

**GOVERNMENT OF INDIA
LABOUR AND EMPLOYMENT
LOK SABHA**

UNSTARRED QUESTION NO:1593
ANSWERED ON:03.12.2012
LABOUR INTENSIVE SECTOR
Choudhry Smt. Shruti

Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:

- (a) whether the labour intensive sector needs measures to encourage investments and value addition; and
- (b) if so, the details thereof and the steps being taken by the Government in this regard so far?

Answer

MINISTER OF STATE FOR LABOUR AND EMPLOYMENT (SHRI KODIKUNNIL SURESH)

(a) & (b): The Government has established Khadi and Village Industries Commission (KVIC), as statutory body under an Act of Parliament, namely the KVIC Act, 1956 for holistic development and promotion of Khadi and Village Industries (KVI).

The KVI sector provides employment to 119.37 lakh persons (2011-12 figure).

The Government in the Ministry of Micro, Small and Medium Enterprises through the KVIC is also implementing a credit-linked subsidy programme named Prime Minister's Employment Generation Programme (PMEGP) from 2008-09 for generating self-employment through establishment of micro-enterprises in the non-farm sector. General category beneficiaries can avail of margin money subsidy of 25% of the project cost in rural areas and 15% in urban areas. For beneficiaries belonging to special categories such as Scheduled Castes, Scheduled Tribes, Other Backward Classes, Minorities, Women, Ex-servicemen, Physically Handicapped, beneficiaries belonging to North-Eastern Region, Hill and Border Areas, etc., the margin money subsidy is 35% in rural areas and 25% in urban areas. The maximum cost of project is Rs.25 lakh in the Manufacturing Sector and Rs.10 lakh in the Service Sector. During the period 2008-09 to 2011-12, 16.06 lakh persons have been provided employment opportunities by providing assistance for 1,64,283 projects under PMEGP utilizing a total margin money subsidy of Rs.3067.69 crore. PMEGP has been continued for implementation during 2012-13 with a margin money subsidy allocation of Rs.1238.00 crore.