

Prime Minister's Employment Generation Programme (PMEGP)

Prime Minister's Employment Generation Programme (PMEGP) is a major credit-linked subsidy scheme launched by merging two schemes namely Prime Minister's Rojgar Yojana (PMRY) and Rural Employment Generation Programme (REGP) for generating employment opportunities by establishing micro-enterprises in urban and rural areas in the non-farm sector.

In this article, you can read all about the PMEGP for the [IAS exam](#) as government schemes are very important.

- The scheme was launched in 2008.
- It is a central sector scheme.
- Ministry of Micro, Small and Medium Enterprises (**MSME**) administers the programme.
- The programme is being implemented by the Khadi and Village Industries Commission (**KVIC**) at the national level. It is the single nodal agency for the implementation of the programme.
- The Scheme is being implemented through banks, District Industries Centres (**DICs**), State KVIC Directorates and State Khadi and Village Industries Boards (**KVIBs**) at the state level.
- Individuals above the age of 18 years, [Self Help Groups \(SHGs\)](#), Cooperative Societies involved in the production, and institutions that are registered under the **Societies Registration Act of 1860** are eligible for benefits under this programme.
- There is no income ceiling while setting up the project.
- Assistance is provided under the scheme only to the new units, units that have availed government subsidies under either the state or the central government schemes; existing units are not eligible for subsidy under PMEGP.
- In order to achieve inclusive growth across the country, a minimum of 75 projects will be awarded to each district.
- Physically disabled, OBC, SC/STs, women, northeastern region (NER) applicants in rural areas are eligible for a higher rate of subsidy.

Objectives of PMEGP

- Generation of sustainable and continuous employment opportunities in both rural as well as urban areas in the country.
- Provision of sustainable and continuous employment to a wide segment of prospective and traditional artisans, unemployed youth in rural and urban areas by establishing micro-enterprises for employment generation.
- Smooth flow of credit to the micro sector by facilitating the participation of financial institutions.

The Cabinet Committee on Economic Affairs (CCEA) has given approval for the continuation of PMEGP for 3 years beyond the 12th Plan from FY 2017-18 to 2019-20.

UPSC Questions on Prime Minister Employment Generation Programme

What is the Prime Minister Employment Generation?

- Prime Minister's Employment Generation Programme (**PMEGP**) is a major credit-linked subsidy scheme launched by merging two schemes namely:
 - Prime Minister's Rojgar Yojana (**PMRY**) and

- Rural Employment Generation Programme (**REGP**)
- PMEGP will be generating employment opportunities by establishing micro-enterprises in urban and rural areas in the non-farm sector.

What is KVIC KVIB and DIC?

The following are the implementing agencies of the PMEGP Scheme:

- Khadi and Village Industries Commission (**KVIC**),
- State Khadi and Village Industries Boards (**KVIBs**),
- District Industries Centres (**DICs**), etc.

