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Impact of the Pradhan Mantri Street Vendors' Atma Nirbhar Nidhi (PM Svanidhi) scheme on the livelihood of street vendors in Varanasi

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Abstract
Prime Minister's Street Vendors' Self-Reliant Fund (PM SVANidhi) scheme was launched by the Prime Minister in June 2020. This scheme provides loans to over 6.8 million street vendors. This scheme is specifically designed for those working in the urban informal sector. Under the PM SVANidhi scheme, street vendors are provided with working capital loans of up to ₹10,000. Additionally, loans of ₹20,000 and ₹50,000 come with a 7% interest subsidy. This scheme was launched by the Ministry of Housing and Urban Affairs. This scheme has led to positive improvements in the economic well-being of street vendors, enabling economic development for both street vendors and other sectors. The central and state governments are continuously working to increase the economic development and income of street vendors. This research utilized analytical research methodology. For the proposed research paper, Varanasi district was selected. Data was collected through interviews. Data obtained for this scheme from managers of various bank branches in the study area was analyzed. Secondary data was also collected to assess the benefits received by street vendors through this scheme and the improvements in their living standards. For this purpose, information was collected from banking branches, microfinance banks, websites, libraries, newspapers, and magazines, and analytical evaluation was conducted.

Considering the current situation of street vendors, it was found that this scheme has played a significant role in providing them with an economic base, but the loan amount under this scheme is somewhat low. The scheme should be implemented successfully by increasing the loan amount so that more street vendors can benefit from the business loan.

Keywords: PM SVANidhi, scheme, economic impact, street vendors

Introduction

India is the world's third large economy, and the third-largest by purchasing power parity (PPP). India's economic growth rate is increasing rapidly. India has emerged as one of the fastest-growing economies in the world. The threat of COVID-19 struck India's economy hard. India's economy was severely impacted by the COVID-19 pandemic, resulting in a record decline in India's GDP (April to June). It fell to the lowest level with a decline of 24.4 percent. This pandemic caused the greatest economic damage to vulnerable sections. Due to the COVID-19 pandemic, a complete lockdown was imposed on March 23 (2020), posing a threat to the livelihoods of street vendors. Years of savings were wiped out during the lockdown, causing street vendors to face difficulties in re-establishing their businesses. However, the current government's historic decision proved to be a panacea for those involved in street trading. On June 1, 2020, the current government launched the Pradhan Mantri Street Vendors Atmanirbhar Nidhi Yojana. Through this scheme, arrangements were made to provide microloans on easy installments to over 68 lakh street vendors. Under the PM SVANidhi scheme, street vendors are provided with working capital loans up to ₹10,000, plus collateral-free loans of ₹20,000 and ₹50,000 with a 7 percent interest subsidy. Launched by the Ministry of Housing and Urban Affairs, the scheme is specifically designed for those working in the urban informal sector.

Through this scheme, the economic condition of street vendors has seen positive improvement. This has made their economic development possible. According to government data, the PM Svanidhi scheme is a very beneficial scheme for over 6.8 million street vendors. A large number of people are benefiting from this scheme. This scheme is making a significant contribution to the Developed India Vision 2047. This scheme is promoting a self-reliant India and self-employment. In the financial year 2025-26, UPI-linked credit cards with a limit of ₹30,000 will be provided to street vendors.UPI-linked credit cards are being offered, which will promote digital transactions. In Varanasi district, Uttar Pradesh, 40,707 street vendors are registered with the Municipal Corporation. There is a need to analyze the economic impact of the PM Svanidhi scheme on registered street vendors in Varanasi district and determine its potential impact on street vendors' income.

Policy Features of PM SVANidhi Scheme

1. **Loan Structure**
   - First Phase: Loan up to ₹10,000
   - Second Phase: ₹15,000–₹20,000
   - Third Phase: ₹30,000–₹50,000

2. **UPI linked credit card**
   - Vendors receive a credit-linked card with a ₹30,000 limit to promote digital transactions

3. **Interest Subsidy & Incentives:**
   - 7% annual interest subsidy on timely repayment
   - Cashback up to ₹1,200 annually for digital transactions

Loans are facilitated through commercial banks, regional rural banks, cooperative banks, microfinance institutions, NBFCs, and self-help groups.

Literature Review

1. Ansu Saini, Fariya, Monica Agarwal, Parveen Kumar, Riva Chauhan, Lata Surendra, Prasad Singh (2023-24) To explore awareness and perception patterns about PM SVANidhi Scheme for Street Vendors in Meerut and analysis of understanding: In their research paper, 150 respondents have been selected and they have highlighted the economic hardships faced during the Covid-19 pandemic and its aftermath. The research paper talks about awareness among street vendors on a large scale about the PM SVANidhi Scheme and the loan amount. According to the respondents, they have asked for making the loan amount easier and increasing the amount.
2. Bhowmick and Saha (2011) examined the difficulty street vendors faced in obtaining financing from traditional financial institutions in 15 Indian cities. According to the study, self-help groups and microfinance institutions have been crucial in providing street vendors with the necessary credit. However, most respondents use informal credit sources, such as moneylenders, and pay high interest rates. This is unnecessary. The government should formulate policies to provide them with a low-interest rate.

Objectives of the Study

1. To study the role of PM SVANidhi Scheme in increasing the income of street vendors.
2. To study the impact of PM SVANidhi on the economic condition of street vendors.
3. To study the change in the standard of living of street vendors who have benefited from the PM SVANidhi Scheme.

Hypotheses

1. Hypothesis related to Income

H0 (Null Hypothesis): The Pradhan Mantri Street Vendor's AtmaNirbhar Nidhi (PM SVANidhi) Scheme has not significantly increased the income of street vendors.

H1 (Alternative Hypothesis): The Pradhan Mantri Street Vendor's AtmaNirbhar Nidhi (PM SVANidhi) Scheme has significantly increased the income of street vendors.

2. Hypothesis related to Economic Condition

H0 (Null Hypothesis): The Pradhan Mantri Street Vendor's AtmaNirbhar Nidhi (PM SVANidhi) Scheme has no significant impact on the economic condition of street vendors.

H1 (Alternative Hypothesis): The Pradhan Mantri Street Vendor's AtmaNirbhar Nidhi (PM SVANidhi) Scheme has a significant positive impact on the economic condition of street vendors.

3. Hypothesis related to Standard of Living

H0 (Null Hypothesis): There is no significant improvement in the standard of living of street vendors who benefited from the Pradhan Mantri Street Vendor's AtmaNirbhar Nidhi (PM SVANidhi) Scheme.

H1 (Alternative Hypothesis): There is a significant improvement in the standard of living of street vendors who benefited from the Pradhan Mantri Street Vendor's AtmaNirbhar Nidhi (PM SVANidhi) Scheme.

Research Methodology

Analytical research method was used in this research. Varanasi district was selected for the research. There are 8 blocks in the district. Respondents were selected randomly from each block. From the selected blocks, we selected blocks according to similar needs. An interview method was used to know the impact of the PM SVANIDHI scheme on the economic condition of street vendors. Data was collected through questionnaires, from various bank branches, self-help groups, commercial banks, regional banks, cooperative banks, micro finance, small finance banks, non-government banking financial companies, libraries, journals, municipal corporations, newspapers and Ministry of Urban and Housing, PM SVANIDHI portal.

Research Design

A mixed-method approach was adopted:

- Qualitative: Interviews
- Quantitative: Survey questionnaires

Target Population

Street vendors without permanent shops such as fruit sellers, vegetable vendors, cobblers, hawkers, fish sellers, egg sellers, and fast-food vendors.

Sample Size

There is a total of 40707 street vendors registered in Varanasi, from which we have taken our sample number as 100. By randomly selecting 100 people, we have studied the economic condition of street vendors under PM Swanidhi Yojana.

Data Collection Methods

Both primary and secondary data were used:

- **Primary:** Interviews, surveys
- **Secondary:** Banks, journals, municipal data, government portals, newspaper

Data Analysis and Interpretation

The data collected from street vendors was analyzed to understand the impact of the Pradhan Mantri Street Vendor's AtmaNirbhar Nidhi (PM SVANidhi) Scheme on their economic condition and livelihood.

1. Survey Respondents

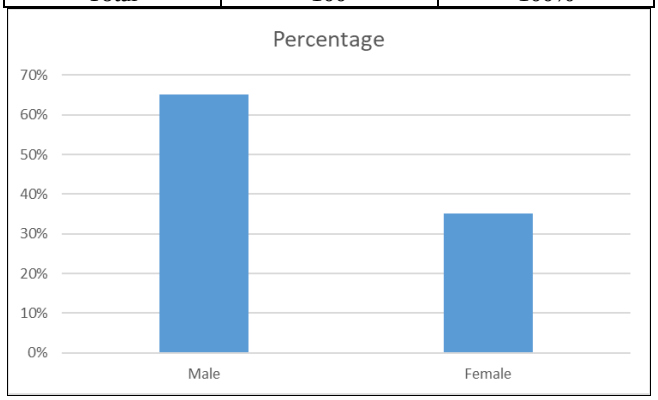
The survey included 100 respondents, consisting of both male and female street vendors. The responses were collected to analyze their opinions regarding the benefits of the scheme and its effect on their income and economic stability.

2. Gender-wise Participation

The bar chart indicates that male vendors constitute a larger proportion of respondents compared to female vendors. However, female vendors also participated in the scheme and reported benefits from the financial assistance provided.

Gender-wise Respondents

Gender	Respondents	Percentage
Male	65	65%
Female	35	35%
Total	100	100%



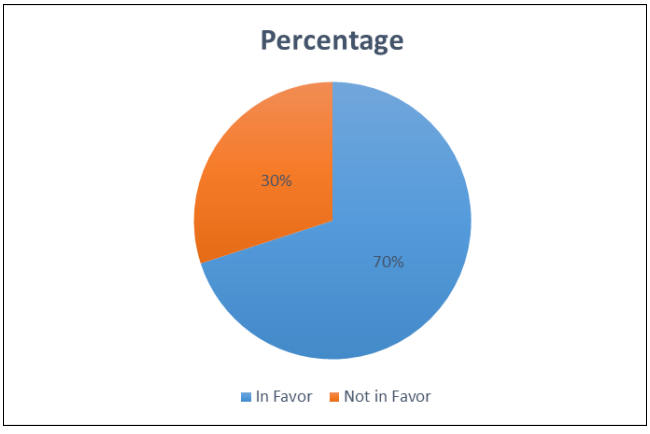
The survey was conducted among 100 street vendors. Out of the total respondents, 65% were male vendors and 35% were female vendors. This indicates that male vendors dominate street vending activities, but female participation is also significant.

3. Opinion about the Scheme

The pie chart titled "Survey Responses Breakdown" shows the perception of respondents toward the scheme. A majority of respondents are in favor of the scheme, indicating that it has helped them in improving their business activities. A smaller proportion of respondents are not in favor, which may be due to limited access, lack of awareness, or procedural difficulties. Among the respondents who support the scheme, male vendors represent a larger share, while female vendors also show positive support but in a smaller proportion.

Opinion about PM SVANidhi Scheme

Opinion	Respondents	Percentage
In Favor	70	70%
Not in Favor	30	30%
Total	100	100%



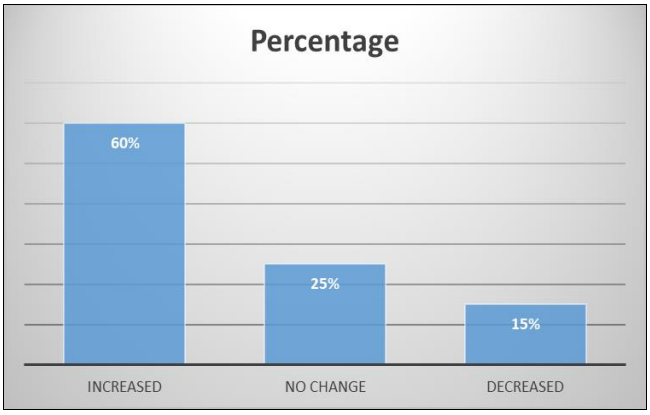
The pie chart shows that 70% of respondents support the scheme, indicating that the scheme has been beneficial for their business and income. However, 30% of respondents are not satisfied, possibly due to lack of awareness or difficulties in accessing the benefits.

4. Impact on Economic Condition

The results suggest that the scheme has positively influenced the economic condition of street vendors. The availability of small working capital loans has helped vendors purchase goods, increase their stock, and expand their daily business operations.

Income Increase after Scheme

Income Change	Respondents	Percentage
Increased	60	60%
No Change	25	25%
Decreased	15	15%
Total	100	100%



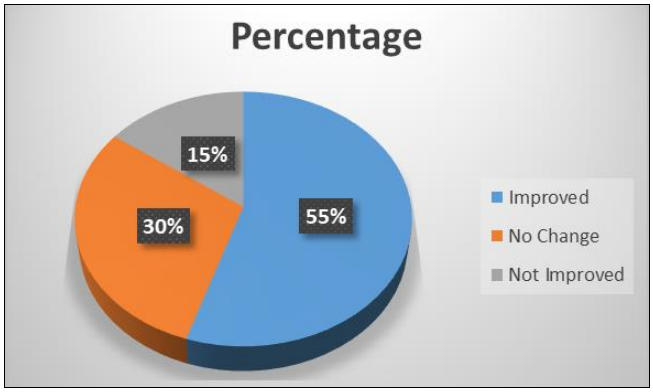
The majority of street vendors (60%) reported that their income increased after receiving benefits from the scheme, which indicates a positive impact of the scheme on their livelihood.

5. Improvement in Income and Livelihood

Many respondents reported that after receiving financial assistance under the scheme, their daily income increased and their ability to manage household expenses improved. This indicates a positive contribution of the scheme toward improving the standard of living of street vendors.

Improvement in Standard of Living

Response	Respondents	Percentage
Improved	55	55%
No Change	30	30%
Not Improved	15	15%
Total	100	100%



The results show that 55% of respondents experienced an improvement in their standard of living, which suggests that the scheme contributed positively to their economic well-being.

Conclusion of Charts

The analysis shows that the Pradhan Mantri Street Vendor's AtmaNirbhar Nidhi (PM SVANidhi) Scheme has played an important role in improving the income, economic condition, and standard of living of street vendors.

Outcomes

Most of the respondents selected for the study are street vendors having secondary education, some are illiterate and some have completed graduation and post-graduation. If the benefits of PM SVANidhi Yojana are seen from 2020 to 2025, then an increasing and decreasing trend is visible. Those who got the benefit of this scheme are demanding a bigger amount. And those who did not get the benefit of this scheme are illiterate and are not able to avail the facilities like banks etc. Due to the burden of paperwork etc., people are not able to avail the benefits of PM SVANidhi Yojana on a large scale. It can be understood through the above graph that even now this facility has not reached 51 percent of the people.

Conclusion and Suggestions

An analysis of the PM SVANidhi scheme has been conducted with the specific context of Varanasi district. This demonstrates that the central government is working towards development with everyone's support. The PM SVANidhi loan scheme is proving to be a boon for street vendors. This scheme should be widely disseminated through awareness campaigns to enable people to benefit from it. This scheme has proved to be very helpful for the vendors who were ruined by Covid-19 to stand on their feet. Under the PM SVANidhi Yojana, banks are providing a loan of Rs. 10,000 with 7 percent subsidy in the first phase and Rs. 20,000 to 30,000 for 18 months in the second phase Loans up to Rs 50,000 are being provided without guarantee for up to 36 months. Due to this scheme of the government, improvement is being seen in the economic condition of street vendors.

Suggestions

- Increase awareness programs
- Improve banking processes
- Simplify documentation
- Enhance loan amounts
- Improve behavior of banking staff

The scheme has proven to be highly beneficial, but further improvements are needed to maximize its reach and effectiveness.

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