



Awareness And Utilization Of Pradhan Mantri Svanidhi Scheme: A Case Study Of Street Vendors In Mangalore City Corporation Area Of Karnataka."

MAMATHA K, PROF. RAMAKRISHNA B M
RESEARCH SCHOLAR, PROFESSOR IN ECONOMICS
DEPARTMENT OF ECONOMICS
MANGALORE UNIVERSITY, MANGALORE, INDIA

ABSTRACT: In June 2020, the Pradhan Mantri Street Vendors Atma Nirbhar Nidhi (PM SVANidhi) initiative was introduced with the goal of supporting street vendors' socioeconomic empowerment and offering financial aid, particularly in the wake of the COVID-19 pandemic. This study looks at street vendors' knowledge of and use of the PM SVANidhi initiative in the Karnataka region of Mangalore City Corporation (MCC). The study used qualitative research methods to collect data, such as field surveys with a sample of 55 respondents who chose to make a living from street vending in the study region and personal observation. Through surveys and interviews with street vendors, the study reveals disparities in awareness, obstacles to the program, and how the loans affect their ability to make a living. According to the findings, although government and bank awareness activities have resulted in modest scheme adoption, many vendors continue to encounter obstacles such as restricted access to digital payment platforms, banking services, and information. The paper also explains how the program has aided vendors in adopting digital payments, improving cash flow, and stabilizing their entities. However, obstacles to full usage still exist in the form of documentation, loan repayment plans, and technological adaptability. In order to guarantee the program's long-term viability and inclusivity in Mangalore, the study ends with suggestions for improving outreach, streamlining processes, and offering improved assistance for digital literacy.

Keywords: PMSVAN, Street vendors, MCC, Scheme

INTRODUCTION

The Informal economy in cities and towns all over the world is heavily reliant on street sellers. In India, they are an important part of the urban environment, offering consumers reasonably priced goods and services, particularly in places with a high population density. From food, drinks, and snacks to apparel, home goods, and technology, these sellers usually set up shop on sidewalks, in marketplaces, and on busy streets. Despite their significance to the city's economy and way of life, street vendors frequently experience marginalization due to their restricted access to social security, infrastructure, and resources.

Street vending is an essential livelihood option for millions of individuals, many of whom come from low-income backgrounds or marginalized communities. An estimated 10 million street vendors work in India, supporting a large number of people in the supply chain, including suppliers, helpers, and transporters, in addition to the vendors themselves. For many city dwellers, especially those in lower

income groups, vendors are an essential aspect of daily life because they usually offer things at reduced costs. They boost local market activity, encourage small-scale enterprise, and add to urban diversity.

Nevertheless, street vendors frequently encounter a number of difficulties in spite of their economic contribution. They lack formal credit, social security benefits, and sufficient legal protection because the majority work in the unorganized sector. Local authorities frequently harass, evict, and impose arbitrary regulations on their enterprises. Many vendors operate in dangerous environments with limited access to necessities like clean water, sanitary facilities, and secure workspaces. Additionally, because they are unregistered, they are often denied access to government welfare programs. Seasonal demand, market volatility, and outside shocks like natural catastrophes or public health emergencies can all affect street sellers' earnings. The vulnerabilities of street vendors were brought to light by the COVID-19 pandemic in particular, since lockdowns and limitations resulted in a sharp drop in sales and, in many cases, the total loss of livelihood.

Street vending is nevertheless a significant social and economic activity in spite of these obstacles. Through programs that encourage their financial inclusion, give them better access to resources, and enhance their regulatory status, the government and civil society organizations have acknowledged the need to improve the living and working conditions of street vendors. One such programme is the Pradhan Mantri Street Vendors Atma Nirbhar Nidhi (PM SVANidhi) project, which aims to empower street vendors by making working capital loans easily accessible, promoting the use of digital payment systems, and facilitating financial inclusion.

OBJECTIVES:

- To assess the awareness and utilization of PMSVAN Scheme in Mangalore city corporation area.
- To understand the reasons for not availing schemes in Mangalore City corporation area.

REVIEW OF LITERATURE:

(Adolph, 2016) The study found that initially, there was limited awareness about entrepreneurship schemes, but as time progressed, it increased rapidly. Many entrepreneurs benefited from central government schemes, with newspapers and advertisements being key sources of awareness.

(Vijayabhaskar & Kumar, 2021) study examines that the financial inclusion among street vegetable vendors in India, revealing lack of financial awareness, illiteracy, and income insufficiency. The PMSVANidhi Fund, released in September 2020, was applied for by 12,15,000 vendors, but 4400 cores were not utilized within six months.

(Joshi & Reddy, 2022) Street vendors, a vulnerable urban population, often feel marginalized and excluded by local urban bodies and the state government. PM SVA Nidhi aimed to provide working capital and financial inclusion through a micro-credit program scheme, but street vendors perceived it as a distant opportunity due to procedural hurdles and governance barriers. Despite the benevolent nature of the scheme, street vendors still feel displaced financially and socially.

(S.N, 2024) examined that the PM SVANidhi scheme, primarily benefiting male urban mobile street food vendors, shows gender disparity in participation and accessibility. The majority are aged 31-50, suggesting sustainable street vending for middle-aged individuals. However, more efforts are needed to reach SC and ST vendors, and financial assistance is crucial for their economic well-being.

(Balamurugan et al., 2023) This study reveals low literacy rates and resistance from urban local bodies to implementing schemes for the informal sector. Future goals include improving banking sector lacunae and loopholes, resulting in higher sanction rates and disbursements. Private sector banks should incentivize informal sector employees to open bank accounts, as public sector banks have higher loan disbursements. Thus, this study focuses on two main research questions:

1. What are the levels of awareness among street vendors in Mangalore about the Pradhan Mantri SVANidhi Scheme?
2. What factors prevent street vendors in Mangalore from fully utilizing the benefits of the Pradhan Mantri SVANidhi Scheme?
3. What has been the impact of the Pradhan Mantri SVANidhi Scheme on the sustainability of small street vending businesses in Mangalore?

METHODOLOGY

This study employed discussions, literary analysis, and direct communication with street vendors of Mangalore. They were interviewed for our study in order to better understand the impact of scheme on the sustainability of small street vending businesses in Mangalore. Examining secondary literary materials that are available through books, journals, electronic media, etc. was the main source of information.

PM SVANIDHI SCHEME- AN OVERVIEW

The Pradhan Mantri Street Vendors Atma Nirbhar Nidhi (PM SVANidhi) Scheme was launched by the Government of India in June 2020 to provide financial support to street vendors affected by the COVID-19 pandemic. The scheme aims to facilitate access to affordable working capital loans, promote digital payments, and enhance the livelihood of street vendors. Street vendors, who form an integral part of the informal sector, often face challenges such as lack of access to formal credit, financial insecurity, and insufficient infrastructure support. The PM SVANidhi scheme was designed to address these issues, ensuring that street vendors can access financial resources to restart and sustain their businesses.

Mangalore, the administrative capital of Dakshina Kannada district in Karnataka, is a busy city with a thriving community of street vendors. This article explores street vendors' awareness of and use of the PM SVANidhi scheme in the Mangalore City Corporation (MCC) area, examining the program's outreach, obstacles experienced by vendors, and effects on their means of subsistence.

The PM SVANidhi scheme offers financial assistance in the form of micro-credit loans to street vendors. Key features of the scheme include:

- Vendors can avail loans of up to ₹10,000, repayable in monthly installments over a year. The loan amount can be increased based on the repayment track record.
- The scheme offers a 7% annual interest subsidy on timely repayment.
- Street vendors engaged in vending in urban areas and holding a vending certificate issued by municipal authorities are eligible. The scheme also encourages digital transactions, offering incentives for vendors who promote cashless transactions.
- Vendors are encouraged to adopt digital payment platforms, with incentives for transactions through the PMGDISHA platform or other digital wallets.
- Monthly cash-back incentive: Up to Rs 100 for digital transactions
- Higher loan eligibility: Rs 20,000 for the first loan, Rs 50,000 for the second loan.

FIGURE 1:AN ILLUSTRATION ON THE CASH- BACK AND INTEREST SUBSIDY UNDER THE SCHEME FOR A LOAN AMOUNTING TO ₹10,000

| Month | Principal | Interest @ 24% | EMI | Interest Subsidy (7%) | Cash back Incentive | Total Benefit |
|------------------|-----------|----------------|---------|-----------------------|---------------------|---------------|
| | (A) | (B) | (C) | (D) | (E) | (D+E) |
| 1 | ₹746 | ₹200 | ₹946 | ₹58 | ₹100 | ₹158 |
| 2 | ₹761 | ₹185 | ₹946 | ₹54 | ₹100 | ₹154 |
| 3 | ₹776 | ₹170 | ₹946 | ₹50 | ₹100 | ₹150 |
| 4 | ₹791 | ₹154 | ₹945 | ₹46 | ₹100 | ₹146 |
| 5 | ₹807 | ₹139 | ₹946 | ₹42 | ₹100 | ₹142 |
| 6 | ₹823 | ₹122 | ₹945 | ₹36 | ₹100 | ₹136 |
| 7 | ₹840 | ₹106 | ₹946 | ₹32 | ₹100 | ₹132 |
| 8 | ₹856 | ₹89 | ₹945 | ₹27 | ₹100 | ₹127 |
| 9 | ₹874 | ₹72 | ₹946 | ₹22 | ₹100 | ₹122 |
| 10 | ₹891 | ₹55 | ₹946 | ₹17 | ₹100 | ₹117 |
| 11 | ₹909 | ₹37 | ₹946 | ₹12 | ₹100 | ₹112 |
| 12 | ₹927 | ₹19 | ₹946 | ₹6 | ₹100 | ₹106 |
| Total | ₹10,001 | ₹1,348 | ₹11,349 | ₹402 | ₹1,200 | ₹1,602 |
| % w.r.t interest | | 100% | | 30% of Interest | 88% of Interest | 118% |

"Thus, the Maximum Cashback amount and the Interest subsidy amount would sum up to ₹1,600 (₹1,200 as cashback and ₹400 as interest subsidy), which is 118% of the total interest of ₹1,348 on a loan of ₹10,000 with an interest rate of 24%".

Source: central government portal.

The program is a component of a broader government effort to improve the informal sector, especially in the wake of the pandemic's disruptions.

ELIGIBILITY CRITERIA OF THE SCHEME

The PM SVANidhi scheme is available to all street vendors who are engaged in vending in urban areas as on or before March 24, 2020. The eligible vendors are identified as per following criteria:

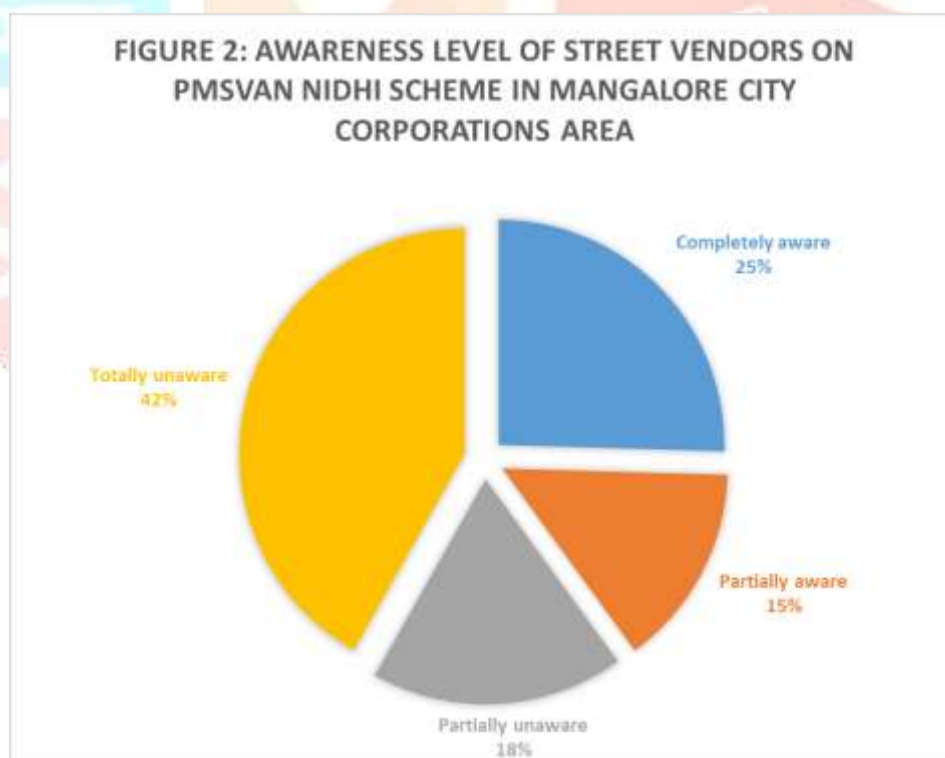
- Street vendors in possession of Certificate of Vending/Identity Card issued by Urban Local Bodies (ULBs)
- The vendors, who have been identified in the survey but have not been issued Certificate of Vending/Identity Card; Provisional Certificate of Vending would be generated for such vendors through an IT based Platform. ULBs are encouraged to issue such vendors the permanent Certificate of Vending and Identification Card immediately and positively within a period of one month
- Street Vendors, left out of the ULBled identification survey or who have started vending after completion of the survey and have been issued Letter of Recommendation (LoR) to that effect by the ULB/Town Vending Committee (TVC)
- The vendors of surrounding development/peri-urban/rural areas vending in the geographical limits of the ULBs and have been issued Letter of Recommendation (LoR) to that effect by the ULB/TVC.

AWARENESS LEVEL OF STREET VENDORS ON THE PM SVANIDHI SCHEME IN MANGALORE

Any financial aid program's ability to succeed depends on how well-informed the target population is about it. In the case of Mangalore, street sellers' knowledge of PM SVANidhi differs greatly depending on the locality within the MCC region.

1. Government and NGO Outreach: Non-governmental organizations (NGOs), community organisations, and local government agencies have all played a significant role in spreading the word about the programme. Through its ward offices, the Mangalore City Corporation has carried out awareness initiatives that have included community gatherings, leaflet distribution, and door-to-door visits.
2. Role of Banks and Financial Institutions: Nationalized banks have been actively involved in raising awareness and streamlining the loan application procedure, especially State Bank of India (SBI) and Canara Bank. Many vendors, especially those in rural or underdeveloped areas, are still uninformed of the programme or lack enough knowledge of the application processes in spite of these efforts.
3. Challenges in Awareness: The most frequent obstacles to awareness are lack of technology, illiteracy, and language problems, which keep many street vendors from qualifying for loans or completely comprehending the programme. Even though some vendors are aware of the programme, it's possible that they are frightened by the loan application process or are unaware of its advantages.

The degree to which street vendors in Mangalore are aware of the PM SVANidhi Scheme varies based on a number of variables, including the area, government outreach initiatives, and education. Irrespective of gender & their status as registered vendors in Mangalore, below figure 2 shows that 25% street vendors were completely aware about PMSVA Nidhi scheme, 34% were partially aware i.e.; of scheme but not details, & 16% were partially unaware meaning they had only clue or heard about, while 42% were totally unaware, meaning they didn't hear of scheme.



Street vendors in Mangalore seem to have a moderate general understanding of the PM SVANIDHI Scheme. Although a sizable percentage of vendors are aware that the programme exists, many are still not fully informed about the precise advantages, requirements for eligibility, and steps involved in applying for the programme. This suggests that although the government has worked to spread knowledge, the scheme's reach may be increased with more focused and regional awareness campaigns. The awareness level differs depending on the age, educational attainment, and length of time that street sellers have operated their businesses. It was shown that vendors with more education and more years of experience in their companies

were more aware of the programme. On the other hand, less seasoned and younger vendors—particularly those working in unofficial markets—exhibited little understanding of PM SVANIDHI.

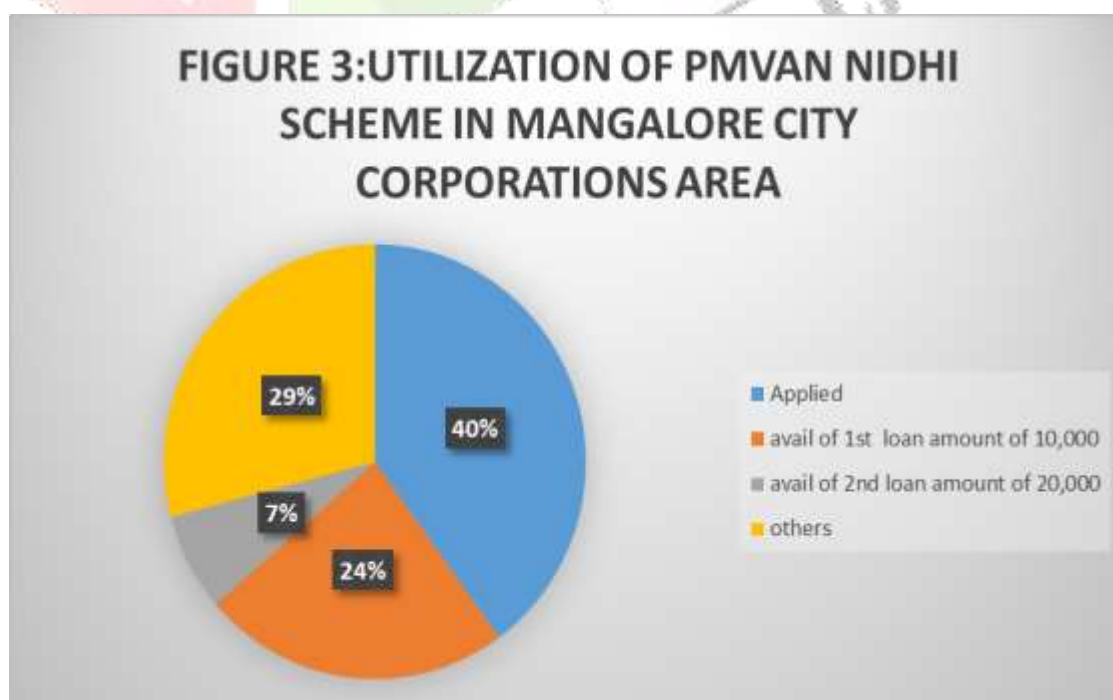
The majority of merchants stated that their main information sources were banks, local government outreach initiatives, and municipal agencies. The lack of direct communication from government agencies, however, is evident, indicating the need for more individualised and direct interaction through local groups, community leaders, and digital platforms in order to close the knowledge gap. The study emphasizes how crucial it is to support government programmes aimed at increasing street vendors' knowledge and trust. In order to fill in knowledge gaps and promote increased involvement in the programme, local seminars, mobile marketing, and collaborations with neighborhood organizations may be implemented.

UTILIZATION OF THE PM SVANIDHI SCHEME BY STREET VENDORS IN MANGALORE

The programme has received a lot of attention throughout India, but Mangalore has seen varying levels of use. Surveys and interviews with street sellers in different districts of Mangalore suggest that there have been both positive and negative effects on the PM SVANidhi scheme's acceptance.

- **Loan Disbursement and Usage:** Following the pandemic's disruptions, a sizable percentage of Mangalore street vendors who sought for the loan used the money to renovate their stalls, buy inventory, or restock working capital. Vendors were able to renovate their establishments, replenish their inventory, and, in certain situations, hire more staff thanks to the loans. Vendors stated that the plan has relieved their financial strains and enabled them to resume operations in a more organized and formalized way.
- **Digital Payments Integration:** The promotion of digital payments is one of the scheme's main pillars. However, a lot of Mangalore street sellers have trouble embracing digital platforms, especially those with little technical or literacy-related skills. Due to a lack of knowledge and technological assistance, vendors in more urbanized regions, such as Hampankatta, M.G. Road, and the central market area, have welcomed digital payments, whereas those in suburban and outlying areas have found it difficult.

While street vendors in Mangalore have had some success with the PM SVANIDHI initiative, there are still many obstacles to overcome. Even while the programme has given some suppliers much-needed financial relief, obstacles pertaining to accessibility, application processes, and financial literacy still exist, preventing wider adoption and efficient use. Targeted efforts to address these issues may increase involvement and have a greater influence on Mangalore street sellers' livelihoods. The study found that 40% of street vendors applied for the scheme in which 31% of street vendors application got approved and loan amount sanctioned. Out of 31% ,7% of street vendors cleared their repayment of 1st loan amount of 10,000/- and applied for 2nd loan



amount that is above 20,000/- and it got sanctioned. The study found that 29% of respondents did not applied due to complicated procedure and lack of awareness.

CHALLENGES FACED BY STREET VENDORS IN AVAILING LOAN UNDER PMSVAN NIDHI SCHEME

The broad implementation of the PM SVANidhi initiative among Mangalore street vendors is still beset by a number of obstacles, notwithstanding the success stories:

- **Low Awareness:** As previously mentioned, a large number of street vendors, especially those in the more rural areas of the MCC region, are still not completely aware of the PM SVANidhi plan. Furthermore, the most marginalized people, such migrant vendors or those employed in unregistered, informal jobs, are frequently overlooked by awareness campaigns.
- **Banking Accessibility:** Accessing the programme is challenging for certain vendors, particularly those without bank accounts. Even though the programme permits loan applications through banks and other financial organizations, the absence of a solid banking relationship frequently serves as a disincentive.
- **Technological Challenges:** For many vendors, the transition to digital platforms for payments has been a slow process due to lack of training, inadequate internet infrastructure, or the absence of digital payment devices. This has slowed the uptake of the digital payment benefits tied to the scheme.
- **Repayment Pressure:** Concerns regarding the repayment schedule have been raised by vendors who obtained loans under the programme. Due to the seasonal nature of their enterprises, many vendors struggle to generate the necessary funds in a timely manner, even though the loan repayment period is quite short.

The bureaucratic red tape and the intricacy of the application process are two major obstacles to using the PM SVANidhi plan. The paperwork and documentation requirements were burdensome for many vendors. This proved to be a barrier for vendors that are unfamiliar with formal banking procedures. For vendors with access to technology and financial services, the loan disbursement process went somewhat well, but for others, it was difficult to use.

IMPACT OF THE PM SVANIDHI SCHEME IN MANGALORE SCHEME:

Street sellers in Mangalore have been significantly impacted by the scheme's implementation, despite the fact that it has been influenced by a number of issues, including awareness, accessibility, and utilization challenges. Vendors have reported improvements in their business operations after effectively utilizing the loan and implementing digital transactions. The move to digital transactions has improved their cash flow management, created a more secure company environment, and increased client trust. Additionally, the availability of small loans has aided sellers in diversifying their offerings, which has increased sustainability and sales.

The financing has been crucial in helping many street vendors stabilize their enterprises, especially in trying periods like the COVID-19 pandemic. Through the loan, vendors have been able to access cash flow, which has helped them weather times of poor sales and keep their businesses afloat. However, a number of things, such as consistent company expansion, vendor training, and ongoing assistance from the government and financial institutions, are necessary for the scheme to succeed in the long run. The impact of the scheme can be further increased by offering follow-up help, financial literacy initiatives, and continuous support to make sure that vendors can pay back their loans and keep receiving benefits.

Many Mangalore street vendors have benefited from the PM SVANIDHI plan, especially in terms of increased income creation, stabilized business operations, and improved credit availability. Even though the programme has shown noticeable results, issues with awareness, financial literacy, and payback still exist. The PM SVANIDHI plan has the potential to significantly and permanently improve the lives of Mangalore's street sellers with focused interventions to address these issues.

RECOMMENDATIONS FOR BETTER UTILIZATION OF SCHEME

- **Simplification of Application Process:** Further simplification of the application procedure is necessary, along with help and clear, detailed instructions. It would be advantageous to aid at neighborhood kiosks or community centers where sellers can get guidance finishing the application procedure.
- **Financial Literacy Programs:** Street sellers might benefit from financial literacy training organized by NGOs and government organizations to better explain loan conditions, rewards, and efficient money management.

- **Local Outreach Initiatives:** Increased initiatives on the ground, such as government officials or bank personnel visiting local markets and vending hubs, could increase awareness and offer merchants individualized support.
- **Loan Flexibility:** Repayment rates may be increased and vendor anxiety may be decreased by granting more flexibility in the conditions of payments, such as grace periods during slow business times or partial repayment based on cash flow.

RECOMMENDATIONS

Prioritizing informing vendors about the programme in their native languages and via easily accessible channels such as local newspapers, community radio, and in-person meetings is essential for the success of the scheme. By streamlining documentation requirements and offering support through banks or local authorities, bureaucratic obstacles can be decreased. To assist suppliers in comprehending the advantages of prompt payback, credit management, and financial inclusion, implement financial literacy initiatives. In order to improve the scheme's implementation, providing a strong feedback mechanism for vendors to share their experiences and difficulties can make a positive impact in understanding the overall usage of the scheme.

CONCLUSION

For many street vendors in Mangalore, the Pradhan Mantri Street Vendors Atma Nirbhar Nidhi (PM SVANidhi) programme has been a lifeline, providing them with a chance to relaunch and sustain their enterprises after the pandemic. Even though more people are aware of the programme, there is still a lack of information sharing, especially among underserved and illiterate merchants. The government and financial institutions must increase support for digital literacy, streamline the application process, and improve outreach in order for the programme to be more successful. Additionally, ongoing vendor engagement combined with the provision of sufficient technical assistance and training can guarantee better usage of the scheme's advantages. The PM SVANidhi plan has the potential to significantly empower Mangalore's street vendors, promote financial inclusion, and strengthen the city's economy with the correct mix of awareness, accessibility, and support.

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