

POLICY
BRIEF

Ensuring access to microcredit through PM SVANidhi Scheme for Street Vendors

Strengthening social security and protection of the street vendors

ABSTRACT

This policy brief draws from findings on the status of street vendors in the report '[Living with Multiple Vulnerabilities: Impact of COVID-19 on the Urban Poor in the Mumbai Metropolitan Region](#)'. It is based on data from street vendors in the cities of the Mumbai Metropolitan Region (MMR), specifically 581 households surveyed where the head of the household is a street vendor, and in-depth interviews with 12 street vendors.

BACKGROUND

Street vendors are recognised as a workforce and are legally protected by the Street Vendors (Protection of Livelihood and Regulation of Vending) Act, 2014. This Act mandates that States formulate Rules and Schemes towards implementation of the Act. The Government of Maharashtra notified the Maharashtra Street Vendors (Protection of Livelihood and Regulation of Street Vending) (Maharashtra) Rules, 2016 on 3 August 2016; it is yet to formulate a scheme. The Act calls for the formation of a Town Vending Committee (TVC) at the municipal level that regulates vending. The role of the TVC is to ensure registration of vendors and protection of rights of vendors.

Cities in the Mumbai Metropolitan Region (MMR) have formed TVCs without the representation of street vendors themselves. This is as per the Maharashtra Street Vendor Rules but against the 2014 Act. Registration of vendors is supposed to be done every 5 years. However, in every city of the MMR there are discrepancies in the survey and the registration process has not been completed.

The Pradhan Mantri Street Vendors Atma Nirbhar Nidhi (PM SVANidhi) Scheme, announced as part of the Atmanirbhar Bharat Abhiyan relief package, provides for a working capital loan of INR 10,000 that can be availed of with a tenure of 1 year and is payable in monthly installments. On timely or early repayment, vendors are eligible for an enhanced working capital loan. To avail the scheme, vendors need to have been engaged in vending prior to the lockdown (24 March 2020) and i) possess a certificate of vending or have identity cards issued by urban local bodies (ULBs) or ii) be identified in the street vendors survey conducted earlier or iii) access a letter of recommendation issued by the ULB, TVC or specified federations. For many vendors this will be a bureaucratic hurdle—cities in the MMR have not conducted accurate street vendors surveys or issued registration certificates in the recent past.

'We are a 5-member family. I have a husband, two sons and a daughter. My husband is jobless. My sons do menial jobs that they can find and my daughter stays at home. My entire family is mostly dependent on my

job as a vegetable vendor for sustenance. Ever since the lockdown was implemented, I have not been able to sell any vegetables as they don't let me set up shop on

the footpath anymore. We have no savings left either,' says Shazia, a street vendor from Sanpada in Navi Mumbai.

FINDINGS FROM THE REPORT

- Among those surveyed, 581 (3.82 per cent) households were dependent on street vending.
- As self-employed workers, street vendors are dependent on a variety of factors to earn a living—savings to purchase goods for sale, the functioning of markets, access to public transport, the availability of public spaces and the purchasing capacities of people. In the absence of these, all street vendors reported a fall in their incomes.
- Given strict restrictions on movement and hours of vending and the fear of the police, most vendors reported a reduction in income.
- Among those surveyed, 303 (70.14 per cent) street vendors held bank accounts that could facilitate access to working capital loans through the Pradhan Mantri Street Vendors Atma Nirbhar Nidhi (PM SVANidhi) Scheme. However, eligibility criteria, such as furnishing a registration certificate, will prove to be a hurdle. Moreover, only those who can prove that they were vendors before 24 March 2020 are eligible. It does not take into account those who have started street vending due to loss of work during the lockdown.
- Unless this loan is linked to the right to vend (which is mediated by the urban local body [ULB]), a loan without the security of being free from eviction is self-defeating.

RECOMMENDATIONS

Availing the PM Street Vendors Atma Nirbhar Nidhi (PM SVANidhi) scheme for working capital loans will involve a few bureaucratic hurdles, especially with the need for vendors to prove their vending status before 24 March 2020.

A system is needed to recognise new self-employed workers and a working capital loan needs to be extended to new vendors. The State Rules on the PM SVANidhi must be amended to include this changing context.

The survey and registration of vendors will need to be expedited in municipalities and the application process for the loan should be made accessible through extensive awareness with local governments in partnerships with banks, unions and federations of street vendors.



Youth for Unity and Voluntary Action (YUVA)
YUVA Centre, Sector 7, Plot 23, Kharghar,
Navi Mumbai – 410210 (India)
www.yuvaindia.org | info@yuvaindia.org

[officialyuva](#) [officialyuva](#) [yuvaindia84](#)
[yuvaonline](#) [/company/officialyuva](#)