

Study of perceptions among street vendors of Ahmedabad on “Pradhan Mantri Street vendor’s Atmanirbhar Nidhi Scheme 2020(PM-SVA Nidhi Yojana)” -Special micro-credit program for street vendors

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Abstract

Street vendors are self-employed people, who utilize Public Street to secure their livelihoods, by selling goods and services in urban cities. Covid-19 pandemic lockdown resulted in the loss of income, and they struggled for survival. Post unlock-1 in July-2020, the Government of India introduced the “Pradhan Mantri Street Vendor’s Atmanirbhar Nidhi Yojana (PM –SVA Nidhi) “, special micro-credit program for street vendors. The scheme provides an unsecured loan of Rs 10,000 [ten thousand] to street vendors as ‘working capital’, to restart their vending activity and secure livelihood. This paper attempts to study the perceptions and experiences of street vendors of Ahmedabad on PM SVA Nidhi Yojana.

Total 60 vendors from the central zone & west zone of Ahmedabad were surveyed to understand their perceptions and experiences. Also, lending institutions like banks and their employee were interviewed to understand various aspects pertaining to PM SVA Nidhi Yojana.

We discovered that vendors preferred to avail loans from relatives and friends, while many avoided going for PM SVA Nidhi Yojana because of the time taken to get loan sanctions and complex documentation & procedures involved.

Keywords: Street vendors, PM SVA Nidhi Yojana, financial Inclusion, challenges.

1. Introduction:

Street vending is one of the most visible and dignified occupations in the urban cities. Any person who utilises ‘Public’ Street for selling of goods and service can be called as street vendor. Street vendor’s choses commercial place or place with high footfalls as for vending like railway and bus stations. Street vendors are playing a very vital role in the urban informal economy of India by providing quality and affordable goods to urban poor in specific and to various income group of cities. Goods they sell ranges, from hosiery and clothes, leather made items, moulded plastic goods, and various household necessities, which

are manufactured in small-scale or home-based industries where large numbers of workers are employed. They also play role in urban local supply chain, as it would hardly be possible for the manufacturers to market their own products. Broadly Street vendors can be categorised as Mobile & static street vendors, later having fix place and unstructured build-up to conduct street vending. The street vendor face several problem in India. Major challenges faces by them are, financial challenges, social security challenges like exclusion from Life insurance, general insurance for goods & wares, pension, gender disparity, challenges regarding occupational health & hazard, and, legal, political & administrative challenges which varies in each city. However

street vendor's act 2014, provides them regulations and protection of their livelihood but act is not fully enacted at municipal level and its partial implementation by urban local bodies, adds to governance issues for public agencies and for street vendors. to make your paper look exactly like this document.

1.1 Covid-19 and Street Vendors:

Covid-19 pandemic affected world in various ways, economic & livelihood being primary visible results of it.

Government of India introduced "Janta Curfew" and, on 22nd March 2020 followed by nationwide severe lockdown. This severity of lockdown affected every class of society in myriad ways. Even during pandemic, to ensure constant flow of essential items like grocery, local government and administration took help of *street vendors* to ensure essential supply to every corner of city and sub-urbs.

By June 2020, 2nd lockdown was announced and many street vendors were diagnosed with covid-19 infections and many of them, being asymptomatic, were labelled as super spreader which forced local health experts & urban local bodies administrating, decided to stop them from vending in order to curb covid-19 infection.

This ban on street vending from last week of June 2020, on street vendors in ahmedabad city & in India, affected their income and livelihood, even people were wary of buying from street vendors due to stereotype attached with them being unhygienic. They went out of business & income, there was stagnation of their routine lives, they were helpless and at mercy of society, government and few charitable group who provided them with food.

Challenge for them was to restart their business as most saving and loan were used to help them survive. They required working capital to restart their vending work. Working capital to buy raw materials and have fresh start in many cases.

1.2 PM SVA Nidhi Scheme:

In July 2020, Government of India announced scheme to provide working capital to street vendors. Pradhan Mantri Street Vendors Atmanirbhar Nidhi Yojana [PM SVA Nidhi], a special micro credit program to assist street vendor by providing Rs 10,000, as working capital loan, at rate of 7% interest from various Bank and non-banking financial institution across nation.

PM SVA NIDHI defines "A street vendor as," any person engaged in vending of articles, goods, wares, food items or merchandise of daily use or offering services to the public in a street, footpath,

pavement etc., from a temporary built up structure or by moving from place to place". The goods supplied by them include vegetables, fruits, ready-to-eat street food, tea, pakodas, breads, eggs, textile, apparel, artisan products, books/ stationary etc. and the services include barber shops, cobblers, pan shops, laundry services etc.

Process for applying for street vendors are both online, through web portal and, offline by visit nationalized bank for physical submission of form.

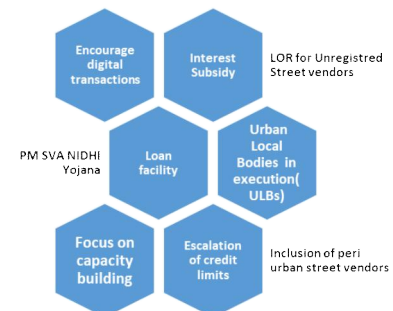


Figure-1: PM SVA NIDHI Scheme features.

Government also created Public dashboard for tracking application and sharing information on PM SVA Nidhi scheme for each municipal corporation and municipalities by collating & simplifying data for people.

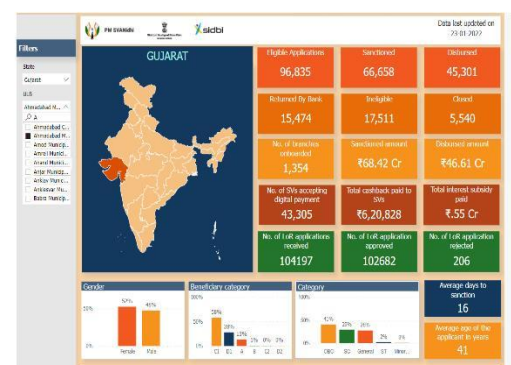


Figure -2: Dashboard of PM SVA Nidhi for Ahmedabad Municipal Corporation.

Source:

<https://www.pmsvanidhi.mohua.gov.in/Home/PMSDashboard>. Last accessed, 2:15 pm, 23-01-2022.

Implementation agency for PM SVA Nidhi is urban local bodies under State urban livelihood mission [SULM] as Nodal state agency. Close to 96835 applications have been received under this

scheme, of which 66658 have been sanctioned, and 45301 loans have already been disbursed. [As on Date- 23/01/2022, 2; 55 pm]. Further, this scheme targets to benefit over 50 lakh Street Vendors in India.

2. Review of Literature:

Street vending has persisted for centuries and recognized as an ancient and important occupation in the informal economy (Bromley, 2000).

Bhowmik, S. K. (2005), Notes that, their earnings vary between Rs 50 and Rs 80 per day. Women earn between Rs 40 and Rs 60 per day. They work under gruelling conditions for long hours and are frequently harassed by the municipal authorities and the police.

Bhowmik, S. K., & Saha, D. (2011) observed that "Status of Financial Inclusion in India, In spite of taking a variety of measures to achieve financial inclusion targets, such as the cooperative movement, nationalization of banks, setting up of Regional Rural Banks (RRBs) and constituting the Self Help Groups (SHGs) these targets have largely remained unfulfilled".

Bhowmik, S. K., & Saha, D. (2013) studied the street vendor's in terms of their decent work and emphasized the role of organization/ Union in providing the decent work culture. His study explores the street vendors mainly depend on money lenders for their economic and social security purposes. There is no safety for the street vendors in their work place. They have to face severe harassment from the local authorities.

Selvi, V. D., & Veilatchi, K. (2020), the study reveals that Inadequate Finance, Infrastructure Inflexibility, Improper Marketing Strategies and Insecurity and Uncertainty are identified as the challenges of street vendors.

Kiran, P. N., & Babu, G. N. P. V. (2019) concurs that "it can be said that though India has witnessed an increased in street vendors, the government is indifferent to specific needs of this sector. Street vendors perform an important role in providing services to the urban population especially the poor. Street vending and petty trading activities form the essential core of informal economic sectors in developing nations help in generating income with minimized investments of financial capital and without requiring large human capital."

Doibale, M. K. Mohite, S. D., Sawase, G. B., & Pagadal, P. H. (2019) in their study of socio-demographic profile and causes of street vending in an urban area, Aurangabad, Maharashtra found that one-fourth of the street vendors experience health problems associated with their work.

Mahadevia, D., Vyas, S., & Mishra, A. (2014) further observed that, this census found that the largest concentration of the vendors (around 27 per cent) was in the central zone, which is the walled city and the area around it. However, the 2011 census estimate appears to be low as SEWA has about 75,000 street vendors, all women, among its Ahmedabad members.

(Kumar, R., & Singh, A. 2013) in their study noted that, Street vending is related with uncertainty in income.

Rizwana M., Singh P., Raveendra P.V. (2021) finds in their study at Mysore city that "The overall results showed that the penetration of mobile technology has provided wonderful opportunities for the development of digital payment systems and paved way for so many unbanked individuals who were financially excluded to fall under the purview of banking system".

Channamma K C (2010) in her study found that women vendors are mainly engaged in fruit, vegetable and flowers vending which are perishable bring loss if left unsold

Dhamodharan, K (2019) Being new to the migrated area the street vendors are to adjust with local goondas and unlawful elements who extort money from them. It is very hard for them to get loans from the Banks due to the procedure involved.

Many street vendors borrow money from money lenders and return the principal amount on a daily sales basis on higher interest rates.

Hasam, (2015) notes that, they are compelled to pay bribes to multiple people to keep running their business.

Parikshit Chakraborty, & Samarpita Koley (2018) in their study found that the street vendors working conditions and the working environment is very poor.

Table.1. Summary of review of literature:

Review of literature summaries that, street vendors faced following challenges,

Challenges	Description
Legal	Lack of legal identity &

	recognition,
Gender	Gender exclusions and disparity,
Social	Exclusion from social security schemes offered by government
Financial	Financial exclusion for formal lending system for getting micro credit
Administrative	securing spot for vending, income uncertainty, security from eviction & relocation
Other	Occupational hazard, health & safety

2.1 Need for study:

Absence of law for their protection and Regulation resulted, lack of legal identity resulted in lack of dedicated micro-credit programs for financial inclusion of street vendor's as they exist, but were not recognized.

There was no dedicated micro credit program for street vendors in Ahmedabad, Gujarat.

Literature discusses various recommendations for upliftment of vendors, by amending law & providing legal identity, nothing specific has been attempted to address financial challenges of street vendors in interim period.

Street vendors are migrants as well to city, their documentation belongs to native state, and they might work in other state despite having national value of documents, [for example Voter Id card, it works as identity proof ,but cannot be used for voting other than place name is registered] .

This creates situation for street vendors to look out for alternative or parallel systems to existing formal administrative systems.

A gap is, street vendors becomes part of informal economy and they are compel to start their parallel financial system that can help them survive and grow.

This requires us, to understand their financial need and monetary needs, followed by their perception on first formal micro-credit program PM SVA NIDHI designed for street vendors as beneficiaries.

3. Objectives of study:

1. To understand financial challenges of street vendors.
2. To understand their perceptions on PM SVA Nidhi Yojana.

4. Research Method:

Field survey was carried out within two zone of ahmedabad municipal corporations, survey was conducted at 'Riverfront Sunday market', commonly known as 'Gurjari bazar' or 'Ravivari'

[below Ellis bridge], central zone, as literature suggest central zone as highest number of street vendors concertation in ahmedabad followed by west zone . Sunday market is old natural market, but recently relocated on the riverfront, while west zone is old commercial area where the concentration of street vendors on roads like C.G Road, Gujarat University road and shahstrinagar is dense and has mix of all kind of street vendors.

A sample of 60 from both zones were taken. Street vendors and central bank of India employees were interviewed further to understand process of PM SVA NIDHI & perceptions, challenges pertaining to Scheme. Also secondary sources like news article, YouTube videos and research paper were reviewed.

5. Findings:

5.1 Gender: we found through survey that 70% of street vendors were male while only 30% were female engage in food & grocery vending. Males had more option & items to vend compare to female.

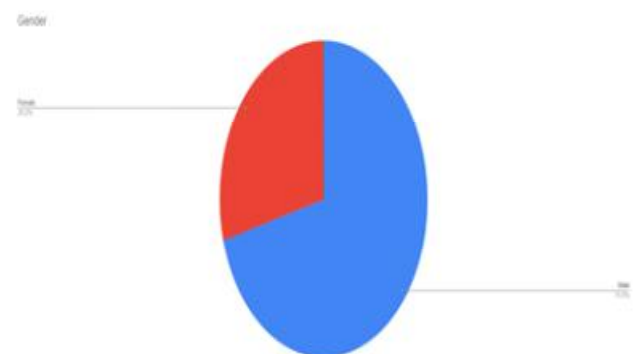


Fig.1. Gender of Street vendors

5.2: Street vendor's registration status:

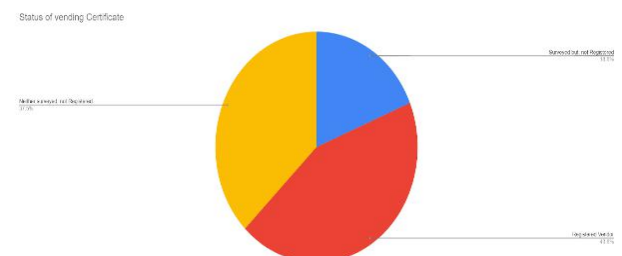


Fig.2. Street vendor's registration status.

Street vendors surveyed, were in three categories. Registered vendors 43%, having vending

certificate, unregistered vendors 37%- without any certificate to vend [mostly on their own & Vulnerable], and, 18% surveyed but unregistered vendors,i.e; vendors having provisional certificate eligible to get final certificate in future.

5.3: Awareness of street vendors on PM SVA Nidhi Scheme.

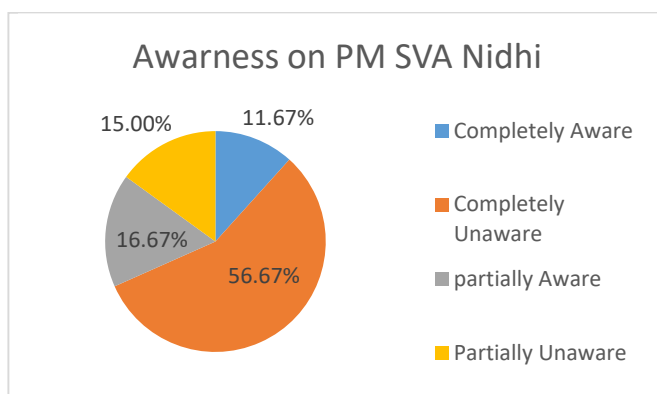


Fig.3. Awareness on Scheme

Irrespective of gender & their status as registered vendors only 11.6% were completely aware about PM SVA Nidhi scheme fully, 16% were partially aware i.e.; of scheme but not details, & 15% were partially unaware meaning they had only clue or heard about, while majority 56% were totally unaware, meaning they didn't hear of scheme in first place.

5.4: Street vendor's application to PM SVA Nidhi.

We found that 71% vendors did not apply in spite, few registered vendors who were eligible but didn't apply as it was easy & quick to get loan from friends/relatives with less or no interest and that too with favourable repayment terms. Only 29% applied PM SVA NIDHI scheme for working capital loan.

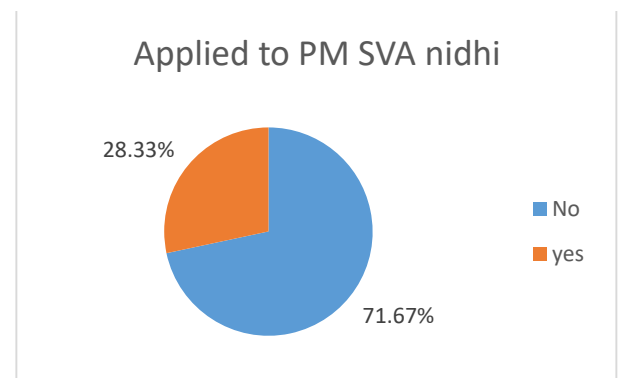


Fig.4. Vendors applied for PM SVA Nidhi scheme.

5.5 Lead time of scheme from application to rejection/Approval

We asked those who applied to Scheme, what is total duration from application to getting rejection/approval & sanction of loan. Government Dashboard claims 16 average days, while 43% found, average time in practice was 31-45 days, to know status of loan, while 36% said 21-30 days was average time of process before getting any rejection or approval from bank, only 20% said they had less than 20 days to wait to know status.

Process required frequent visits to bank by vendors at cost of their business hours, this led to irritation & frustration among vendors as it was disappointing to have rejection after 30 days wait, they would prefer to know beforehand. Even after sanction, it took 7-15 days for amount to be credited in bank account. This time consuming process compelled them to borrow money from informal source.

Also reasons for rejection cited by banker and street vendors were "insufficient documents" & "Letter of recommendation [LOR] pending" in case of unregistered street vendors.

No further clarification were given to vendors & same has been observed by ,PRS standing committee report on PM SVA NIDHI ,which observes "The Committee noted that 10% to 20% of the loan applications are returned or rejected on various grounds. These include: (i) vendor not interested in availing loan, (ii) LoR application pending, and (iii) insufficient documents."

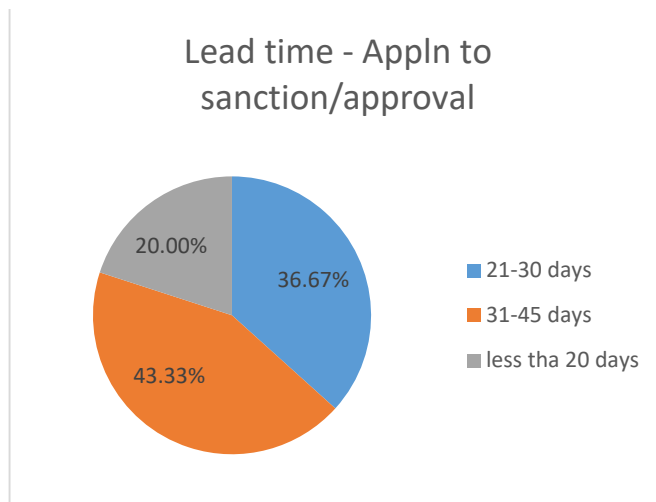


Fig.5. Lead time from application to reject/Approval of Loan

Discussions:

Street vendors are vulnerable urban population, they are at bottom of the urban pyramid, exposed to struggle with challenges for a long time. Street vendors' perception of local urban bodies and state government is not positive as they have 'found themselves on their own, without any help', resulting in them feeling vulnerable, marginalized, and excluded in every way by government & society.

Their perception of PM SVA Nidhi was different. They were happy that an attempt was made by designing a micro-credit program scheme with the intention to provide working capital & financial inclusion, leading to a reboot of their livelihood.

Covid-19 & its effect like lockdown had a severe impact on every class of urban population in multiple-ways, but street vendors are displaced-Financially & socially compared to any other class of people.

PM SVA Nidhi attempted to identify Street vendors, captured their socio-economic profile, aimed to provide a head start to livelihood in a dignified way. But street vendors perceived it as a distant opportunity or lost one. A scheme in spite of its benevolent nature failed to embrace its beneficiaries in giving benefits due to procedural hurdles & governance barriers.

We need to discuss & research 'Why scheme fails'? or how can we ensure ease of implementation of special schemes for street vendors? which will make them feel

included, secure & can pave way for a change of perception towards administration & assist them to step closer to enable them towards the formal sector where they can grow instead of surviving as street vendors.

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