Employment problems of the educated youth in India

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Employment problems of the educated youth in India*

Dr. L. Reddeppa**

Introduction

In the developing countries like India, the problem lies in the utilisation of the educated youth of low level of general education without having any technical training. They neither fit into the employment market nor become self employed due to lack of technical skills, poor access to assets and capital, and inadequacy of entrepreneurial abilities and marketing skills. At the same time, they are not inclined to work as wage labourer in the farm sector and unorganised non-farm sector. It is a state of condition, in which, the educated youth are not engaged in income generating activities either as self employed or as wage employed, and are forced to remain unemployed. “Unemployment refers to some one who has been acknowledged as such after having applied unsuccessfully for a job, and who, having registered with a government agency responsible either for finding jobs or for obtaining financial aid, still finds no work”. According to this, the educated youth registered with Employment Exchanges are very meagre (less than 20 per cent) out of the total educated. Even then, they are in the rolls of Employment Exchanges for years together. Hence, it is a herculean task to the Governments to provide employment security for the educated youth.

Admittedly, all young men and women have some ambition to achieve in life, which may be ‘status, identity or decent life in the society’. If they fail to achieve these within a reasonable time after completing a certain level of education, generally, they develop a feeling of frustration, distrust and loss of self-love. It may lead to disturbance of harmony in the family.

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relations. In extreme cases, the situation would have made them to alienate from the peer group, family members and 'join in the political groups, indulge into politics, keep nexus with criminals and gangsters, and also become brokers of the power group'. Their main habits and activities would become socially unrecognised and legally unapproved. However, they may get recognition in the society because of political and economic power by mobilising the people, more so in the case of people with similar attitudes and vested interests. Sometimes, they may dominate in the society and dictate to the official functionaries to work in their favour in all public matters and implementation of all welfare programmes of the government.

This type of tendencies among the people can easily divert the attention of the unemployed youth to commit similar atrocities in the society either with the support of the former or with their own methods adopting further innovation. All these unruly elements in the society will disturb the work culture and moral ethos in the society. To obviate from these problems, the educated youth are to be involved to participate in the work opportunities and grooming them to become useful citizens of the society.

**Education and Economic Development**

The key to development of a country lies in the optimum utilisation of work force in general, educated unemployed youth in particular, in the process of production and improve the productivity of their labour high enough to generate a surplus for economic growth. The present day developed countries achieved rapid economic and social development through building up of skills and efficiencies of the youth as well as work force through adopting new technologies and upgrading the existing technologies so as to increase the product quality and productivity. It is a continuous process, in which, the goods and services are improvised to the needs of the society according to the changing times. This is a challenging task to the governments in developing countries to compete with the developed countries. One thing must be clear that the youth have constructive role in the process of economic development. However, they need formal schooling with some technical skills so as to enable them to learn new skills to perform new tasks and to absorb new information for getting some sort of employment, thereby income, particularly to the economically disadvantaged youth.
It is universally accepted that education contributes to development and development of economy contributes further development of education. Good education is pre-requisite for advancement of people in any country for inculcating good habits, learning improved methods of work culture, recognising the moral commitment and individual responsibilities which are available in the developed societies. The development of “higher education is correlated with economic development, which is heavily dependent on government funding, and unit costs are higher relative to other segments of the education system”\(^3\). Further, it is historically proved that new technologies can create new markets not only in the native country but also in other countries in the world. This will certainly generate growth in exports, which is most essential for the developing countries in order to import some critical technologies, raw materials, etc. Again all these, certainly create new employment opportunities both directly and indirectly through multiplier effects in the rest of the economy. For instance, the Indian computer software technologies have created markets in several countries and have generated several employment avenues both within the country and also in many foreign countries. No doubt, there may be sluggish growth in the computer software technology sector after the year 2001, when compared to the earlier years due to the down trend in United States and other economies. However, our software professionals have created new horizons in the international market.

Similarly our engineering graduates, doctors, chemists and scientists who are highly qualified professionals have been working in different countries and contributing to the growth of the country where they are presently working, and also contributing to the growth of the native country in the form of remittances and mobilising foreign capital through Non-Resident Indian (NRI) Funds. Here, which country is benefiting much is non-contextual. But, the way the youth are optimally utilised in the work opportunities and competitive even in the international markets is most important. Mr. Bill Clinton, the Former President himself agreed that “Indians were rated highest in terms of educational qualifications and income among the 200 ethnic and racial groups in the United States”. Further, he accepted that “Indians who have come to United States have done more for America than America for them”\(^4\). According to Arvind Panagariya quoted from the *Fortune* Magazine (May 23, 2000) that “without the Indian entrepreneurs, Silicon Valley would not be what it is
today. It placed the wealth generated by them at $250 billion, more than half of India’s current G.D.P. Based on median income, Indian born residents in the United States comprise the highest paid group in the country. They are represented in virtually all professions including agriculture, biotechnology, business, economics, finance, information technology, journalism, management, medicine and various sciences".

The professional education and training offered to the students in Indian Institutes of Technology, Regional Engineering Colleges, Indian Institute of Management and several computer training institutions have developed on par with the international standards and exposed to the world of practice, because some of the students of these institutions are being selected by the international agencies through campus selections. Apart from these, the education/training received from the Central Universities, National Institutes, particularly in the field of scientific research has sufficient demand in modern industries in the country and also abroad. Some of the non-professional degrees have also strong demand from the employer. There was a "strong demand for a non-professional degrees awarded by BITS from the employer, because industries send their representatives to the Campus for interviewing not only engineering graduates, but also non-engineering graduates as well". Hence, the effectiveness of general or professional education ‘or’ training for the students

depends heavily on the extent to which it is linked to the available jobs, explore new avenues of employment sources and at least create opportunities for self-employment. In spite of significant expansion of higher and professional education, the proportion of students enrolled in these institutions is well below the proportion available in developed countries.

Education/Training for Employment Security in different countries

The studies of ILO and World Bank strongly recommend primary education, which is ‘single most important element’ in the Human Resource Development (HRD). It has a “direct bearing on the rate of economic growth, it provides an absolutely essential base for further development of education and skills, and it has important indirect links with social factors which are part of the quality-of-life aspects of HRD strategy, in particular
health and nutrition". Rapid economic development in ‘Japan was attributed to the development of human capital at the very initial stages. The same is true of Taiwan and Israel and many other countries’.

Generally, education enhances the levels of employment, because education itself is a labour intensive activity, it creates demand for more goods and service and it imparts new attitudes to promote new production activities in the economy and upgrade the skills of self-employment. The most agreed view of the economists is that unemployment for professional graduates is much less than that of a general graduation in social sciences. The studies carried out in two countries, such as Colombia and Kenya by the International Labour Organization take the view that ‘the problem of educated unemployment is essentially a mismatch between the job expectations generated by the vocational education system and the job opportunities provided by the labour market’.

A study of UNESCO clearly observed that the United Kingdom and Sweden have stepped up practical training in the final years of schooling. Canada, the “United States and Japan have combined study and work at both the secondary and university levels. The Federal Republic of Germany and Ireland have developed programmes to familiarise young people with working life. West German young people follow a dual system, in which they receive on-the-job training in companies while attending courses in Vocational Schools”. It shows that the education system has to be framed such a way to fix-up the youth in a particular slot which is suitable to him and have employment market or to prepare him for a life of a self-learning and self-employment.

The rate of unemployment for secondary school students exceeds that of primary school leavers, although it declines again for university graduates. The less developed countries are suffering from persistent under investment in primary education, hand-in-hand with persistent over investment in higher education. It is explicitly true that “vocational education is expensive” because the teachers are to be trained and experienced with industries. The equipment and machinery required for the vocational schools are to be updated periodically such a way to have a little relevance to the requirement of the market. At the same time, the students are to be motivated with high quality education and skills such a way to take up the profession as a substitute rather than an alternative. Despite the cost of
expenditure in vocational/technical training, it provides either employment or self-employment security to the educated youth, which is a social investment to build the nation on the lines of the developed countries.

The United States of America has been implementing planned and result oriented programme, in which "about 55 per cent of the work force had formal pre-employment training in schools or from employers and about 35 per cent received in-service training to upgrade their skills". The United States has a government agency called US Small Business Administration (SBA) which was established in 1953 whose task is to develop this sector by promoting competition in American industry and to protect small companies against the giants. The SBA does not back 'good ideas' but it backs people of 'proven entrepreneurial ability'. A study of John Middleton, Adrian Ziderman and others (1993) based on various recent studies in different countries observed that when "employment opportunities are available or growing and a match is made between training and available jobs, vocational schooling has produced higher productivity (China), wages (Brazil and Hong Kong), and present values of investment (Israel) than general education does". Further, an average half to two-thirds of vocational school graduates can find employment as much as three years after completing the vocational course in Kenya, Nigeria, Lenin and Tanzania.

The most notable case is the Republic of Korea, "where vocational schools and labour training centres achieved placement rates in excess of 90 per cent in an economy" that grow on average 7 per cent a year from 1973 to 1984. However, experiences show that the Koreans have not been in a position to divert the attention of the students towards vocational secondary education instead of their attraction towards higher education. The Government budget for the vocational schools has increased substantially and parents of the children are also exhorted to send their children to vocational programmes. In spite of all these efforts, 'the Government has not been able to attain its target of 50 : 50 distribution of secondary school students in vocational and general stream'. The Governments in some countries like 'Czech Republic, Hungary, Poland and Turkey have instituted retraining programmes in the 1990s to solve the problems of unemployment and falling real wages due to various reasons'. A recent study indicates that, "a short-term training courses in these countries are more effective than the longer-term courses in raising
employment. The training imparted by the private providers is more effective than the training given by the public providers"14.

Education for Employment Security in India

Basic education has become a fundamental right as per the Ninety Third Amendment to the constitution passed in the Parliament. All out efforts are also being made by the Government to provide compulsory education for all the children up to 14 years. In spite of these efforts, the dropout rate from primary to middle, and middle to secondary education has not come down to the extent desired for various reasons like poor socio-economic background of the students; lack of educational institutions within a reasonable distance; inadequate infrastructure facilities; poor quality of education; etc. besides limited availability of employment opportunities for them even after education; and lack of cooperation and encouragement from the parents, teachers and society at large for continuing their education. At the same time, majority of the students forced to study general education, which neither improve any principles and moral values that are needed to the society nor provide any technical skills/work experience for securing private employment/self employment with the exception of very few professional and vocational courses. Hence, the policy of compulsory education for all the children will certainly enhance the growth of educated youth as well as unemployment in the country.

The students enrolled in primary schools in the country was 10.97 crores and the number enrolled was 4.10 crores in middle level, 1.68 crores in secondary level and 81.09 lakhs in senior secondary level and 50.25 lakh in graduate and above"15. It shows that 63 per cent of the students dropped out in the primary level, 59 per cent in middle level, 52 per cent in secondary level and 38 per cent in Intermediate and above. This implies that the proportion of students who have given up their studies at lower level of education was comparatively higher than that of the students who gave up their studies at higher level of education. This may be perhaps due to the reasons like limited availability of employment opportunities for the educated, poor economic background and high cost of higher education, limited availability of seats in professional and technical education, etc.

Government intervention is needed to help such youth adjust to changing labour markets, and for markets to adjust to human needs. It was observed
that the level of general school enrolments have improved more rapidly than that of the enrolments in vocational schools/institutions in the country. Youth with relatively good economic background continue their studies even in the general education stream so as to get salaried jobs. On the other hand, young youth from poor economic background are strongly motivated to leave school so as to contribute to the family income and majority of them look for some work in the informal sector.

The other dimension of the problem is that the proportion of educated youth actually registered with employment exchanges as against the total educated youth has been very low in the country. The persons registered with employment exchanges mostly belong to economically and socially poor sector. They register with employment exchanges with some hope for getting employment in organised public and private sector. The students who have dropped out in primary and middle level schools are more vulnerable to the problem of unemployment and poverty, because they are forced to depend on rural economy, mostly on agriculture. The landless among these students, generally depend on wage employment of the agricultural sector, which is inadequate to generate reasonable income, particularly in agriculturally backward areas. Hence, they need much more support for learning new skills to improve their productivity in terms of income generation in the sectors of agriculture and related activities and also in non-agricultural activities, which are most suitable to them.

The employment exchange data of India for the year 1997 shows that among the educated job seekers, nearly 57 per cent are only matriculates who do not have proper training for any kind of employment. About 25 per cent of the educated job seekers are intermediate passed and around 18 per cent are graduates and above. Among the graduates and above, about 42 per cent of the students belong to the arts discipline alone. It was also observed that more than 70 per cent of them were inexperienced, around 9 per cent were professional, technical and vocationally trained, which shows that majority of the educated youth are most vulnerable to the unemployment due to lack of technical skills, past experience, and income generating assets. They need Government’s support for learning new technical skills/on-the job training to secure work opportunities in various agricultural and non-agricultural activities.

Employment and self employment in non-farm sector activities in rural areas are limited for various reasons like low population density, lack of
concentrated rural markets, week rural transport system and lack of access to credit and raw materials often limits rural entrepreneurship\textsuperscript{17}. Entry of the unemployed youth in the self-employment activity depends on levels of capital and skills. Young and better-educated entrepreneurs are more likely to enter in newly emerging lines of activities, rather than in more traditional industries. It is widely recognised by the public that expenditure on education would be a form of investment, human capital. This would contribute to greater output and enhanced earnings for better standard of living among the public. The investment on human resource development would generate not only higher income but also job security and social status in the society. Vocational education has received greater attention in recent years in the process of human resource development in the country.

**Issues of Vocational Education in India**

Vocational Education was introduced in the country to familiarise the youth in a set of activities designed to contribute to occupational proficiency among the youth in or out of school, in which the occupation will be a person’s trade or vocation, which is his principal means of earning for a life. Realising this, several vocational and technical training institutes including Industrial Training Institutes (ITIs) are coming up in the country in recent years both in public and private sectors to improve the technical skills so as to get access to the employment/self-employment opportunities. Vocational training available in the country is mainly of two types, Craftsmen Training Scheme (CTS) and Apprenticeship Training Scheme (ATS). CTS provides a structured institutional training environment while the ATS is a combination of institutional and on-the-job training, in which trainees are exposed to the industrial environment. The vocational education in the country is being implemented in three streams – at the lower school stage, at the 10 + 2 stage and at the first-degree level.

The number of students enrolled in technical education was 7.81 lakhs as on 30-9-1997, which was just 8.4 percent in higher secondary education\textsuperscript{18}. It indicates that the proportion of students entering into the technical education stream is far below the normal expectation to achieve adequate employment generation or involvement of youth in the work opportunities. However, the main thrust would be on training of a huge number of educated unemployed across the country for meaningful skill oriented
employment. The National Policy on Education (NPE) 1986 accords high priority to vocationalisation of education at the secondary stage. Subsequently, the NPE as revised in 1992 aimed at diverting 10 percent of the students at the ‘+2’ level to the vocational stream in 1995 and 25 percent by the year 2000, ‘which appears to be a daunting task’.

The lower school stage of vocational education has been implemented under centrally sponsored scheme aimed at imparting training in simple marketable skills to students of class IX and X. In all, 652 schools have been covered under the scheme. In the second stage of vocational training also a centrally sponsored scheme is aimed at providing alternative career options to those pursuing higher education without any specific aim or purpose. This scheme covered nearly 6500 schools with an enrolment capacity of 9.4 lakh students, which represents nearly 11 percent of the enrolment of all students at the ‘+2’ level. The usefulness of the vocational training has to be judged on the basis of the persons trained or who secured either employment/involved in the work opportunities or taken up self-employment activity of their own. Ultimately, the success of the vocational training largely depends on availability of adequate qualified teaching and technical staff, machinery and equipment and infrastructure facilities etc. besides sincere and committed efforts of the staff.

The Director General of Employment and Training (DGERT) has taken up a comprehensive Vocational Training Project for upgrading the quality of training in the ITI’s, training of women and serving industrial workers with financial assistance from the World Bank, several schemes were also designed to improve the quality of training by imparting training to staff, replacement of old and out dated machinery. A sum of Rs. 338.5 crores was allocated to be spent on the state sector schemes primarily aimed at improving the quality of training in ITI’s during the period 1989-96. It may be observed that number of seats available in ITI’s of both government and private were 4.24 lakh in 1995, which increased to 6.57 lakhs in 2001-2002, which is about 2.6 per cent of the total students enrolled in higher secondary schools and 5 per cent of total students enrolled in post-matric to below Degree level institutions.

Despite the efforts of the government, the problem of unemployment/under-employment of the youth is continuing even after technical training, because they also ceased to be in the live registers of the
employment exchanges. Hence, appropriate planning is required for imparting special training to improve technical skills that are suited to the employment market or grooming them to take risk and initiative to take up self-employment activities of their own. They are also not coming forward with strong will to set up self-employment activities of their own due to lack of initiative, motivation and entrepreneurial abilities. At the same time, even if they take up self-employment activity, it is just as an alternative to the salaried employment, but not as a substitute. This may be due to lack of proper counselling, motivation and appropriate training from the training institutions. Even if the training is imparted to the unemployed youth in some parts of the country at present, the technical skills and motivation are insufficient to take up the self-employment activities. Hence, the technical training institutions are to be fully equipped with all expertise and the training should be linked to the available jobs in the public and private markets or to create self-employment of their own.

The other dimension of the problem relates to the under utilisation of the existing capacity of the seats available in apprentice training. The statistical data on apprentice training indicate that the seats utilised by the students were 1,49,181 out of 2,25,254 seats available in the country as on 1996. The most disappointing feature of the apprentice training is that the number of apprentices who appeared for trade test was 50,900 and the number of persons qualified in the test were 34,000 during the year\textsuperscript{21}. It indicates that the capacity utilisation of the existing seats in terms of the persons appeared for trade test and actually qualified were 23 per cent and 15 per cent respectively, which shows that the capacity utilisation of the technical training is very poor in the country.

**Genesis of Self Employment Schemes for educated unemployed youth in India**

In the early years of planning in the country, much emphasis was given to increase the volume of investment on infrastructure facilities, which are needed to set up large basic industries. This has created a rapid growth of agglomerative industrial urban centres in certain areas. Ultimately, all these factors widened the gap between the rural and urban areas, and also the traditional and modern sectors. After realising
the ineffectiveness of the strategy, Government searched for new policy initiatives to solve the country's severe problems like unemployment and poverty. Although, there were some specific programmes for employment generation, such as Rural Manpower Programme implemented during 1960-69 and Crash Employment Programme implemented during 1971-74, they did not make much impact partly due to the ad hoc nature of these projects and limited allocation of resources.

The economists and planners in early seventy's realised that expected employment can be achieved through implementation of several special employment programmes to improve the supply side deficiencies and structural rigidities arising in the country mainly due to population growth, weak infrastructure facilities, gross inequalities in the asset ownership, poor access to capital and technical skills, and lack of entrepreneurship. Accordingly, Government of India devised and initiated several employment and self-employment programmes/schemes in the country from the Fifth Five Year Plan. Although concerted efforts have been made in this direction, employment opportunities for the workforce have not been growing in the country commensurate with the rapid increase of the worker population in general and educated youth in particular.

The self-employment schemes for the educated youth have assumed significance in recent years, because the growth of employment for them in the organised public and private sectors has not been commensurate with the growth of the educated youth in the country. The data published by Central Statistical Organization (CSO) on educated youth indicate that the Matriculates and above registered with employment exchanges on an average per year was about 10 lakh persons and the generation of employment in the organised public and private sectors on an average was 4.6 lakh persons per year during the past two decades. It shows that the backlog of unemployment on an average per year was about 5.5 lakh persons during the period. These persons are mostly relying on alternative sources of employment like self-employment or wage employment. Otherwise, they are forced to remain unemployed. A majority of these persons could not face unemployment for a long period and particularly, those not having any asset base for income generation.
Realising this, self-employment scheme for the educated unemployed youth was initiated for the first time in the country in 1972. Scope of the scheme was widened when "Half a Million Jobs Programme was started in 1973-74", covering the educated persons, and persons with technical skills and training including artisans. These schemes did not have any significant effect on growth of self-employment to the growing educated youth due to meagre allocation of funds to the scheme. Apart from this, in some of the years in between the operational period (1972 to 1983), the implementation of the scheme was given up due to lack of regular budget allocation to the scheme.

**Self-employment Scheme for Educated Unemployed Youth**

During 1983-84, Govt. of India started a new scheme called **Self-Employment for the Educated Unemployed Youth (SEEUY)**. This scheme was implemented with clear guidelines regarding eligibility criteria and institutional mechanism for implementation of the scheme. Apart from this, the state-wise, district-wise and bank-wise targets were also indicated. It introduced effective monitoring and evaluation of the scheme at various levels in order to promote self-employment for the educated unemployed youth in the country through setting up of industry, service and business enterprises of their own. Package of assistance made available to the beneficiaries under the scheme include the provision of subsidy, loan on easy terms and conditions, and provision of necessary information and guidance for setting up of self-employed ventures. This scheme was implemented as a central scheme for a period of 11 years between 1983-84 and 1993-94.

The scheme was initiated mainly to provide employment for 2 to 2.5 lakh educated unemployed youth per year through setting up of self employed enterprises of their own in the country. The target (number of youth to be covered for assistance) for the scheme was put forth at 2.50 lakh persons per year during the period 1983-84 to 1986-87. The achievement of target in terms of sanction was 97 per cent in 1983-84, but declined to 87 per cent in 1986-87. In the year 1987-88, the target was reduced to half of the previous years. However, the target was not achieved, which then declined to 40 per cent by the year 1993-94.

The other dimension of the problem is that the average loan sanctioned per enterprise was Rs. 16,565 in 1983-84 which increased to Rs.
21,655 in 1986-87. Subsequently, the average loan sanctioned was more or less Rs. 22,000 in each year during the period 1986-87 to 1993-94. In other words, the quantum of loan sanctioned more or less remained constant for a period of 7 to 8 years (See Table 1). It can be inferred that the amount of loan sanctioned for setting up of a self employed enterprise 5 years ago is certainly insufficient for setting up of similar enterprise after five years due to inflation and escalation of cost prices of machinery and equipment, rentals, raw materials, etc. which are required for setting up of self employment enterprise in industry, service and business sectors. Hence, it would be difficult for the educated unemployed youth to sustain in the self-employment activities with inadequate loans.

It was observed from few studies that the loan actually disbursed was neither according to the requirement of the self employed youth nor congruent with the recommendations of the task force committee. Majority of the beneficiaries started self employed units due to availability of loan and subsidy without any collateral security, and other simple formalities to be complied with to get loan from the bank. However, after starting the units, majority of the beneficiaries failed to generate adequate income for various reasons like inadequacy of loan or working capital, lack of demand and marketability of the product/service/turnover, competition, lack of marketing skills and entrepreneurial abilities to run the enterprises on profitable lines by the beneficiaries. Ultimately, they failed to repay the loan to the bank.

The amount of subsidy released by the Reserve Bank of India during the 11 year period (1983-84 to 1993-94) was Rs. 638.64 crores in the country. This subsidy is useful for those self-employed youth who have sustained the self-employment activity till the end of the repayment period, i.e. 3 to 7 years. It indicates that the subsidy amount is not useful for those who closed their activities due to the problems of inadequate loan, shortage of working capital and requirement of loan for meeting overhead costs with a view to business development. After a thorough review of the SEEUY Scheme, certain modifications have been brought about in the implementation of the scheme with a new name called as 'Prime Minister's Rozgar Yojana (PMRY) in the country. SEEUY was subsumed in PMRY from 1994-95'.

14
### TABLE 1

**Performance of SEEUY – Scheme in India**

<table>
<thead>
<tr>
<th>Year</th>
<th>Target (in lakhs)</th>
<th>No. of Cases Sanctioned</th>
<th>Achievement of Target (Per cent)</th>
<th>Amount of loan sanctioned (Rs. in lakh)</th>
<th>Amount of subsidy released by RBI (Rs. in lakh)</th>
<th>Amount of loan sanctioned per unit (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1983-84</td>
<td>2.50</td>
<td>2.42</td>
<td>97</td>
<td>40,154</td>
<td>555</td>
<td>16,565</td>
</tr>
<tr>
<td>1984-85</td>
<td>2.50</td>
<td>2.29</td>
<td>92</td>
<td>42,953</td>
<td>9,983</td>
<td>19,773</td>
</tr>
<tr>
<td>1985-86</td>
<td>2.50</td>
<td>2.21</td>
<td>88</td>
<td>42,999</td>
<td>7,648</td>
<td>19,481</td>
</tr>
<tr>
<td>1986-87</td>
<td>2.50</td>
<td>2.17</td>
<td>87</td>
<td>46,991</td>
<td>8,744</td>
<td>21,655</td>
</tr>
<tr>
<td>1987-88</td>
<td>1.25</td>
<td>1.20</td>
<td>96</td>
<td>25,976</td>
<td>7,000</td>
<td>21,647</td>
</tr>
<tr>
<td>1988-89</td>
<td>2.50</td>
<td>1.92</td>
<td>77</td>
<td>40,407</td>
<td>8,054</td>
<td>21,058</td>
</tr>
<tr>
<td>1989-90</td>
<td>1.25</td>
<td>1.07</td>
<td>86</td>
<td>22,481</td>
<td>6,000</td>
<td>21,010</td>
</tr>
<tr>
<td>1990-91</td>
<td>1.25</td>
<td>1.01</td>
<td>81</td>
<td>22,254</td>
<td>8,000</td>
<td>22,098</td>
</tr>
<tr>
<td>1991-92</td>
<td>1.29</td>
<td>0.94</td>
<td>73</td>
<td>20,611</td>
<td>3,925</td>
<td>21,927</td>
</tr>
<tr>
<td>1992-93</td>
<td>1.00</td>
<td>0.73</td>
<td>73</td>
<td>16,450</td>
<td>3,955</td>
<td>22,534</td>
</tr>
<tr>
<td>1993-94</td>
<td>1.26</td>
<td>0.51</td>
<td>40</td>
<td>NA</td>
<td>NA</td>
<td>—</td>
</tr>
<tr>
<td>Total</td>
<td>19.80</td>
<td>16.47</td>
<td>83</td>
<td>3,21,276</td>
<td>63,864</td>
<td>19,507</td>
</tr>
</tbody>
</table>

**Note**: NA – Not available
**Source**: Annual Reports of Small Industry Development Organization for various years

### Prime Minister’s Rozgar Yojana (PMRY)

The Prime Minister’s Rozgar Yojana (PMRY) is one of the important schemes aimed at promoting self-employment of educated unemployed youth in the country through entrepreneurship development in industry, service and business sectors. PMRY Scheme is an enlarged version of SEEUY, being implemented with a higher investment limit of project cost up to Rs.1 lakh per person without insisting on collateral security for starting a self-employed venture in industry, service and business sectors. There is a special provision in the scheme that two or more eligible persons can join together in partnership for promoting an enterprise. In such cases, the loan limit will also be correspondingly increased to Rs. 2 lakhs for two persons, Rs. 3 lakhs for three persons, and so on. The beneficiaries should contribute 5 per cent of the project cost as margin money. Subsequently in the year 1999 the loan limit was enhanced to Rs. 2 lakh
for industry and service activities and Rs. 1 lakh for business activities. If two or more eligible persons join together in a partnership project, the loan limit was enhanced up to a maximum of Rs. 10 lakhs. Loan is provided by the bank for suitable persons and for viable activities, only after the district level task force selects prospective self employed persons in the interview-cum-counselling session and recommends their cases to banks for bankable projects. Apart from these, the Government of India has revised the guidelines with regard to the age, educational qualifications, family income, project cost, margin money, training assistance, reservation, etc. The revised guidelines came into effect from April 1, 1999. The distinctive features of PMRY Scheme over the earlier SEEUY Scheme are shown in Annexure I.

Performance of PMRY Scheme

The data given by Ministry of Agro & Rural Industries in its Annual Report 2002-2003 clearly indicate that the achievement of target in terms of loans disbursed to the youth varied between 58 and 110 per cent and the average was 87 per cent between the years 1993-94 to 2001-2002. It shows that the loans disbursed were little lower than that of the target (See Table 2). The percentage of cases disbursed loans against sanctions varied between 65 per cent and 86 per cent. It shows that the proportion of cases rejected varied between 14 per cent and 35 per cent and it was 28 per cent on an average per year during the period.

It was observed from the first round of evaluation study\textsuperscript{23} conducted as Census Survey for the programme years 1993-94 and 1994-95 in 48 districts of 21 States / Union Territories indicate that the proportion of cases disbursed loans against sanctions was 83 per cent. Similarly, the proportion of cases disbursed against sanctions as per the second round evaluation study\textsuperscript{24} conducted for the programme years was 74.7 per cent. As per the RBI Study\textsuperscript{25}, it was 70 per cent for the programme year 1995-96 in the 5th Field Study and 64.28 per cent and 61.30 per cent for the years 1997-98 and 1998-99 respectively as per the 6th Field Study of RBI\textsuperscript{26}. It shows that the bankers are not disbursing loans even after sanction, presumably for non-compliance with sanction terms.

It was observed from the study that the loan amount actually disbursed on an average was less than Rs. 60,000 as against the eligible loan Rs.
1,00,000 (For details see Table 3). It indicates that the loan actually disbursed to the youth is much lower than that of the eligible loan. The average loan disbursed per enterprise as per the first round evaluation was Rs. 52,268/-; it was Rs. 57,403/- in the second round evaluation; it was Rs. 56,000/- in the fifth field study of RBI; and it was Rs. 49,816/- for 1997-98 and Rs. 54,319/- for 1998-99 as per the sixth field study of RBI. It was also observed from the secondary data that loan amount actually disbursed to the youth in the years 2000-2001 and 2001-2002 had not improved even after enhancement of the loan limit up to Rs. 2 lakhs for setting up of industry and service activities during the year 1999, which shows that the bankers are not strictly following the guidelines of the scheme in disbursement of eligible loan.

**TABLE 2**

**Performance of PMRY Scheme in India**

<table>
<thead>
<tr>
<th>Year</th>
<th>Target</th>
<th>Sanctions</th>
<th>Disbursements</th>
<th>Target</th>
<th>Sanctions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1993-94</td>
<td>40000</td>
<td>30029</td>
<td>23035</td>
<td>58</td>
<td>77</td>
</tr>
<tr>
<td>1994-95</td>
<td>220000</td>
<td>185803</td>
<td>158863</td>
<td>72</td>
<td>86</td>
</tr>
<tr>
<td>1995-96</td>
<td>220000</td>
<td>287218</td>
<td>241843</td>
<td>110</td>
<td>84</td>
</tr>
<tr>
<td>1996-97</td>
<td>220000</td>
<td>271768</td>
<td>228495</td>
<td>104</td>
<td>84</td>
</tr>
<tr>
<td>1997-98</td>
<td>220000</td>
<td>263622</td>
<td>209103</td>
<td>95</td>
<td>79</td>
</tr>
<tr>
<td>1998-99</td>
<td>220000</td>
<td>271342</td>
<td>191351</td>
<td>87</td>
<td>71</td>
</tr>
<tr>
<td>1999-2000</td>
<td>220000</td>
<td>259088</td>
<td>203454</td>
<td>92</td>
<td>79</td>
</tr>
<tr>
<td>2000-01</td>
<td>220000</td>
<td>237752</td>
<td>184761</td>
<td>84</td>
<td>78</td>
</tr>
<tr>
<td>2001-02</td>
<td>220000</td>
<td>230770</td>
<td>150204</td>
<td>68</td>
<td>65</td>
</tr>
<tr>
<td>Total</td>
<td>1800000</td>
<td>2037392</td>
<td>1591109</td>
<td>88</td>
<td>78</td>
</tr>
</tbody>
</table>

### TABLE 3

Amount of Loan and Subsidy Disbursed under PMRY Scheme

<table>
<thead>
<tr>
<th>Year</th>
<th>Cases disbursed (Nos)</th>
<th>Amount of Loan disbursed (in Crores)</th>
<th>Subsidy Released* (in Crores)</th>
<th>Average Loan disbursed Per unit (Rs.)</th>
<th>Average subsidy disbursed Per unit (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1993-94</td>
<td>23035</td>
<td>137</td>
<td>34.79</td>
<td>59474.71</td>
<td>15103.10</td>
</tr>
<tr>
<td>1994-95</td>
<td>158863</td>
<td>872</td>
<td>120.06</td>
<td>54890.06</td>
<td>7557.46</td>
</tr>
<tr>
<td>1995-96</td>
<td>241843</td>
<td>1378</td>
<td>145.00</td>
<td>56979.11</td>
<td>5995.63</td>
</tr>
<tr>
<td>1996-97</td>
<td>228495</td>
<td>1352</td>
<td>114.98</td>
<td>59169.78</td>
<td>5032.06</td>
</tr>
<tr>
<td>1997-98</td>
<td>209103</td>
<td>1218</td>
<td>94.86</td>
<td>58248.81</td>
<td>4536.52</td>
</tr>
<tr>
<td>1998-99</td>
<td>191351</td>
<td>1093</td>
<td>135.50</td>
<td>57120.16</td>
<td>7081.23</td>
</tr>
<tr>
<td>1999-2000</td>
<td>203454</td>
<td>1269</td>
<td>190.00</td>
<td>62372.82</td>
<td>9338.72</td>
</tr>
<tr>
<td>2000-01</td>
<td>184761</td>
<td>1167</td>
<td>201.00</td>
<td>63162.68</td>
<td>10878.92</td>
</tr>
<tr>
<td>2001-02</td>
<td>150204</td>
<td>908</td>
<td>193.50</td>
<td>60451.12</td>
<td>12882.48</td>
</tr>
<tr>
<td>Total</td>
<td>1591109</td>
<td>9394</td>
<td>1229.69</td>
<td>59040.58</td>
<td>7728.51</td>
</tr>
</tbody>
</table>

* Subsidy released includes expenditure on Entrepreneurs Development Programme.

### Issues in Self-employment of educated youth in Andhra Pradesh

1. Fixation of proper targets and their achievement reflects the realistic approach followed and efficiency in the implementation of the scheme. Generally, the growth of self-employed ventures in industry, service and business sectors in an area / region depends on various factors like demand, price, purchasing power, need, number of educated unemployed youth, occupational pattern, urbanisation, transport and communication facilities, agricultural development, industrialisation, forests, mineral wealth, etc., besides Governmental support and banking activity in the area and extent of cooperation forthcoming from the banks, etc. Identification of activities should be in the light of demand prospects. The district level targets should be arrived at on the basis of the viable activities based on field surveys and assessment of needs and opportunities. This type of planning will certainly encourage the healthy growth of self-employment in each area or hinterland of the bank branches in the district.
2. It was observed in a study that this scheme has been implemented with a high degree of urban bias. This may be perhaps be due to the limited number of bank branches operating in some backward and rural areas and non-participation of some of the rural bank branches in the disbursement of loans in their respective areas. Even if the commercial bank branches are operating in the Mandal headquarters, they are disbursing loans hardly in one or two cases. Hence, the loans under PMRY Scheme have not been availed by the poor educated unemployed youth residing in villages. The loans provided to the promotion of agriculture and related activities under these schemes have been very limited. Though these sectors / activities were covered under IRDP for the benefit of weaker section and target groups in rural areas, the loan limit under the scheme was very small. Hence, the educated youth have not availed the loans mostly under the scheme. Greater awareness among banks and beneficiaries, motivational campaigns could have probably improved the position.

3. The bankers have been giving preference to disburse loans to those who are already self-employed and have applied for expansion; who have worked in the unit owned by family members and relatives; who have gained experience by working as a employee or casual labour in a private firm; and who have some technical background after undergoing training through ITI, Vocational Training, Diploma in Technical Training, Engineering, Medical and Computer graduates. At the same time, bankers are also giving preference to the youth who are having good economic background and those giving collateral security, and those providing with personal surety either keeping some amount as fixed deposit or third party guarantee against loan to safeguard their loan recovery. Under these circumstances, it is difficult for the economically poor educated youth without having technical skills and past experience to get a loan for setting up of self-employment enterprise in industry, service and business sectors.

4. It was observed that the cases rejected for loan by the banks after sanction whose candidates had undergone training on an average per year was 22 per cent during the nine year period (1993-94 to 2001-2002). The youth whose loans after sanction were rejected were vulnerable to the problems of financial loss due to unfractuous expenditure on filing application to comply with the eligibility criteria,
undergoing training and efforts for a long period with the anticipation of receiving a loan. Apart from these, they have lost opportunity cost of their labour. Such risks are to be minimised for the unemployed youth. Otherwise, that will create a negative attitude and wilful misutilisation of loan and similar retaliatory actions towards bankers after receiving loan from the bankers. This will certainly create vested interests among the beneficiaries as well as bankers. The resultant effect would be an unfavourable atmosphere in the implementation of the scheme among the public in the subsequent years.

5. The Government of India has issued clear guidelines with regard to the eligibility conditions for the scheme in terms of family income and age of the beneficiary, reservation for SCs and STs, preference to OBCs, and the activities set up in industry, service and business sectors. As per the first round evaluation, the proportion of SCs and STs, and women and Minorities was 13 per cent and 11 per cent respectively. The corresponding figures in the second round evaluation were 13.1 per cent and 14 per cent respectively. It shows that the proportion of SCs and STs in the total beneficiaries is less than 15 per cent as against the reservation available at 22.50 per cent and the proportion of women was also low (less than 20 per cent) when compared to the general expectation that it could be around 30 per cent.

6. The other important observation was that a large number of persons from higher income brackets derived benefits from these schemes, mostly for expansion of the existing enterprises. Though these persons produced income certificates and project reports for setting up of new ventures to comply with the eligibility criteria, they were not actually poor deserving persons and really unemployed. It was also observed that majority of the beneficiaries of these schemes can afford to provide collateral security or third party guarantee, which is one of the most important factor for getting loan from the bank. The bankers and DIC officials are also not meticulous to eliminate the higher income groups due to the fact that they are producing income certificates within the eligible limit. At the same time the bankers are also giving preferences to higher income groups with a view to realise good repayments.

7. The job preferences of the educated in developing countries are such that there is a premium on white-collar jobs as the educated
are averse to manual work and Blue-Collar jobs\textsuperscript{29}. In the context of self-employment, the mindset of the youth should be strong will and perseverance for sustenance in the activity. They should be a conviction that the self-employment is a substitute rather than alternative to regular employment. The Kerala experience showed that youth opted for self-employment as a last resort or out of sheer helplessness – only after they have failed to obtain regular salaried jobs. They entered the self-employment option on trial basis, which limits the will of the youth to generate adequate income.

8. The proportion of activities promoted under industrial sector was less than 20 per cent. On the other hand, it was more than 50 per cent in the case of units promoted under business and trading sector. Again, in each sector only few activities were prominent in all the districts. The activities like food and allied, manufacturing of items with iron and steel, and readymade garments in the industrial sector; kirana, general stores, fancy stores, cloth shops, electrical and electronic items, auto parts, fertilisers and pesticides, and hardware shops under business sector; and activities like auto/taxi/jeep/goods carriers, S.T.D. booths, Xeroxing, automobile workshops, tent houses and video shooting centres under service sectors are ubiquitous.

**Problems of the Banks**

9. The bankers have been facing serious problem with regard to the project proposals prepared by the beneficiaries. They expressed that all the project proposals submitted to them were only to avail of the maximum eligible loan. Ultimately, majority of the bankers had to revise the project costs depending on the type of activity. It was also indicated by the banks that the DICs had not given enough attention for selection of the projects and preparation of project proposals. Some of the applicants have been adopting pressure tactics to get a loan by way of a weighty recommendation either through big politicians or through a top level bureaucrats. Some of the bank managers had also received threatening telephone calls from the applicants for disbursement of loans. Such conditions certainly affects the quality and efficiency in selection
of the beneficiaries and achievement of desired results and social objectives in the implementation of self-employment schemes. The most serious problem is that the bankers are very much worried and concerned about the slow pace of recovery or total non-recovery of loan under PMRY scheme, because the quantum of loan disbursed to the beneficiaries would be comparatively higher than that of the other subsidy schemes of the Government, and it has to be extended to the unemployed youth by the banks without insisting on any collateral security quite often. Due to this and the pressures of Reserve Bank of India to reduce the NPAs, the bankers do not seem to be very enthusiastic in disbursement of loans under PMRY scheme.

Problems of the Beneficiaries

10. Inordinate delay in disbursement of loan to the beneficiaries was a common feature in majority of the cases. It was observed that the loans actually disbursed in the present year were sanctioned in the previous programme year. The delay in disbursement of loan would be a loss to the unemployed youth in many ways, because each unemployed youth has to incur some expenditure for making visits to DICs, banks and other promotional institutions in fulfilling the formalities to be complied on, with the expectation of loan, under the scheme. The indirect effect of the delay would be a loss of private income in terms of the opportunity cost of their own labour for such a long period.

11. It is appropriate to examine suitability of the applicants, appropriateness of the projects chosen by the applicants and level of cooperation from task force members, training needs of the beneficiaries and usefulness of the scheme to the educated unemployed youth. It was observed that majority of the applicants were first generation entrepreneurs, who neither have sufficient skills nor are they really serious to take up the activity. The activities chosen by them were of routine nature and the selection of the activity was not on the basis of demand prospects. The bankers complained that project proposals/reports prepared by them were of poor quality. It indicates that the task force is not effectively functioning as per the guidelines of the scheme.
12. Some of the banks have been insisting on title deeds of the assets owned by the youth ‘or’ family members for deposit with the Bank as a collateral security. About 53 per cent of the beneficiaries faced problems due to insistence on collateral security by the banks as per the first round of evaluation study. This type of insistence may be for creating some concern among the beneficiaries for prompt repayments. Wherever the candidates could give title deeds of the assets, the bankers had minimised the visits to be made by the candidate, and also disbursed maximum eligible loan of Rs. 95,000/- to Rs. 1 lakh. When the candidate failed to do so, the loan amount was reduced and also the candidates were also compelled to visit the bank more often. There were instances of closed units, non-starting of units, and units which had refused to take the second instalment due to inadequate sanction of the loan.

13. It was observed that the training given to candidates was general in nature and it was no way connected to the individual projects and problems, with the exception of very few. One interesting observation made in the study was that if the candidate had no previous experience in the line chosen, he would need more intensive training. If the candidate had past experience in the line chosen, he would not require any training. Such persons asked training just for one week mainly for improvement of managerial abilities, marketing skills and sales promotion, etc. besides some suggestions for development of his project specifically. Hence, separate training should be imparted for experienced and inexperienced, preferably training for industry, service and business sector activities, if possible, again separate training within the sector according to groups which are mostly related to the other in the same sector. These training courses should be given through experienced institutions, professionals, industrialists, Bank Managers including DIC officials.

14. The sustenance of any self-employment activity depends on the net profit generated to the beneficiaries. The enterprises non-started and closed, ‘nil income’, less than Rs. 500 monthly income were 10 per cent; 7 per cent; and 11 per cent of the total beneficiaries respectively. The enterprises generated income less than Rs. 500 were also mostly closed. It shows that the mortality
rate was 28 per cent in the scheme. Further, the net income was between Rs. 501 and 1,000 in 12 per cent of the cases. These enterprises are also not generating sufficient income and their sustenance is also doubtful. Despite this, 60 per cent of the enterprises are running with reasonable and on par with their expected net profit.

Conclusion

Employment security to the educated unemployed youth largely depends on the building up of skills and efficiencies among the educated youth by adopting new technologies and upgrading the existing technologies to improve the product quality and productivity on a continuous basis so as to fulfil the needs of the changing times. There is need to look more closely at the scope and scale of operations, speed of setting up the industry and supporting infrastructure and suitable environment. The education system should be suitably modified to vocationalisation and to fix-up the youth in a particular slot which is suitable to him in the employment market or to prepare him for a life of a self-learning and self-employment. For this, vocational education and training is very crucial to improve the employability or self-employment of the poor youth. After training, they are to be supported with complementary employment policies. The study observed that the vocational courses are not planned according to the needs of the local markets, and it fails to build up entrepreneurial skills and a zeal to learn new skills due to lack of professionally and technically qualified teachers with adequate machinery and equipment. At present, the training has been imparting by multiple institutions without any coordination and proper networking. By and large, these vocational training courses are not easily accessible to the rural youth. This is an urgent need to finding solutions to these issues in order to achieve rapid economic development by providing employment and by involvement of the educated unemployed youth in the process of production of goods and services, and for generating or improving income of the educated unemployed youth.
# ANNEXURE I

## Distinctive Features of PMRY over SEEUY Scheme

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Features</th>
<th>SEEUY</th>
<th>PMRY</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Objectives of the Scheme</td>
<td>Employment generation of 2 to 2.5 lakh persons per year in the country.</td>
<td>Employment generation of 1 million persons through setting up of 7 lakh micro enterprises in the country in four years.</td>
</tr>
<tr>
<td>2.</td>
<td>Eligibility Criteria</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a.</td>
<td>Age</td>
<td>18 to 35 years.</td>
<td>18 to 35 years.</td>
</tr>
<tr>
<td>b.</td>
<td>Qualification</td>
<td>SSC/Matriculation (Passed/Failed) or ITI passed and above.</td>
<td>* The age limit enhanced to 45 years for SCs/STs, Ex-servicemen, Physically handicapped and women.</td>
</tr>
<tr>
<td>c.</td>
<td>Family Income</td>
<td>Below Rs. 10,000 per annum.</td>
<td>Below Rs. 24,000 per annum of the beneficiary along with spouse and the parents of the beneficiary separately.</td>
</tr>
<tr>
<td>d.</td>
<td>Residency</td>
<td>Permanent resident of the area for at least 3 years.</td>
<td>Permanent resident of the area for at least 3 years.</td>
</tr>
<tr>
<td>e.</td>
<td>Non-Defaulter</td>
<td>Beneficiary should not be a defaulter to any nationalised bank/financial institution.</td>
<td>Beneficiary should not be a defaulter to any nationalised bank/financial institution.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>* A person already assisted under other subsidy schemes would not be eligible under the scheme.</td>
</tr>
</tbody>
</table>

All areas are eligible.
<table>
<thead>
<tr>
<th></th>
<th>Areas</th>
<th>Bank Loan/Project Cost</th>
<th>Subsidy</th>
</tr>
</thead>
<tbody>
<tr>
<td>f.</td>
<td>Of less than 10 lakhs population.</td>
<td>Provided up to Rs. 35,000, Rs. 25,000 and Rs. 15,000 for setting up industry, service and business ventures respectively.</td>
<td>Eligible up to 25 per cent of the Bank loan or subject to a ceiling of Rs. 6,250.</td>
</tr>
<tr>
<td>3.</td>
<td>Bank Loan/Project Cost</td>
<td>* Provided up to Rs. 2 lakh for industry and service activities and Rs. 1 lakh for business activities. If two or more eligible persons joins together in a partnership project, the loan limit enhanced accordingly up to a maximum of Rs. 10 lakhs.</td>
<td>Eligible up to 15 per cent of the project cost subject to a ceiling of Rs. 7,500.</td>
</tr>
<tr>
<td>4.</td>
<td>Subsidy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>Repayment Schedule of Bank Loan</td>
<td>3 to 7 years after a moratorium period of 6 to 18 months.</td>
<td>3 to 7 years after a moratorium period of 6 to 18 months.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>* 3 to 7 years after an initial moratorium as may be prescribed.</td>
</tr>
<tr>
<td>6.</td>
<td>Reservation for</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>30 per cent for SCs and STs and 30 per cent for women in the total sanctions.</td>
<td></td>
<td>22.5 per cent for SCs and STs, and 27 per cent for OBCs in the total sanctions.</td>
</tr>
<tr>
<td>7.</td>
<td>Proportion of different sectors</td>
<td>Business activities should not be more than 30 per cent of the total sanctions.</td>
<td></td>
</tr>
<tr>
<td>8.</td>
<td>Partnership</td>
<td></td>
<td>All economically viable activities including agriculture and allied activities except raising crops on purchase of manure.</td>
</tr>
<tr>
<td></td>
<td>Not allowed.</td>
<td></td>
<td>Allowed. In such cases the loan limit to be correspondingly enhanced at the rate of Rs. 1 lakh for each participatory member.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>* Partnership allowed according to the new loan limit of Rs. 2 lakhs for each participatory member in setting up of industry and service activities.</td>
</tr>
<tr>
<td>9.</td>
<td>Margin Money</td>
<td></td>
<td>Beneficiary must contribute 5 per cent of the project cost.</td>
</tr>
</tbody>
</table>
10. Training
   No training.

   * Banks should be allowed to take margin money from 5 per cent to 16.25 per cent of the project cost so as to make the total of the subsidy and the margin money equal to 20 per cent of the project cost.

   Compulsory entrepreneurship development training should be imparted to the beneficiaries.

   * The training expenditure is fixed with a ceiling of Rs. 2000.

11. Security for Bank Loan
   No collateral guarantee required. Only assets under the scheme would be hypothecated to the Bank.

   No collateral guarantee required. Only assets under the scheme would be hypothecated to the Bank.

12. Submission of Application
   Within a stipulated time in response to the advertisement.

   To be considered all-round the year.

* The revised guidelines with regard to the eligibility and other modifications and enhancement of loan limit would be effective from 1.4.1999.

References


4. The Hindu, “Indians have done more for America”, April 9, 2001, Pages 1 and 15.


18. IAMR Manpower Profile of India – 1999, Institute of Applied Manpower Research, New Delhi.