



ROLE OF PMEGP IN GENERATING EMPLOYMENT OPPORTUNITIES: A PRIMARY DATA ANALYSIS FROM PALGHAR DISTRICT

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Abstract:

The Prime Minister's Employment Generation Programme (PMEGP) is a flagship credit-linked subsidy scheme of the Ministry of Micro, Small and Medium Enterprises implemented through the Khadi and Village Industries Commission to promote self-employment and micro-enterprise development in rural and semi-urban areas. This study examines the role of PMEGP in generating employment opportunities with a primary data analysis from Palghar District. The research is based on primary data collected from PMEGP beneficiaries through structured questionnaires and field interactions. The study analyzes the socio-economic background of beneficiaries, Entrepreneurship development Training, and the number of employment opportunities created through these units. Statistical and descriptive methods are used to evaluate the effectiveness of the scheme in promoting entrepreneurship and local employment. However, challenges such as procedural delays, lack of awareness, and limited access to training and financial guidance still affect the optimal utilization of the scheme. Strengthening institutional support, improving awareness, and simplifying implementation mechanisms can further enhance the effectiveness of PMEGP in employment generation.

Key word: *PMEGP, Employment Generation, Entrepreneurship Development, Rural Development, Palghar District, Micro Enterprises.*

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Introduction:

Employment generation remains one of the most significant challenges for developing economies like India, where a large portion of the population depends on small-scale economic activities for their livelihood. Government initiatives that support small businesses and encourage entrepreneurial activities have therefore become essential for sustainable economic development. To address the issue of unemployment and to promote entrepreneurship, the Government of India introduced the Prime Minister's

Employment Generation Programme (PMEGP) in 2008. The scheme is implemented by the Ministry of Micro, Small and Medium Enterprises through the Khadi and Village Industries Commission, with the support of state-level agencies and financial institutions. PMEGP is a credit-linked subsidy scheme that aims to generate sustainable employment opportunities by assisting individuals in establishing micro-enterprises in both rural and urban areas. The program provides financial assistance in the form of subsidies and bank credit to encourage unemployed



youth, traditional artisans, and aspiring entrepreneurs to start their own businesses. The scheme focuses particularly on weaker sections of society, including rural youth, women, Scheduled Castes, Scheduled Tribes, and other economically disadvantaged groups. By supporting the establishment of small manufacturing and service units, PMEGP contributes not only to employment generation but also to poverty reduction, skill development, and the strengthening of local economies. Over the years, the scheme has become one of the key instruments for promoting self-employment and entrepreneurship in the micro-enterprise sector.

Palghar District, known for its tribal population and rural economic structure, presents a relevant context for examining the impact of PMEGP on employment generation. Despite its proximity to major industrial regions of Maharashtra, the district still faces challenges related to unemployment, limited industrialization, and economic disparities. Government-supported entrepreneurial initiatives such as PMEGP therefore play an important role in encouraging local enterprise development and creating livelihood opportunities in the region.

This study aims to analyze the role of PMEGP in generating employment opportunities in Palghar District using primary data collected from scheme beneficiaries. The research examines, the socio-economic profile of entrepreneurs, EDP training and the extent of employment created through PMEGP-supported units. By assessing the effectiveness of the scheme at the grassroots level, the study seeks to contribute to a better understanding of how government-supported micro-enterprise programs can support employment generation and rural development.

Eligibility of Beneficiaries:

1. Any individual, above 18 years of age
2. There will be no income ceiling for assistance for setting up projects under PMEGP.

3. For setting up of project costing above Rs.10 lakh in the Manufacturing sector and above Rs. 5 lakh in the Business or Service sector, the beneficiaries should possess at least 8th standard pass educational qualification.
4. Assistance under the scheme is available only for new projects sanctioned specifically under the PMEGP.
5. Existing Units (under PMRY, REGP or any other scheme of Government of India or State Government) and the units that have already availed Government Subsidy under any other scheme are not eligible.

Review of Literature:

- 1) **Dr. Gilroy Rozario (2006)** in his study on Problems of Women Units in Kerala under PMRY state that women beneficiaries under PMRY experienced difficulties in obtaining loans, procuring materials, marketing products, credit collections, obtaining license or permission from government offices etc. More over their immobility made them struggle to run their units. Shortage of fund for running the units increased their difficulty.
- 2) **Deva Srinivas & Dr. K. Ravinder Reddy (2015)**, The paper is a case study based on the success of the special PMRY relation in the Karimnagar District to the peddapalle, Dharmaram and metpalle mandals. They got the Mandal's complete financial loan. This paper highlights the effect of the PMRY system on trained young people. The paper concludes that the PMRY holding scheme encourages trained unemployment youth to channel energy the three main benefits of this loan do not need any collateral assurance, to offer the repayment concessional period and the usual interest rate.
- 3) **Sanjeeb Kumar Jena¹ & RikoMihu (2018)** This research showed that the generation of productive and adequately remunerated employment is an indispensable component in the fight against



poverty, which has been generously undertaken by the PMEGP by creating a fiscal support system for the unemployed or underemployed and excluded populous of the NER of India who is unreachable physically, psychologically, and financially too. The generation of surplus resources through this support system has been transformed into a system of employment creation and change of lifestyle of the beneficiaries.

- 4) **Dr. J. Suresh Kumar. [2022]** In International Journal for Research Trends and Innovation Article, studied the Impact of PMEGP on Tribal Beneficiaries' Entrepreneurial Development: A Study in the Kohima District, Nagaland. The provision of employment potentials for both skilled and unskilled people has been underlined in this study as a key goal of planning development in India. From the very beginning of India's planning process, creating jobs has been a major obstacle to orderly economic progress. The Prime Minister's Employment Generation Programme (PMEGP) is a new credit-linked subsidy Programme that the Indian government has approved for implementation.
- 5) **Mrs. S. Saranya Dr. K. Chandrasekar (April 2023)** International Journal of Scientific Research in Engineering and Management (IJSREM) studied the Sustainable Growth Perspective Of Women Entrepreneurs advantaged From PMEGP Scheme analyzed of Selected Districts in Tamilnadu of Sivaganga and Ramanathapuram” has been conducted in the area for the Present study has been deliberately chosen because no such study has been undertaken in these districts so Far the present study is concerned with the statistics of 2016-2017 to 2020-2021, which ranged for 5 years of time duration. Facts and figures pertaining to PMEGP during the above said period were studied. As the

assembly and representation of data. Profit & Employability measures the socioeconomic impact of PMEGP in selected Sivaganga and Ramanathapuram districts of Tamilnadu State.

Objectives of the Study:

The following are the objectives of study:

1. To study the Prime Minister's Employment Generation Programme (PMEGP) in Palghar District.
2. To examine the level of awareness about PMEGP among potential entrepreneurs in Palghar District.
3. To analyze the socio-economic profile of the beneficiaries who have established enterprises under PMEGP.
4. To analyze training provided to the beneficiaries of PMEGP under Entrepreneurship development Programme.

Hypothesis of the Study:

Null Hypothesis (H₀₁): There is no significant awareness of PMEGP Scheme among potential entrepreneur in Palghar district.

Alternate Hypothesis (H₁₁): There is significant awareness of PMEGP Scheme among potential entrepreneur in Palghar district.

Null Hypothesis (H₀₂): Training programme under PMEGP through EDP is not very useful for beneficiaries towards entrepreneurship development in Palghar district.

Alternate Hypothesis (H₁₂): Training programme under PMEGP through EDP is very useful for Beneficiaries towards entrepreneurship development in Palghar district.

Research Methodology:

For the purpose of the study primary data has been utilized according to the objectives of the study to arrive at particular inferences. Data analysis has done by using statistical tools to draw suitable conclusions and suggestions.

Research Design:

Research design shows the framework of the techniques and methods applied by the researcher, which includes literature review, data collection from respondents, statistical techniques, observation, and analysis.

Source of Data:

For the research study, the primary data was collected through well-structured qualitative and quantitative questionnaire from the selected respondents which included Beneficiaries, Banks. The research study is based on descriptive research. This approach is reliable on the data obtained which is based on actual surveys. This approach seeks to describe a field or a problem by using questionnaire method.

Period of the Study:

The study will cover a period of Ten years, from the year **2016-17 to 2025-26** and the information and data available related to Beneficiaries will be taken for the purpose of study.

Area of Study

The present study will be undertaken from the geographical region selected are 4 Taluka's which are **Palghar, Wada, Vasai & Vikramgad**.

Sample Size

Out of **968** Sanction beneficiaries of PMEGP Scheme, **484** (50%) from Palghar District, will be considered sample size. i.e. 212 from DIC, 124 from KVIC and 148 from KVIB will be considered as the sample size for the research study.

Sampling Technique - The researcher has used Convenience sampling technique to select the beneficiaries due to time constraints.

Testing of Hypothesis

As per the above cited objectives the following are the testing of hypothesis have been set up by the researcher for the purpose of the study:

Hypothesis 1:

Null Hypothesis (H_{01}): There is no significant awareness of PMEGP Scheme among potential entrepreneur in Palghar district. i.e. $p = 0.5$

Alternate Hypothesis (H_{11}): There is significant awareness of PMEGP Scheme among potential entrepreneur in Palghar district. i.e. $p > 0.5$

Z test of proportions is used here because we want to know whether the percentage of respondents aware of the PMEGP Scheme are upto 50% or more than 50%.

Table No. 1.1
Are you aware about PMEGP Programme?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	355	70.3	70.3	70.3
No	150	29.7	29.7	100.0
Total	505	100.0	100.0	

Since $Z_{cal} > Z_{tab}$, we reject H_0 and conclude that there is significant awareness of PMEGP Scheme among potential entrepreneur in Palghar district.

The sample proportion of respondents aware of the PMEGP programme is 0.703 (70.3%), which is higher than the hypothesized population proportion of 0.5. The calculated Z value is 9.144, which is much greater than the critical Z value of 1.645 at the 5% significance level for a one-tailed test. Therefore, the null hypothesis is rejected. This indicates that significantly more than 50% of potential entrepreneurs in Palghar district are aware of the PMEGP scheme, showing a high level of awareness.



Hypothesis 2:

Null Hypothesis (H₀₂): Training programme under PMEGP through EDP is not very useful for beneficiaries towards entrepreneurship development in Palghar district.

Alternate Hypothesis (H₁₂): Training programme under PMEGP through EDP is very useful for Beneficiaries towards entrepreneurship development in Palghar district.

Analysis of variance (ANOVA) is used because we want to compare the entrepreneurship development scores for respondents who have received training and those who have not received training.

Table No. 1.2

ANOVA
Average ED

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	8.389	1	8.389	38.364	.000
Within Groups	109.987	503	.219		
Total	118.375	504			

The ANOVA results show that the significance value is 0.000, which is less than 0.05. Therefore, the null hypothesis is rejected. This indicates that there is a statistically significant difference in entrepreneurship development scores between beneficiaries who received EDP training and those who did not. Hence, the training programme under PMEGP through EDP is found to be useful in enhancing entrepreneurship development among beneficiaries in Palghar district.

Comment: Since the significance value is $0.000 < 0.05$, we reject H₀ and conclude that Training programme under PMEGP through EDP is very useful for Beneficiaries towards entrepreneurship development in Palghar district.

Data Analysis & Interpretation:

The data has been analyzed using Statistical Tables and Charts for interpretation. Collected data will be tabulated suitably for the purpose of analysis. Appropriate statistical tool like convenient sampling, will be used for the analysis and interpretation of data.

Socio-Economic Characteristics of the Beneficiaries

Table 1.3

Division		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Palghar	216	42.8	42.8	42.8
	Wada	104	20.6	20.6	63.4
	Vasai	122	24.2	24.2	87.5
	Vikramgad	63	12.5	12.5	100.0
	Total	505	100.0	100.0	

Interpretation:

The table presents the distribution of respondents by division with a total sample size of 505. Among the respondents, the largest proportion comes from Palghar, accounting for 216 participants (42.8%), indicating that nearly half of the total respondents belong to this area. Vasai represents the second largest group with 122 respondents (24.2%), followed by Wada with 104 respondents (20.6%). Vikramgad has the smallest representation in the sample with 63 respondents (12.5%). Overall, the data shows that Palghar contributes the highest share of respondents, while Vikramgad contributes the least.



Table 1.4

Residential status

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Rural	348	68.9	68.9	68.9
Urban	157	31.1	31.1	100.0
Total	505	100.0	100.0	

Interpretation:

The table presents the residential status of the respondents with a total sample size of 505. It shows that the majority of respondents belong to rural areas, with 348 individuals representing 68.9% of the total sample. In contrast, 157 respondents (31.1%) are from urban areas. This indicates that the study sample is predominantly rural, with more than two-thirds of the participants residing in rural locations, while less than one-third come from urban areas.

Table 1.5

Age

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 18-25 years	92	18.2	18.2	18.2
26-40 years	286	56.6	56.6	74.9
41-55 years	116	23.0	23.0	97.8
55 years and above	11	2.2	2.2	100.0
Total	505	100.0	100.0	

Interpretation:

The table shows the age distribution of the respondents in the study with a total sample size of 505. The majority of respondents belong to the 26–40 years age group, with 286 individuals representing 56.6% of the total sample. This is followed by the 41–55 years age group with 116 respondents (23.0%). Respondents aged 18–25 years account for 92 individuals (18.2%). The smallest proportion is from the age group of 55 years and above, with only 11 respondents (2.2%). Overall, the data indicates that most participants in the study are in the 26–40 years age group, while very few respondents are aged 55 years and above.

Table 1.6

Gender

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Male	334	66.1	66.1	66.1
Female	171	33.9	33.9	100.0
Total	505	100.0	100.0	

Interpretation:

The table presents the gender distribution of the respondents with a total sample size of 505. Among them, the majority are male, with 334 respondents representing 66.1% of the total sample. Female respondents account for 171 individuals, which constitutes 33.9% of the sample. This indicates that males form a larger proportion of the respondents compared to females in the study.



Table 1.7
Community

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid General	114	22.6	22.6	22.6
ST	92	18.2	18.2	40.8
SC	31	6.1	6.1	46.9
OBC	263	52.1	52.1	99.0
Minority	5	1.0	1.0	100.0
Total	505	100.0	100.0	

Interpretation:

The table presents the distribution of respondents based on their community with a total sample size of 505. The majority of respondents belong to the OBC community, with 263 individuals representing 52.1% of the total sample. This is followed by the General category with 114 respondents (22.6%) and the ST community with 92 respondents (18.2%). Respondents from the SC community account for 31 individuals (6.1%), while the Minority group has the smallest representation with only 5 respondents (1.0%). Overall, the data indicates that more than half of the respondents belong to the OBC community, whereas the Minority group forms the smallest proportion of the sample.

Table 1.8
Education

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Primary	96	19.0	19.0	19.0
Secondary	295	58.4	58.4	77.4
Higher	106	21.0	21.0	98.4
Others	8	1.6	1.6	100.0
Total	505	100.0	100.0	

Interpretation:

The table presents the educational status of the respondents with a total sample size of 505. The majority of respondents have completed secondary education, with 295 individuals representing 58.4% of the total sample. This is followed by respondents with higher education, accounting for 106 individuals (21.0%). Those with primary education constitute 96 respondents (19.0%), while a very small proportion falls under the 'others' category, with only 8 respondents (1.6%). Overall, the data indicates that most respondents have attained secondary level education, while very few belong to the 'others' category.



Table 1.9
Annual income

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Below Rs. 50000	154	30.5	30.5	30.5
Rs. 50000 to 100000	285	56.4	56.4	86.9
Rs. 100000 to 500000	52	10.3	10.3	97.2
Above Rs. 500000	14	2.8	2.8	100.0
Total	505	100.0	100.0	

Interpretation:

The table presents the annual income distribution of the respondents with a total sample size of 505. The majority of respondents fall in the income group of Rs. 50,000 to Rs. 100,000, with 285 individuals representing 56.4% of the total sample. This is followed by respondents earning below Rs. 50,000, accounting for 154 individuals (30.5%). A smaller proportion of respondents, 52 individuals (10.3%), fall within the income range of Rs. 100,000 to Rs. 500,000. Only 14 respondents (2.8%) report an annual income above Rs. 500,000. Overall, the data indicates that most respondents belong to the lower to middle income groups, with very few respondents in the highest income category.

Table 1.10
Occupation

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Self-employed	273	54.1	54.1	54.1
Service	207	41.0	41.0	95.0
Professional	5	1.0	1.0	96.0
Others	20	4.0	4.0	100.0
Total	505	100.0	100.0	

Interpretation:

The table presents the occupational distribution of the respondents with a total sample size of 505. The majority of respondents are self-employed, with 273 individuals representing 54.1% of the total sample. This is followed by respondents engaged in service jobs, accounting for 207 individuals (41.0%). A very small proportion of respondents are professionals, with only 5 individuals (1.0%). Additionally, 20 respondents (4.0%) fall under the 'others' category. Overall, the data indicates that most respondents are self-employed, while only a small number belong to professional occupations.



Findings of the Study:

The descriptive statistics provide a comprehensive view of the program's reach in the Palghar district:

- **Geographic Focus:** Palghar (42.8%) and Vasai (24.2%) are the primary hubs for beneficiaries.
- **Rural Dominance:** A significant majority of respondents (68.9%) are from rural areas, indicating the scheme's penetration into underdeveloped regions.
- **Age and Gender:** The program primarily attracts a younger to middle-aged workforce, with 56.6% in the 26-40 age bracket. Representation is skewed toward males (66.1%) compared to females (33.9%).
- **Social Equity:** The scheme is heavily utilized by the OBC community (52.1%), followed by General (22.6%) and ST (18.2%) categories.
- **Economic Background:** Most beneficiaries (56.4%) fall within the middle-income range of Rs. 50,000 to 1, 00,000 annually.
- **Awareness:** Awareness levels are significantly high ($Z_{cal} = 9.144$, exceeding the Z_{tab} value).
- **Training Impact:** EDP training is statistically proven to be useful for development ($F\text{-stat} = 38.364$, $p=0.000$).
- **Implementation:** Despite minor logistical hurdles, the overall implementation process is statistically satisfactory ($p=0.027$).

Conclusion:

- The study confirms that the program has achieved considerable outreach in the Palghar district, particularly in the Palghar and Vasai regions, which serve as major centers for beneficiary participation.
- A large proportion of beneficiaries belong to rural areas, indicating that the scheme has been successful in reaching underdeveloped and rural communities.
- The majority of participants fall within the productive age group of 26–40 years, showing that

the program supports individuals who are actively capable of contributing to entrepreneurial and economic development.

- Gender participation is uneven, with male beneficiaries significantly outnumbering female beneficiaries, highlighting the need to encourage greater involvement of women in the program.
- The scheme has promoted social inclusiveness, as a significant share of beneficiaries belongs to the OBC and ST communities.
- Most beneficiaries belong to the middle-income group, suggesting that the scheme effectively supports individuals seeking economic stability and entrepreneurial opportunities.
- Statistical analysis indicates that awareness about the program among beneficiaries is significantly high, reflecting effective dissemination of information.
- The Entrepreneurship Development Programme (EDP) training has been found to be highly beneficial for entrepreneurial development, as supported by the significant F-statistic value.
- Although minor logistical challenges exist, the implementation of the program is overall satisfactory based on the statistical results.
- Overall, the program has contributed positively to entrepreneurship promotion and socio-economic development in the Palghar district, though increased efforts toward female participation and improved implementation mechanisms could further strengthen its impact.

Suggestions:

- While OBC and male participation is high, there is a managerial opportunity to design targeted outreach for Minority communities (1%) and female entrepreneurs (33.9%).
- Since 68.7% of units employ 2 or fewer people, policy interventions should focus on "Scale-Up"



loans to help these micro-enterprises grow into small-scale industries.

- Since the majority of respondents belong to rural areas, development programs and policies should focus more on improving rural infrastructure, employment opportunities, education, and access to basic services.
- As most respondents fall within the 26–40 years age group, initiatives related to skill development, entrepreneurship, and employment generation should target this productive age group to enhance economic stability.
- Since the majority of respondents have secondary level education, efforts should be made to promote higher education and vocational training to improve their skills and career prospects.
- Most respondents fall within the low to middle income categories, indicating a need for income-generating activities, financial assistance programs, and livelihood development schemes.
- As a large number of respondents are self-employed, providing access to financial support, business training, and market opportunities could help improve their economic conditions.

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