

NASVI Report: PM Street Vendor's AtmaNirbhar Nidhi (PM SVANidhi) Scheme

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Introduction

This report focuses on the PM Street Vendor's AtmaNirbhar Nidhi (PM SVANidhi) scheme, a government initiative implemented as a part of Atmanirbhar Bharat Abhiyan. This scheme focuses on providing financial support to street vendors who may have been affected by the COVID-19 pandemic by yielding affordable and easily available working capital loans. The scheme provides collateral-free working capital loans up to INR 10,000 for 1 year, with incentives given to those who repay timely. The government is also encouraging digital modes of payment by offering cashback with Unified Payment Interface (UPI) payments. To understand whether this loan was beneficial to the street vendors, around 120 street vendors were interviewed and their responses were noted and analyzed.

Demographic Analysis

Amongst the street vendors who were interviewed, 89.2% of the respondents were male and only 10.8% were female, indicating a vast disparity between the distribution of genders. This can be due to safety concerns as street vendors are expected to work long and erratic hours in public spaces, which can be unsafe in some regions of the country. Families may be reluctant to allow women to do public-facing work. This could also be due to the lack of skills and education of females in lower-class families which sometimes makes them unsuitable for street vending jobs.

Another characteristic of these street vendors was that each of them had very large family sizes. The average family size of the street vendors was 6 members including themselves and the number went up to 9 members. This can be majorly due to social and cultural reforms in Indian societies, which can also lead to high financial pressure on street vendors to support their families. According to the survey, the average earnings of the street vendors daily was INR1073, which made it difficult to save.

Migration and Duration Analysis

According to the survey, it was found that the majority of the street vendors who were interviewed were migrants from neighboring cities and states. It was seen that 51% of the street

vendors migrated from the state of Uttar Pradesh. Besides this, there were states like Maharashtra, Rajasthan, Gujarat, and West Bengal. The primary reason for this migration was to look for better economic opportunities and employment roles, given the limited employment opportunities available in rural areas in UP and other states. The informal sector in Mumbai with jobs such as street vending provides a feasible entry point for these migrants in the urban economy, giving them flexibility with minimal investment. It was also found that the average number of years the street vendors had stayed in Mumbai was around 22 years, which implied that they were present in Mumbai during the COVID-19 pandemic. Since this scheme was primarily to assist street vendors during the COVID-19 times, these street vendors could answer the survey questions with that perspective.

Awareness and Understanding of PM SVANidhi Scheme

According to the interviews, it was found that the most common way for street vendors to find out about this scheme was through the Brihanmumbai Municipal Corporation (BMC) Office or through the market leader. Apart from this, there were several other ways they became aware of this scheme such as through other street vendors, friends, their partners, and the NASVI (National Association for Street Vendors of India). Other than this there should be more ways available to ensure that street vendors can gain awareness about this scheme and can benefit from it. In terms of understanding the scheme, it was clear that most street vendors were able to accurately describe the benefits and purpose of the scheme. Through the interview, 48.5% of street vendors said it was a loan scheme, around 10% of them understood it to be a BMC-related scheme and 25.8% claimed it to be a financial assistance scheme. However, 11.8% of street vendors were unaware of the scheme and its purpose. This implied that there was a slight gap between the government and street vendors in terms of the communication and awareness of the scheme, depriving the potential street vendors from benefiting from this scheme.

Benefits and Usage of PM SVANidhi Scheme

Every single street vendor who was aware of the scheme claimed that the scheme was beneficial to them, especially after the COVID-19 pandemic. According to the report, all of them used the INR 10,000 loans for working capital and for purchasing more stock. Loans can help street vendors purchase stock and inventory in bulk which can help amend their cash flow and give them a bit of financial stability. The survey also found that 63.5% of street vendors took a second loan of INR 20,000 from the scheme which allowed them to have a larger sum of money available to purchase stock in bulk. While 34.4% of street vendors did not apply for a second loan, 1.1% of street vendors did apply but weren't able to receive the second loan.

Digital Transactions

According to the government, the PM SVANidhi scheme also offers incentives to shift from cash to digital modes of payment. The incentives are given in the form of INR 100 cashback from transactions monthly. From the interviews, it was understood that 82.8% of street vendors operated both online payment systems such as UPI, and payments via cash, while 16.1% of street vendors continued to allow only cash payments. However, it was found that 95.8% of those street vendors who used cash and digital payment systems did not receive any type of cashback from their digital transactions, and only 3.2 % of street vendors received a cashback of INR 100. It was also understood that the street vendors that did receive the cashback, claimed it to be too little and almost insignificant, proving not a strong enough incentive to switch to digital payment modes. Moreover, it was discovered that the majority of the street vendors under the scheme were not aware of the fact that they were supposed to receive cashback. The street vendors who were aware had to make missed calls and other arrangements to banks in order to claim the cashback and did not receive it automatically. Overall, although the scheme claims to incentivize the usage of digital payment systems, the majority of the street vendors did not receive this incentive and rather shifted to online payment systems due to the increase in demand for them and for access to a wider customer base.

Loan Utilization and Challenges

According to interviews conducted and data collected 95.7% of the respondents claimed that they would be affected if the scheme was no longer available as it proved to be largely beneficial for them. However, 4.3% of the respondents felt that the loan was too small to make any effect on their earnings and cash flow and hence did not prove to be as effective.

The street vendors were also interviewed about any challenges they faced whilst obtaining the loan, and whilst 38% of the respondents claimed that they did not face any such difficulties or challenges, the rest of the respondents claimed to have faced multiple challenges. Around 28.3% of the street vendors expressed that they received a large delay in the time taken to receive their loan as the bank took a long time to process it. Another 9.8% of the street vendors reported similar issues related to document verification and other bank processes which delayed the process and 2.2% of the street vendors claimed to have been rejected whilst filing for a second loan application and then later being given the loan. The rest of the street vendors responded with the BMC eviction drive, a challenge for their business.

The majority of these issues point straight to bank inefficiencies and the fact that banks did not provide the loans effectively. In the majority of cases these delays impeded street vendors from fully benefiting from the scheme. When street vendors were asked whether they were able to make timely repayments of the loan and whether there were any consequences to being unable to

do so, 98.9% of the respondents claimed that they were able to make timely repayments. However, one street vendor claimed he wasn't able to fulfill this obligation in time which resulted in his business being largely affected and him facing financial instability.

Scheme Impact and Feedback

When the street vendors were asked about any changes they would like to make in the scheme, around 47.3% of them responded that there were no changes they felt needed to be made. However, around 30% of street vendors felt the need for a smoother bank process. They also expressed that the bank's behavior towards street vendors and the informal sector required improvement. Moreover, 13.2% of the respondents were more against the BMC eviction drive and expressed that they did not require the loans, but rather would prefer if BMC stopped eviction and allowed them to continue their business. They also expressed concern with the fact that they would not be able to repay the loans if they were not allowed to continue their business, and also how BMC is both encouraging them to take loans and yet taking action against them in the form of eviction.

Conclusion

Overall, the data collected presents a clear picture of the PM SVANidhi scheme and its true impact on street vendors in Mumbai. It gives an understanding of the demographics of the street vendors as well as their awareness of the scheme. Moreover, it understands the inept situation of the digital payment incentives that are promised but are not effectively delivered. It also brings into light some of the challenges faced by the street vendors, particularly inefficiencies from the bank and the BMC eviction drive that persists and puts the vendors in a difficult position.