

## **Street vendors**

Street vendors represent a very important constituent of the urban informal economy and play a significant role in ensuring availability of the goods and services at affordable rates at the door-step of the city dwellers.

They are known as vendors, hawkers, thelewala, rehriwala, theliphadwala etc. in different areas/ contexts. The goods supplied by them include vegetables, fruits, ready-to-eat street food, tea, pakodas, breads, eggs, textile, apparel, footwear, artisan products, books/ stationary etc. The services include barber shops, cobblers, pan shops, laundry services etc.

In this context, the Street Vendors (Protection of Livelihoods & Recognition of Street vendors) Act in 2014 plays a very important role in protecting the rights of urban street vendors and regulating the street vending activities.

The Street Vendors Act, 2014 acknowledges that urban street vendors constitute upto 2.5 % of the population of the city.

## **Challenges faced by Street vendors**

Street vendors are regarded as public nuisance and it is aggressively argued for restoration of pavements as public space when street vendors 'encroach' on them.

Despite the enactment of the Street Vendors Act, 2014, Street vendors continue to face large-scale evictions in addition to being classified as "encroachers".

Street vendors conduct their business amidst insecurity. Whenever eviction drives are conducted their wares are confiscated or even destroyed.

In order to overcome these restrictions street vendors organize themselves into unions or local associations who negotiate with the local authorities (the officers in the municipal wards and police stations) for occupying public space. This invariably means offering rents (bribes) to the authorities for warding off eviction drives.

In some cases local musclemen, more often than not with the backing of local political leaders, collect protection fees through threats.

Street Vendors as a group belong to the unorganised sector of the economy. As such, they don't have government-assisted social security benefits.

Credit is an important requirement in street vending, both to sustain existing activity and to upscale it. Since vendors work on a turnover basis, they often resort to high interest loans from non-institutional sources. Although they usually demonstrate high repayment capacity, absence of collateral and firm domiciliary status usually debars them from obtaining institutional credit.

## **PM SVANidhi (PM स्वनिधि)-PM Street Vendor's AtmaNirbharNidhi (01-06-2020)**

The COVID-19 pandemic and consequent lockdowns have adversely impacted the livelihoods of street vendors. They usually work with a small capital base and might have consumed the same during the lockdown. Therefore, there is an urgent need to provide credit for working capital to street vendors to resume their business.

Supporting the hardworking street vendors, The Ministry of Housing and Urban Affairs has launched a Special Micro-Credit Facility Scheme - PM SVANidhi (PM स्वनिधि)-PM Street Vendor's AtmaNirbharNidhi, for providing affordable loans to street vendors.

**Eligibility:** The Scheme is available to all street vendors engaged in vending in urban areas as on or before March 24, 2020 including the vendors of surrounding peri-urban and rural areas. Over 50 lakh street vendors are likely to benefit from this scheme. The Scheme shall be implemented up to March, 2022.

**Loan details:** Urban street vendors will be eligible to avail a Working Capital (WC) loan of up to Rs. 10,000 with tenure of 1 year and repaid in monthly instalments. For this loan, no collateral will be taken by the lending institutions. On timely or early repayment, the vendors will be eligible for the next cycle of working capital loan with an enhanced limit. No prepayment penalty will be charged from the vendors for repayment before the scheduled date. On timely/ early repayment of the loan, an interest subsidy @ 7% per annum will be provided.

**Implementation Partner (s):** Small Industries Development Bank of India (SIDBI) will be the implementation partner of the Ministry of Housing and Urban Affairs for scheme administration. SIDBI will leverage the network of lending Institutions including Scheduled Commercial Banks, Regional Rural Banks (RRBs), Small Finance Banks (SFBs), Cooperative Banks, Non-Banking Finance Companies (NBFCs), Micro Finance Institutions (MFIs) & SHG Banks established in some States/UTs e.g. Stree Nidhi etc. for scheme implementation.

Urban Local Bodies will play pivotal role in the implementation of the scheme by identifying beneficiaries.

**Digital platform:** A digital platform with web portal/ mobile app is being developed to administer the scheme with end-to-end solution. The IT platform will also help in integrating the vendors into the formal financial system. This platform will integrate the web portal/ mobile app with UdyamiMitra portal of SIDBI for credit management and PAiSA portal of MoHUA to administer interest subsidy automatically.

The scheme incentivises digital transactions by the street vendors through monthly cash back.

**Credit Guarantee:** The Scheme has a provision of Graded Guarantee Cover for the loans sanctioned to be administered by Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE)