



UNDERSTANDING PRADHAN MANTRI STREET VENDOR ATMANIRBHAR NIDHI SCHEME AMONG STREET VENDORS OF INDIA



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Introduction

Street vendors are people engaged in vending goods or offering services to general public from temporary built-up structure or by moving from places to places. There are around 5-6 million (50-60 lakh) street vendors in the country¹ with their major concentrations being in Delhi, Mumbai, Kolkata and Ahmedabad². The street vendors form an important part of urban informal economy and as per current estimates; there are approximately 10 million hawkers³ in the country⁴.

Street vendor make 14% of the total informal urban economy of the country⁵, and this sector was particularly hit during the time of Covid-19 and subsequent phases of nation-wide lockdown. The lockdown not only made street vendors more vulnerable but also endangered the livelihood of many people who depended on hawking as the only source of income, and sustaining themselves and their families. Moreover, the vendor feared constant threat from police and municipal bodies and had to pay bribe to ensure smooth running of their business⁶. While almost all street vendors have to battle state agencies to carry on with their business, the pandemic made it even more difficult as they weren't allowed to sell their goods, eventually bringing their business to a halt. In such unprecedented times, the government of India announced Pradhan Mantri Street Vendor's AtmaNirbhar Nidhi (PM SVANidhi) under the Ministry of Housing and Urban Affairs.

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- 1 Divya, A. (06 November 2020). Explained: Who is a 'street vendor' in India? What is the Street Vendors Act?. The Indian Express. Retrieved from <https://indianexpress.com/article/explained/street-vendor-act-pm-svanidhi-scheme-explained-6911120/>
 - 2 Ibid
 - 3 Hawkers is a interchangeably used for street vendors and refers to people who sell goods and services from moving one to place to other.
 - 4 Jha, R. (25 July 2018). Strengthening urban India's informal economy: The case of street vending. Observer Research Foundation. Retrieved from https://www.orfonline.org/wp-content/uploads/2018/07/ORF_IssueBrief_249_StreetVending_FinalForUpload.pdf
 - 5 Divya, A. (06 November 2020). Explained: Who is a 'street vendor' in India? What is the Street Vendors Act?. The Indian Express. Retrieved from <https://indianexpress.com/article/explained/street-vendor-act-pm-svanidhi-scheme-explained-6911120/>
 - 6 Banerji, A. (21 September 2020). Indian street vendors 'shattered' as coronavirus wrecks trade. Reuters. Retrieved from <https://in.reuters.com/article/healthcoronavirus-india-workers/feature-indian-street-vendors-shattered-as-coronavirus-wrecks-trade-idUSL8N2GB44R>



About PM SVANidhi

PM SVANidhi is a central sector scheme and aims to facilitate street vendors to access affordable loan and use digital payments in order to resume their livelihood which has been impacted as a result of lockdown caused due to the Covid-19 pandemic⁷. The scheme offers a loan amount of up to Rs. 10,000 with an interest subsidy on timely or early repayment at 7%. The schemes have been widely debated within the policy circles, while some claim that the scheme would help the vendor in getting a positive credit record and reduce their reliance on illegal money lenders⁸. Others argue that instead of providing the loan, vendors should have been given the amount as direct credit benefit, which would help them in restarting their work. Instead, the credit amount given will only increase their dependence on illegal money lenders for repaying back the loan amount.

7 Ministry of Housing and Urban Affairs. Government of India. Retrieved from http://mohua.gov.in/pm_svandhi/FAQ.pdf

8 Banerji, A. (21 September 2020). Indian street vendors 'shattered' as coronavirus wrecks trade. Reuters. Retrieved from <https://in.reuters.com/article/healthcoronavirus-india-workers/feature-indian-street-vendors-shattered-as-coronavirus-wrecks-trade-idUSL8N2GB44R>

To further inquire about the understanding of the scheme among street vendors, Digital Empowerment Foundation (DEF) surveyed a total of 477 street vendors from four states; Telangana, Jharkhand, Rajasthan, and Andhra Pradesh. DEF has been working on the field for several years touching every aspect of the development and providing last mile digital connectivity to people and communities at large. By gauging the awareness regarding the scheme amongst street vendors would help DEF to provide the necessary insights about digital literacy, their understanding of digital financial literacy, and can cement the gap that exists between those who want to apply for the loan but are not either aware or do not have the required documents to avail the scheme. The survey is another stepping stone towards making a digital nation which would invariably lead to digital economy, and provide the necessary protection to street vendors from contingencies such as COVID-19 pandemic.

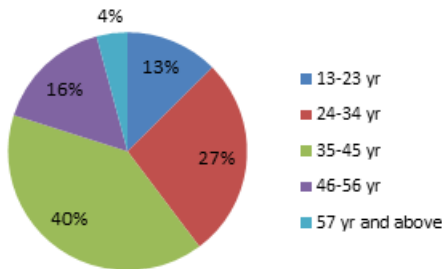
Key Findings

- » 76% of 477 respondents are males
- » 24% of 477 respondents are females
- » Less than 1% of 477 respondents are transgender
- » 79% respondents are literate
- » 32% are without basic primary education
- » 32% of 211 respondents earn less than Rs. 5000
- » 32% earning less than Rs. 5000 are without basic primary education
- » 44% of total respondents have a monthly income of less than Rs. 5000
- » 52% of 476 respondents did not know about PM SVANidhi scheme
- » 17% of street vendors know about PM SVANidhi from Internet and social media
- » 72% of 228 respondents find the scheme helpful for street vendors at large
- » 72% of 227 people feel the scheme will encourage people to start a business
- » 77% of 477 respondents do not access any other welfare scheme
- » Overall access to welfare scheme among street vendors remains low

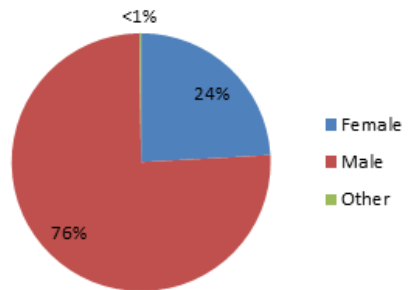
Demography Data

The survey was carried out in a total of 4 states, Telangana, Jharkhand, Rajasthan and Andhra Pradesh. A total of 477 street vendors were surveyed and out of the total respondents, 76% were males, 24% were females and <1% were transgender. 81% of the total respondents are married, 18% are unmarried and 1% is divorced. In terms of religious wise distribution of respondents, 69% of 476 respondents are Hindus, 20% are Muslims, 10% are Christian and 1% is Sikh. Out of 477 respondents surveyed, 40% are in the age group of 35-45 years, 27% in 24-34 years, 16% in 46-56 years, 13% in 13-23 years and lastly 4% people are 57 years and above in age.

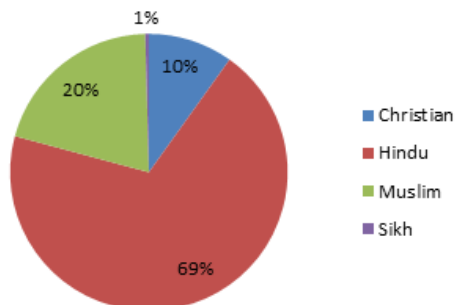
Age distribution



Gender distribution



Religion-wise distribution



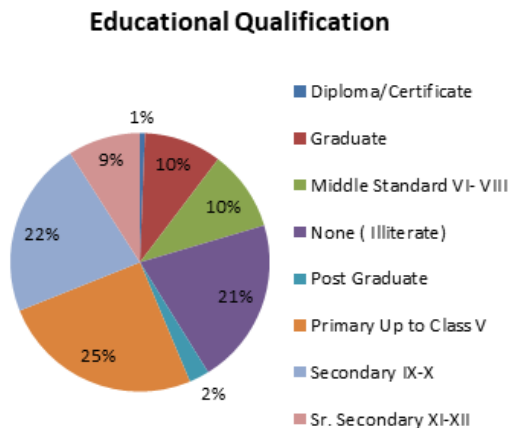


Educational Qualification

Street vendors are an integral part of informal urban economy, in terms of literacy amongst street vendor surveyed, 79% were found to be literate. Out of the total respondents surveyed, 25% have received primary education, 10% have completed middle school, 22% have received education till secondary school, 9% till senior secondary, 10% are graduates, 2% are post graduates and lastly 1% have done diploma or certificate courses. Out of 211 respondents who earn less than Rs. 5,000, 32% are without basic primary education. This shows that lower literacy rate is a reason that people take up street vending as a livelihood option and people with lower educational qualification have smaller businesses, such as fruit and flower business. Another study done with street vendors in Surat city of Gujarat found that illiterate

vendors have smaller businesses⁹.

Thus, highlighting that lower educational qualification is one of the reasons for people to take up street vending.



Economic Background

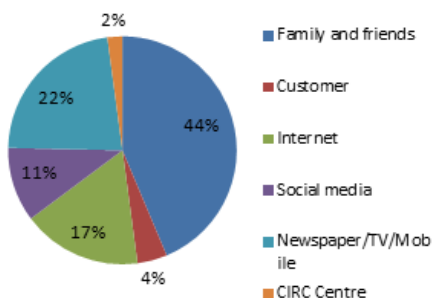
Out of the total surveyed respondents, 44% have a monthly income of less than Rs. 5000, 43% earn between Rs. 5,000-10,000, 12% earn between Rs. 10,000-20,000 and 1% earn between Rs. 20,000-50,000. Most of the street vendors working in the city are migrants, and post lockdown there has been a considerable decline in their monthly earnings.

⁹ Ray, C.N. & Mishra, A. (November 2011). Vendors and Informal Sector: A case study of street vendors of Surat City. Centre for Urban Equity, CEPT University. Retrieved from https://cept.ac.in/UserFiles/File/CUE/Working%20Papers/Revised%20New/15CUEWP15_Vendors%20and%20Informal%20Sector%20-%20A%20Case-Study%20of%20Street%20Vendors%20of%20Surat%20City.pdf

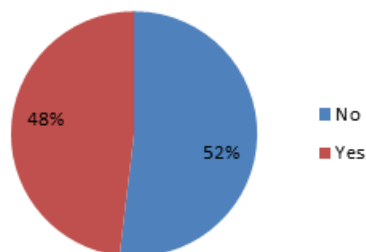
Understanding of the scheme among street vendors

On asking respondents if they know about the PMSVA Nidhi Scheme, 52% (229) of 476 respondents did not know about the scheme while the rest 48% (247) knew. Out of 226 44% know about the scheme from family and friends, 22% from newspaper, television and mobile phone, 17% from Internet, 11% from social media, 4% from their customers and lastly 2% from CIRC Centres. Apart from the traditional sources of information such as family, friends and customers, the media and Internet are also playing a pivot role in creating awareness about the scheme. Although the overall awareness about the scheme remains low, social media along with the Community Information Resource Centres (CIRC) of DEF can be used to further propagate about the scheme and its benefits to the larger community of street vendors.

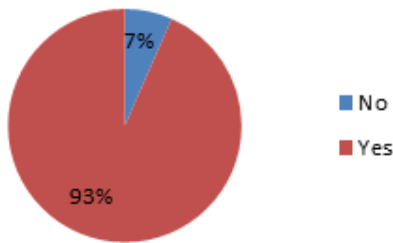
Percentage of respondents who know about the scheme



Do you know about the Pradhan Mantri SVA Nidhi Yojana



**Percentage of respondents who
feel the scheme is helpful**



Out of 229 respondents who said they know about the scheme, 93% feel that the scheme is helpful for them and 7% do not feel the scheme is helpful. On asking respondents if they find the scheme to be helpful in expanding their business, 72% of 228 respondents said yes, they find the scheme helpful, 5% were not sure if the scheme is helpful and rest 23% do not find the scheme helpful. 72% out of 227 people feel that the scheme will encourage people to start a business, 8% said maybe the scheme will encourage people and lastly 20% people do not think that scheme will encourage people to expand their business. One of the reasons that respondents think the scheme will not encourage people to expand their business can be due to lack of awareness regarding the scheme. Civil society organisations, NGOs and government bodies should use social media, print media to create awareness about the scheme.

On asking respondents if they access any other government schemes, 77% out of 477 respondents said no, while only 23% said yes. The schemes that street vendors access is MSME business loan, Pradhan Mantri Awas Yojana, Pradhan Mantri Jandhan Yojana, Pradhan Mantri Gareeb Kalyaan Yojana, Ujjawala

Yojana, Pension Yojana, Pradhan Mantri MUDRA Yojana, and Pradhan Mantri Fasal Bima Yojana.

The fact that 77% respondents do not access any government scheme shows the lack of awareness about welfare schemes among the street vendors. This further creates exclusion and marginalization of people, especially street vendors from availing public welfare schemes.

As many of the street vendors are migrant workers, their lower accessibility to welfare schemes keeps them from availing better healthcare, education and other amenities such as pension, rations etc. Thus, there is a need to create more advocacy campaigns and awareness sessions on what schemes they can avail. The CIRC centres of DEF can play a pivotal role in bridging the gap between availability and accessibility.



Recommendations

- » Carry out a scoping survey of street vendors on awareness regarding PMSVA Nidhi
- » Create advocacy campaigns and awareness sessions for target population to avail the welfare schemes
- » Lobbying with government departments and civil society organisations for identifying street vendors in need of financial aid and linking them with available government schemes
- » Create awareness about Street Vendors Act, 2014 and its various provisions in safeguarding the right of the community

Conclusion

The survey analysis shows that the overall awareness about the scheme amongst the street vendors, which forms a sizable portion of urban informal economy, remains at 52% which is abysmally low. The scheme in itself is important because it came into force particularly at a time when the economy was badly hit due to the pandemic. Street vending not only provides a sustainable livelihood option for all, but also encourages women from lower socio-economic backgrounds to capitalise and earn for themselves. Thus, schemes like PM SVANidhi are important to encourage street vendors to operationalise their economic activities, albeit their last mile accessibility remains a cause of concern.

While the government's Common Service Centres have taken the enormous task of ensuring that every street vendor can apply for the loans, there are still several difficulties that street vendors are facing such as not having an operational bank account, the loan amount getting deposited in some other account. Most importantly, the loan under the scheme will be only be provided to those who have been registered with the municipal corporation,

but there are news reports that claim that street vendors are still not registered with the municipal bodies¹⁰ this becomes the first bottleneck in accessing the scheme.

Therefore, in order to create more awareness about the scheme and encouraging people to apply for loans in case they require it, the Community Information Resource Centres (CIRC) of Digital Empowerment Foundation (DEF) can work alongside the Common Service Centres (CSC) of the government. The CIRCs can map the street vendors in every state, , district and block level that requires financial aid. The resource person from the network of CIRCs can then further ensure if the street vendors, especially women are digitally and financially literate and have the required documentation, and are registered with the respective municipal bodies of the area.

Any issues in accessing the schemes further can be recorded and reported with data and statistics to further strengthen the scheme and provide every street vendor with the loan amount that can eventually resume their livelihood activities and a ensure family income. Moreover, as 72% of street vendor are not accessing any welfare scheme, the CIRCs can generate awareness about various other schemes that street vendors are eligible for and can work with them in ensuring their access.

10 Jafri, A. A. (31 October 2020). PM SVANidhi: Govt. claims of loan disbursed refuted by state vendors. Retrieved from <https://www.newsclick.in/PM-SVANidhi-Govt-Claims-of-Loans-Disbursed-Refuted-by-Street-Vendors>

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