a statistically significant change between the two rounds in their response with respect to the self-decision for taking the last loan by the beneficiaries, with respect to the self-decision on how to spend the last loan, by the beneficiaries, and the self-decision on how to spend the entrepreneurial profit, by the beneficiaries. This is the indication of the change in the control over the economic decisions, as well as economic resources too.
3. Most respondents are fairly confident and prepared to deal with the future events. Borrowers were more likely to judge themselves prepared for the future, and the relationship is statistically significant.
4. After tabulating the responses by simply adding up the number of preparatory actions mentioned by the respondent, in Round I and in Round II. Actions to prepare for the future are more clearly influenced by participation in PMEGP. Although the inclination to make preparations is apparently influenced by several moderating variables, participation in PMEGP significantly enhanced this tendency.
5. Most of the respondents had used their inherent knowledge and skills in managing the business ventures. But, the rise in the entrepreneurial abilities and exposures by better interactions with traders and officials make them more aware, skilful and knowledgeable due to the services of the PMEGP, which is statistically proved. But their activities and attitudes in disseminating the knowledge they acquired in this process is not in the same line.

and frailties. This was partly because the basic income was paid to each individual, strengthening their bargaining position in the household and community. Third, it had growth effects. Contrary to what sceptics predicted, the basic incomes resulted in more economic activity and work. Fourth, it had emancipatory effects. These are unappreciated by orthodox development thinkers. The poor's liberty has no value. But the basic income resulted in some families buying themselves out of psychologically bondage. These four effects – welfare, equity, growth and emancipation – combine to be transformative<sup>xlviii</sup>.

To trace the impact of the PMEGP on the lifestyle of the respondents with respect to the perceptual changes, five variables were taken viz., Self-Esteem, Self Confidence, Visibility & Respect, Social Participation, and Mobility & Self-Reliance. For each of the variables, the respondents were asked to answer in five Likert's scale. Then the answers to those questions were grouped under each variable and tabled and presented in the table no 07.

According to the Round I survey, the self-esteem, which includes the factors concerned with the enhanced perception of own individuality, interest, and values like acceptability / recognition of the contributions, recognition of one's value and giving importance to the interest by the HH and the society etc. was enhanced 75.41%. The second variable, self-confidence, which includes the factors responsible for the enhanced perception of own ability and capacities, scores a growth of 64.98% in the Round II survey.

**Table No 6** Cognitive Changes within Individual / HH (Indirect Impacted) Variables between Two Survey Periods – 2012 & 2017

Cognitive Variables	Absolute Change	ANOVA		
		F	p	Changes
Ability to cope with financial shocks / crises	+ 100.00%	0.02	.234	Non-Significant
Control over Economic Resources	165.34%	19.56	.000*	Significant
Decision to take the last loan	160.34%	19.72	.000*	Significant
Decision on how to spend the last loan	174.00%	38.23	.000*	Significant
Decision on how to use enterprise profits	101.94%	19.79	.000*	Significant
Feeling of preparedness to deal with the future	180.00%	18.86	.003*	Significant
Number of Things done to prepare for the future	142.86%	11.67	.000*	Significant
Increased Knowledge	138.71%	9.67		Significant
Enhanced Skill	104.71%	13.12		Significant
Awareness about Govt. Programmes	98.23%	11.24		Significant
Awareness about self-rights	56.98%	4.87		Significant
Dissemination of awareness and Knowledge	29.34%	1.98	.169	Non- Significant

\* at 5% Significant level, \*\* at 10% Significant Level

Source: Field Study in 2012 & 2017 and Analysis thereafter

**Impact on the Perceptual Changes:** The idea of providing low-income people with money to reduce poverty and insecurity was, until recently, regarded with scepticism in development circles. But that is changing rapidly. What the researchers show is that a basic income can be used as development aid and can be transformative<sup>xlvi</sup>. It had four effects, most accentuated by the presence of the collective body. First, it had strong welfare, or “capability”, effects. There were improvements in economic activity and earned incomes, and the socio-economic status of women, the elderly and the disabled<sup>xlvii</sup>. Second, it had strong equity effects. It resulted in bigger improvements for scheduled caste and tribal households, and for all vulnerable groups, notably those with disabilities

The third variable, visibility & respect includes the factors responsible for increased recognition and respect for individual's value and contribution to the HH, neighbourhood and the society. The mean score for the visibility and respect increased by 66.53%. The fourth variable, social participation, deals with the factors responsible for the increased participation in the societal activities and functions, also recorded a jump in the Round II survey by 84.19% from that of Round- I. Though the tribal society is a pluralistic society and ensure everyone's participation, but the changes in this aspect of life is enhanced coupled with self-confidence of the individuals about his value and value of his presence in those occasions.

**Table No 7** Perceptual Changes within Individual / HH (Indirect Impact) Variables between Two Survey Periods

Impact Variables	Absolute Change in % between Two Survey Periods, 2012 & 2017	ANOVA		
		F	p	Changes
Self-Esteem	+ 75.41%	13.19	.000*	Significant
Self Confidence	+ 64.98%	10.83	.003*	Significant
Visibility & Respect	+ 66.53%	12.51	.002*	Significant
Social Participation	+ 17.53%	1.95	.327	Non-Significant
Mobility & Self-Reliance	+ 84.19%	15.79	.000*	Significant

\* at 5% Significant level, \*\* at 10% Significant Level  
Source: Field Study in 2012 & 2017 and Analysis thereafter

The last variable mobility and self-reliance over own abilities and capacities, factoring through the reduced dependence on intermediation by others for access to resources, markets, public institutions plus increased mobility and ability to act independently, also shows a rise in the mean score from Round I to Round II by 17.53%.

This is the variable which shows a remarkable positive change as through the business and its expansion, the respondents become self-reliant on their own ability to manage the HH needs and they can depend on the formal sources in case of exigencies. As the awareness about the market and other aspects of trading has been enhanced, the mobility and interaction with different personnel are also increased.

Putting all these statistics relating to five variables viz., Self-Esteem, Self Confidence, Visibility & Respect, Social Participation, and Mobility & Self-Reliance to ANOVA to trace the significance about the changes among two periods, it is found that all variables changes significantly and the null hypothesis is rejected.

### Findings

1. The PMEGP has impacted positively on the entrepreneurial growth as reflected in the factors like income / revenue of the enterprise, profit, total informal sector earnings, savings, employment generation, transactional relationships, loan fungibility, subsequent loan issues and repaying capacity, and management of records.
2. The indirect outcome variables or the individual or HH variables like material change, cognitive change and Perceptual change, which had also been tested positive and significant, while analysing the impact of PMEGP in the growth and development of the entrepreneurship which leads to development of the life style of the respondents.

### CONCLUSION

PMEGP found to be effective livelihood measure to ameliorate poverty, unemployment and reduce social and economic disparity among the beneficiaries. Many educated youths including women has benefitted from this scheme to live descent life in the society. The finance considered to be life blood of any business concern. PMEGP helps to solve the problems of operational and seed capital. In the study area, business prospect found to very high in different sectors.

Only productive engagement and proper direction / motivation of unemployment youth toward undertaking some business venture will fetch a positive result towards eradication of poverty and equidistributional economic power.

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