

**GOVERNMENT OF INDIA  
MICRO, SMALL AND MEDIUM ENTERPRISES  
LOK SABHA**

UNSTARRED QUESTION NO:2203  
ANSWERED ON:21.07.2009  
SELF EMPLOYMENT IN VILLAGE INDUSTRIES  
Munda Shri Arjun

**Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:**

- (a) whether self employment and self reliance opportunities are available in various States, including Jharkhand in handicrafts, handlooms, silk, khadi and village industries and traditional industries sector;
- (b) if so, the details thereof;
- (c) whether a provision was made for providing employment opportunities by developing these areas during the Eleventh Five Year Plan;
- (d) if so, the action taken by the KVIC in this regard; and
- (e) if not, the reasons therefor?

**Answer**

MINISTER OF STATE (INDEPENDENT CHARGE) FOR MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI DINSHA PATEL)

(a) & (b): Yes, Sir. The Government in the Ministry of Micro, Small and Medium Enterprises has made available self employment opportunities in different States for unemployed youth and traditional artisans. Assistance is provided through Khadi and Village Industries Commission (KVIC) for setting up village industries units / micro enterprises categorised under seven broad groups, namely, (1) Mineral based industry (2) Forest based industry (3) Agro and food processing industry (4) Polymer and chemical based industry (5) Handmade paper and fibre industry (6) Rural engineering and bio-technology industry and (7) Service activities.

The State/Union Territory - wise number of persons, including those in Jharkhand, estimated to have benefited from employment, including self employment opportunities, generated under the 'Rural Employment Generation Programme (REGP)', a Central Sector credit-linked subsidy scheme, implemented (from 01.04.1995 to 31.03.2008) through KVIC, in the rural areas and small towns with population up to 20,000 during 2006-07 & 2007-08, and the newly launched 'Prime Minister's Employment Generation Programme (PMEGP)' during 2008-09 are given at Annex. I and overall details of cumulative employment provided in the khadi and village industries sectors during 2006-07, 2007-08 and 2008-09, are given at Annex II. These achievements make it indicate that there are ample self employment and self reliance opportunities available in Jharkhand and other States of the country.

(c): The Government (in the Ministry of Micro, Small and Medium Enterprises) during 2008-09 has approved the following three new schemes for development and promotion of the khadi and village industries sector for implementation through KVIC:-

(i) A credit linked subsidy scheme called "Prime Minister's Employment Generation Programme (PMEGP)" has been approved for creation of additional employment opportunities through establishment of micro enterprises by merging the then existing REGP with another existing scheme namely, Pradhan Mantri Rozgar Yojana (PMRY) of this Ministry. The Scheme is being implemented through the KVIC as the single nodal agency at the national level. At the State/UT level, the scheme is implemented through field offices of KVIC, State/UT Khadi and Village Industries Boards (KVIBs) and District Industries Centres (DICs) with involvement of Banks. Under this Programme, entrepreneurs can establish village industries, by availing of margin money assistance through the KVIC, State/UT KVIBs and DICs and loans from implementing public sector scheduled commercial Banks, selected regional rural Banks and co-operative Banks, etc., for projects with a maximum cost of Rs. 10 lakh in the service/business sector and up to Rs.25 lakh in the manufacturing sector.

(ii) Scheme for "Enhancing Productivity and Competitiveness of Khadi Industry and Artisans" with the objective, inter alia, to make 200 selected khadi institutions more competitive with more market-driven, quality production and sustained employment for khadi artisans and related service providers by replacement of obsolete and old machinery and equipment and repairs/ renovation of existing/operational machinery and equipment, extend an evenly balanced and need- based support in all areas of Khadi activities viz. production, distribution, promotion and capacity building.

(iii) Workshed Scheme for Khadi Artisans to provide financial assistance to khadi spinners and weavers for construction of around 38000 Worksheds for their better work environment

In addition, a new scheme, namely, 'Scheme for Strengthening of Infrastructure of Existing weak Khadi Institutions and Assistance for Marketing Infrastructure' has been approved in July 2009 with the objective to assist around 100 identified weak khadi institutions so

as to enable those institutions regain their status and revive their potential for employment, and improving marketing of khadi products through development of marketing infrastructure, including renovation of selected sales outlets of khadi institutions.

The details of targets set by KVIC for these three new schemes for 2009-10, are given below:-

Name of the Scheme	Budget Allocation	Target
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PMEGP	Rs. 823 crore	Generation of additional employment opportunities for 6.17 lakh persons
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Workshed Scheme	Rs. 15 crore	6,000 spinners to be provided worksheds for Khadi Artisans
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Scheme for Enhancing Productivity and Competitiveness of Khadi Industry and Artisans.	Rs.8 crore	23 khadi institutions to be assisted.
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Scheme for Strengthening of Infrastructure of Existing weak Khadi Institutions and Assistance for Marketing Infrastructure	Rs.5 crore	Assisting around 30 identified weak khadi institutions in development of marketing infrastructure, including renovation of 8 selected sales outlets.
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(d): To popularize the scheme of PMEGP for creation of self-employment opportunities through setting up of micro-enterprises, etc., KVIC has taken several steps which includes awareness programmes, State/district level workshops, bankers review meetings, district; state and national level exhibitions for wide publicity, etc. Also about 300 model projects under various categories that can be established under PMEGP have been uploaded in the KVIC website: [www.kvic.org](http://www.kvic.org) which can be downloaded and used by the beneficiaries. As a result, tremendous response has been generated in terms of receipt of 217762 applications under PMEGP in a short span of 5-6 months in 2008-09. Out of this, 92884 applications have been screened by the District Task Force Committees and forwarded to banks. Banks have sanctioned loan in 36287 cases involving margin money subsidy of Rs. 506.03 crore which is estimated to generate 3.63 lakh employment opportunities in the country. Entrepreneurship Development programme (EDP) training have also been carried out for 20294 candidates from amongst those who have been sanctioned loans under PMEGP. To keep up with the momentum generated, KVIC has already communicated the tentative target of 6.17 lakh opportunities employment under PMEGP for 2009-10 which has a target of 1972 projects with the potential for generating 19716 additional employment opportunities generated in Jharkhand. The State-wise break up of the targets for 2009-10 under PMEGP is shown in Annex. III.

(e): Does not arise