

# The Study About the Beneficiaries of the Prime Minister's Employment Generation Programme and Its Role in Reducing Urban- Rural Divide in Pithoragarh District

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## Abstract

*The growing population of job seekers has pulled the attention of the government towards their plight and compelled them to develop certain ideas which can create ample amount of opportunities for their professional growth. In this process, they are putting significant efforts for the upliftment of the small towns as they are still subject to less growth and development. This study has been conducted to prioritize the need of employment generation programs launched by the government with primarily focusing on the (Prime minister employment generation program). In spite of, creating an opportunity-based environment for the few beneficiaries of this program, the urban- rural divide still persists in the small towns. In this context, the district Pithoragarh of Nanital, has been taken up has an area of discussion in this study. Though, the PMEGP has created an impeccable success in creating employment opportunities for the people but still its implementation is lop-sided on the ground level. This lop-sided implication of the project has built a huge gap in the development of the urban-rural areas. Under this research paper, the primary role of PMEGP in reducing the urban-rural divide by creating employment opportunities and their emotional and financial upliftment has been discussed in detail.*

**Keywords:** Prime Minister Employment Generation Programme, employment-opportunities, small town, Pithoragarh district, financial upliftment and urban-rural divide.

## 1. Introduction

With the mushrooming demand of job seekers, the government has decided to launch few center - sector schemes for the financial upliftment of the people who are looking for the opportunities for their career development [1]-[5]. Under the ambit of ministry of MSME (Micro, Small and Medium Enterprise), the Prime Ministers Employment Generation Programme has been launched by the government to propel the career of the local people living in small towns and also targeting the population situated in the urban settings [6]-[10]. This program intends to generate self- employment, Entrepreneurship and sustainable financial growth opportunities for the localities. This research study has been narrowed down to the small town named Pithoragarh, district Nanital with primary focus will be on the beneficiaries of this program residing in the rural division of this state and also the highlighting the career progress of the urban localities [11]-[14]. Besides, this the role of PMEGP in blurring the

urban-local divide that persists in the district very prominently.

### 1.1. Objectives of the PMEGP in Context to Pithoragarh

- Most of the localities of this districts were earlier indulged in the profession of agricultural activities but after the implication of the PMEGP the new sustainable employment opportunities were generated
- PMEGP has also supported many young local artisans of the district and they indulged in developing self- entrepreneurial ideas which help them to become self-dependent.
- It has psychologically shifted the mindset of the youth from being inclining towards the job- dependency to job-independency.
- It sanctions loans and higher subsidies (especially for special categories residing in that area).

- This program is also developing training centers for the localities to equip them for their own start-ups.
- The program is trying to establish an inclusive society by giving some extra benefits to the under-privileged sections of the society.

### 1.2. Role of PMEGP in Reducing the Urban-Rural Divide

- Due to the indulgence of the rural people of Pithoragarh mostly in the family business and the other local business, they are mostly involved with traditional practices which never let them develop as compare to the urban entrepreneurs.
- In keeping every aspect in mind, under this government program, the benefits of high margin money subsidies have been given to the rural people and the people with special category for their up-gradation.
- To reduce the socio-economic difference in the society, government has motivated the rural individuals to start their own business ventures instead of migrating towards the urban set-up.
- By organizing multiple training centers in the local areas under this program, government has encouraged the rural entrepreneurs to cope-up with the well-trained individuals working in the Urban section of the society.
- Government has also made the credit-facilities and the loan facilities easier which has motivated the individuals living in rural areas to prosper in their home town instead of moving in others places.

Overall, the PMEGP has not only encouraged the individuals of rural setting to become self-dependent but it is also uplifting them financially and motivating them for not migrating towards the urban setting blindly.

### 1.3. Objectives of the Study

- To study the objectives of the PMEGP in context to the Pithoragarh, District Nainital.
- To analyze the role of PMEGP in reducing the Urban- Local divide in the Pithoragarh District.
- To examine the contribution of PMEGP in the

employment generation in the district.

- To identify the differences in the implementation of the program on the ground level.

### 1.4. Need of the Study

This study will be highlighting the lop-sided implementation of this program on the ground level of the Pithoragarh district which was not discussed in the earlier studies.

## 2. Literature Review

- Patel (2019), under this the author highlighted that this program shifted the need of wage related programs launched by the government towards the Self-employment- generation program.
- Singh and Kaur (2018), highlighted the conceptual foundations and the objectives of this program and also gave an overview about the integration of earlier government programs into one employment generation program.
- Kumar & Gupta (2020), talked about the development that this scheme has brought into the society in terms of creating direct jobs and ancillary activities in the local economies.
- Sharma (2021), the author accentuated the contribution of PMEGP in building alternative income generation sources and improving the economic conditions of this district by influencing the outcomes of the program and developing the infrastructure and market accessibility.
- Choudhury (2019), talked about the concept of providing higher margin money subsidies for the rural applicants residing in the district to avoid them from migrating to urban areas.
- Joshi & Rawat (2022), they examine the difficulties faced during the implementation of the PMEGP in the hilly areas like Uttarakhand and also highlighted the importance of this program in tackling the geographical challenges persisting in hilly areas.
- Reddy (2020), this author highlighted the role of PMEGP in building a culture of inclusivity by prioritizing people from vulnerable

backgrounds such as Women, SC/ST, PWD and Others.

- Verma & Singh (2021), they talked about the entrepreneurial training, capacity building and the credit support provided by the PMEGP for the development of the self-entrepreneurship for the rural people to bridge the gap between the urban and rural.
- Khan (2018), this author highlighted procedural delays in the banks and low awareness amongst the individuals about the program.

### 3. Research Methodology

- Research Methods:
  - The qualitative method will be used to conduct this research study including: focus groups discussions, record study and ethnographic research will be used to collect data from the district.
- Research Instruments:
  - Observations, group- discussions, Field-Notes and Semi-Structured interviews.
- Data Collection:
  - Primary data: The primary data source will be mainly through Observation, Field- Notes, Discussions and Interviews.
  - Secondary data: The secondary data will be based on the articles, newspapers and the regional records.

- Sampling method:
  - The simple random sampling method will be selected to draw out the sample from the population chosen for the research study.
  - The population will be from the Pithoragarh district of Nainital consisting of Male and Female residing in the rural and the Urban setting.
- Ethical and Moral Standards:
  - While conducting the research study no ethical or moral standards have been breached and none of the participant have faced any serious issue or all the records have been taken from authentic sources.
- Data representation:
  - The data will be collected from multiple sources which will be represented in a tabular form
- Data Analysis:
  - A thorough analysis will be given after every data which will explain the results and give a clarity about the current scenario.
- Conclusion:
  - Finally, an overall conclusion will be given in the end to highlight the details about the PMEGP and how it has affected the Pithoragarh District.

### 4. Data Representation

**Table 1** This Data Has Been Taken From the PROGRAM GUIDELINES GIVEN on the PMEGP Government Site

Categories of beneficiaries under PMEGP	Beneficiaries' contribution (of Project Cost)	Rate of Subsidy (of Project Cost)	
		Urban	Rural
Area (location of the project) (Pithoragarh)		Urban	Rural
General Category	10%	15%	25%
Special Category (SC/ST/OBC/Minorities/Women/Ex-Servicemen/Hill/Border Areas)	05%	25%	35%

Note: Maximum Cost of the Project/ Unit under the Manufacturing Sector = 25 Lakh

Maximum Cost under the business/service sector= 10 Lakh

And, the balance amount for the total project will be provided by the banks by loan

**Table 2 (This Data Has Been Collected From the KVIC PMEGP Dashboard Highlighting the Applications of the Beneficiaries Belonging to the Different Sections of the Society Residing in the Pithoragarh District for the Year (2022-2023)).**

Government Data – PMEGP Scheme (District-wise)

Applications Received (FY 2022-23)

Based on official PMEGP portal district-wise report for Uttarakhand, the number of applications received from Pithoragarh district during 1 April 2022 – 31 March 2023 was:

District	General	SC	ST	OBC	Minority	Total Applications
<b>Pithoragarh</b>	281	88	12	26	1	<b>408</b>
<i>(This dataset comes from the KVIC PMEGP dashboard, summarizing applications by social category.)</i>						

**Table 3 This Data Has Been Collected From the KVIC Government Website Which Highlights the Total Number Beneficiaries Received Loan From the Banks for the Financial Year (2023-24) Specifically Pithoragarh District.**

District	Total Applications Forwarded to Bank (all categories)
<b>Pithoragarh</b>	<b>310</b> applications forwarded to banks in FY 2023-24
<i>(This indicates the number of projects from Pithoragarh that progressed from district processing to bank consideration.)</i>	

### 5. Data Analysis

As per the data represented in the three tables mentioned above, it shows that the PMEGP has benefited the rural population by providing maximum subsidies to them and this has also impeded their unnecessary migration to the urban areas. In context to this, the data from the table 1, shows that the beneficiaries belonging to the general category from the rural section of the district Pithoragarh, have received 25% of the government subsidy whereas the urban population belonging to the same category have received around 15% of the subsidy which justifies the point that the government has tried to uplift the rural section of the society and they have also invested around 25 lakhs in the manufacturing sector for its development under this program and 10 lakhs in the service sector as a

subsidy money and rest can be acquired through bank loan which would motivate the rural population to indulge in the self- entrepreneurship. While elaborating the data represented in the table 2, it clearly shows that the people belonging to the general category are maximum interested in availing the benefits of this program with the number of applications is around 282. This could be due to the lack of awareness amongst other categories residing in the district. The encouragement of the self- entrepreneurship amongst the localities of the district could be seen from the data given in the table 3 which shows that around 310 applications have been sent to banks under this program to avail loan opportunities during the financial year (2023-2024). Overall, the data displayed in 3 tables, highlights the benefits like loan opportunities, upliftment of the rural section of

the district and the credit- facilities provided by the program to the localities of the district Pithoragarh.

### Conclusion

After conducting an in-depth study about the contribution of the PMEGP in the upliftment of the Pithoragarh district of Uttarakhand, it is concluded that the PMEGP has proven to be a significant instrument in narrowing the economic disparities amongst the localities residing in the district. The prominent points that are included into this program are improving the living standards, strengthening the local economy, income – generation, providing loan opportunities, etc. Moreover, this program has also taken up several measures to mitigate the unnecessary migration of the local people from rural to urban setting by providing them with subsidy facilities, micro-finance, loan opportunities and encouragement to incline towards self-entrepreneurship. In context to this, under this program multiple training centre, capacity building, infrastructural development and stronger market linkages. Although, these contributions have developed the overall lives of the localities of the Pithoragarh district but still large number of populations belonging to the vulnerable sections of the society are still unaware about the core benefits of the projects which can be rectified for the future sustainable growth of the district.

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