PM SVANidhi

Why in news?

The Pradhan Mantri Street Vendors Atmanirbhar Nidhi (PM SVANidhi) scheme was launched by the Ministry of Housing and Urban Affairs.

What is the scheme about?

- Through the PM SVANidhi scheme, the central government would extend Rs 10,000 loan as working capital to street vendors.
- This amount will help the street vendors to restart their businesses which have been hit by the Covid-19 pandemic.
- The Small Industries Development Bank of India (SIDBI) is the scheme's implementation agency.

What is the significance of the scheme?

- This scheme will help in mainstreaming and legitimising genuine street vendors who have not got valid identity cards.
- The scheme brings in financial mainstreaming of street vendors through loans and digital payments.

What is the next step?

- The government wants to formalise its understanding of the street vending sector.
- Making a first-of-its-kind **database** of the beneficiaries of this scheme will help in understanding the sector.
- Based on that understanding, this sector would be brought under various schemes.

Why is such a study needed?

- The scheme plans to extend the microcredit to over 50 lakh street vendors across India.
- But, going beyond the mandate of this scheme, the government wants to use the data for comprehensive poverty alleviation.

How will the study be done?

- Banks and municipal bodies are already **collecting data** about street vendors who are beneficiaries of the project.
- Such data will be leveraged to create a profiling of the vendors.
- Then, committees will be formed at the level of district administration to **reach out** to street vendors in their respective areas.
- The government departments that are running welfare schemes should nominate their nodal officers in each city to complete the exercise.
- Based on the profiling, a street vendor and anyone in his or her family will be gauged in terms of eligibility for various government schemes.
- Based on eligibility, they will be given access to such welfare schemes.

Will this actually work towards poverty alleviation?

- Becoming formal beneficiaries of various government schemes works as a big step towards entering the policy intervention network.
- It also helps in financial mainstreaming in the long run.
- The PMSVANidhi will be incentivising digital transactions by giving QR codes to the street vendors.
- This QR code will be used to receive payments through the government's BHIM UPI app.
- They are given cash-back for digital transactions too.
- The idea is that with a trail of digital transactions, the street vendors will create a formal transaction history in banks and will slowly build their creditworthiness for the future.

Source: The Indian Express

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