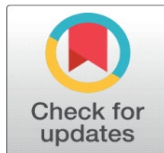


# IMPACT OF GOVERNMENT POLICIES AND LICENSING ON THE ECONOMIC STABILITY OF STREET VENDORS (SVS)

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## ABSTRACT

This study looks into how licensing and governmental regulations affect the financial stability of street sellers in Nagpur. Through the use of structured questionnaires and a descriptive study approach, 150 street vendors provided primary data. According to the report, licensed merchants have greater access to governmental financial programs like the PM SVANidhi loan and earn noticeably higher salaries. However, a sizable percentage of vendors are not aware of pertinent laws and do not have proper licenses, which restricts their capacity to take advantage of these programs. The favourable correlation between license, policy knowledge, and economic consequences is confirmed by t-tests and chi-square tests. In order to promote the sustainable existence of street vendors in urban environments, the study emphasises the necessity of better policy outreach, streamlined licensing procedures, and strengthened support systems.

**Keywords:** Street Vendors, Economic Stability, Government Policies, Licensing, PM Svanidhi Scheme, Awareness, Etc

## 1. INTRODUCTION

For millions of urban poor people in emerging nations, street selling is an essential part of the informal economy. Because they provide reasonably priced goods and services and support their families with their daily earnings, street vendors in India are an important part of the local economy. About 10 million street vendors work in India, with a large percentage of them based in major cities like Nagpur, according to the MHUA (2020). Despite their significance, street sellers frequently deal with structural issues including evictions, harassment, lack of legal protection, and restricted access to financial services and basic infrastructure.

In response to these issues, the Indian government passed the historic Street sellers PLRSV Act, 2014, which legalised and safeguarded the rights of street sellers. The Act requires that vendors be included in urban planning procedures, that licenses be issued, and that Town Vending Committees be established. Furthermore, new programs such as the PM SVANidhi Scheme (2020) provide street vendors impacted by COVID-19 working capital loans without collateral in an effort to aid in their formal financial inclusion and economic rehabilitation. But in reality, the ground-level execution of these policies has been uneven and frequently hampered by bureaucratic obstacles (Bhowmik, 2012).

The main objective of this study is to evaluate the degree to which the financial wellness of street sellers in Nagpur city has been influenced by these government regulations and licensing procedures. The capacity of the vendor to safeguard funds, obtain essential services, retain steady income, and resist external economic shocks is referred to as economic stability in this context. In order to provide policy suggestions for more inclusive urban government, this research attempts to close the gap between the lived experiences of vendors and the policy goal by gathering primary evidence through field surveys and interviews.

## 2. LITERATURE REVIEW

A lot of scholarly research has been done on the informal economy in general and street selling in particular. One of the first to draw attention to the function of street sellers in urban marketplaces and the difficulties they have because of their lack of legal status was Bhowmik (2005). He underlined that in order to guarantee the financial stability of street sellers, inclusive planning of cities and legal recognition are crucial. Roy (2013) went into additional detail about how state laws frequently make street hawking illegal under the pretence of improving metropolitan areas, which negatively impacts the earnings and livelihoods of sellers.

The Street Vendors Act, 2014, which established a legislative framework to protect vendor rights, was developed in reaction to this systematic negligence. Singh and Ghosh (2016) assert that although the Act was a major step in formalising street vending, its efficacy has been diminished by inconsistent city-by-city implementation. According to their research, several cities—including Maharashtra—had not properly established Town Vending Associations or transparently granted licenses.

According to studies on licensing, a vendor's capacity to operate beyond fear of eviction is greatly increased by being officially recognised through a licence, which improves revenue stability and increases their desire to invest in company upgrades (Jha, 2018). The administrative procedure for acquiring licenses is still a hurdle, though. According to a WIEGO (2020) research, only a small percentage of qualified vendors were granted licenses under the Act, sometimes as a result of administrative hold-ups or ignorance.

The PM SVANidhi scheme has added a new dimension by introducing financial inclusion as a policy goal. As per a report by the NIUA (2021), while the scheme provided relief during the pandemic, challenges like digital illiteracy and documentation requirements limited its reach. Studies by Sharma and Mehta (2022) found that vendors who availed of SVANidhi loans reported improved working capital management and income generation, although many remained unaware or skeptical of the scheme due to mistrust in institutional mechanisms.

Overall, the existing literature reveals a positive policy intent but a gap in on-ground implementation, especially in tier-2 cities like Nagpur. Most studies emphasize the need for participatory governance, simplified licensing, and effective dissemination of schemes to improve vendor livelihoods. This research builds on these insights by empirically investigating the situation in Nagpur, using primary data to evaluate the real-world impact of government policies and licensing on street vendors' economic stability.

### 2.1. OBJECTIVES

This study's main goal is to evaluate how government regulations and licenses affect the financial stability of street sellers in Nagpur. It seeks to determine the difficulties encountered in obtaining legal recognition and funding, assess the efficacy of regulatory actions, and comprehend vendor knowledge and access to schemes.

## 3. METHODOLOGY

In order to investigate how government regulations and licenses affect the financial stability of street sellers in Nagpur city, this study uses a descriptive research approach. A standardised questionnaire is used to gather primary data from street sellers in strategic market regions. To guarantee coverage of various vendor types and locales, a sample size of 150 vendors was chosen using the purposive sampling approach.

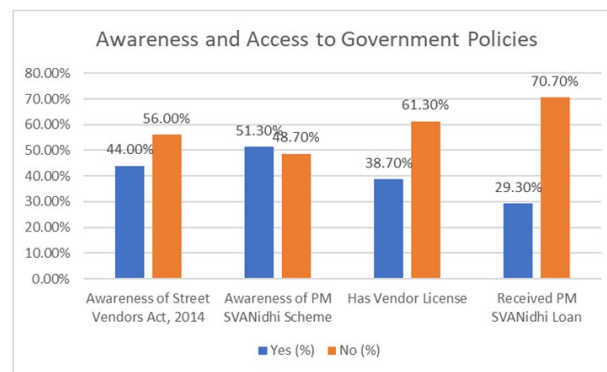
### 3.1. DATA ANALYSIS

Both inferential and descriptive statistical techniques were used to examine the data gathered from 150 street vendors in Nagpur city in order to determine how government regulations and licensing affected their financial stability. While inferential statistics like Chi-square tests and t-tests for independence were utilised to ascertain correlations and differences between variables, descriptive statistics were utilised to summarise the population structure, income levels, and awareness of government initiatives.

**Table 1** Demographics

Variable	Category	Frequency (n = 150)	Percentage (%)
Gender	Male	102	68.0%
	Female	48	32.0%
Age Group	18–30	38	25.3%
	31–45	71	47.3%
	Above 45	41	27.4%
Education Level	Illiterate	33	22.0%
	Primary	55	36.7%
	Secondary or above	62	41.3%
Type of Vending	Stationary (fixed spot)	93	62.0%
	Mobile (pushcart/footpath)	57	38.0%

The demographic profile of the 150 street vendors surveyed in Nagpur reveals that a majority (68%) are male, while 32% are female, indicating male dominance in street vending activities. Most vendors (47.3%) fall within the 31–45 age group, suggesting that middle-aged individuals form the backbone of this sector. Educationally, 41.3% have attained secondary education or higher, while 22% are illiterate, highlighting varied literacy levels among vendors. In terms of vending type, 62% operate from stationary locations, such as fixed spots or stalls, whereas 38% are mobile vendors using pushcarts or temporary setups. This demographic data reflects the socio-economic diversity within the street vending community and provides context for analyzing their interaction with government policies and licensing frameworks.



**Figure 1** Awareness and Access to Government Policies

The data on awareness and access to government policies among street vendors in Nagpur reveals significant gaps in information dissemination and policy reach. Only 44% of respondents are aware of the Street Vendors Act, 2014, and 51.3% have heard of the PM SVANidhi scheme, indicating that nearly half of the vendors remain uninformed about key government initiatives meant for their benefit. Furthermore, only 38.7% of the vendors possess a valid license, reflecting limited implementation of formal registration mechanisms. Notably, just 29.3% have received loans under the PM SVANidhi scheme, highlighting challenges in accessibility and possible procedural barriers. These findings underscore

the urgent need for enhanced awareness campaigns and simplified access to policy benefits to improve the economic stability of street vendors.

An attempt is made to test the hypothesis “There is no significant difference in income between licensed and unlicensed vendors.”, for this purpose independent sample t-test has been applied and the results are as under:

**Table 2** Group Statistics

Group	N	Mean Monthly Income (INR)	Standard Deviation (INR)
Licensed Vendors	58	14,250	2,800
Unlicensed Vendors	92	10,670	2,350

**Table 3** Independent Sample t-test

Test Statistic	Value
t-value	6.12
Degrees of Freedom	148
p-value (2-tailed)	< 0.001
Mean Difference	3,580
Confidence Interval (95%)	2,440 to 4,720

The average monthly revenue of licensed and unlicensed street sellers differs statistically significantly, according to the findings of the t-test. With 148 degrees of freedom and a t-value of 6.12 and a p-value below 0.001, this difference is confirmed to be very significant. License holders make significantly more money than their unlicensed colleagues, as seen by the mean income difference of 3,580. The 95% confidence range, which spans from ₹2,440 to ₹4,720, further supports the idea that the actual mean difference is not likely to be the result of chance. These results demonstrate the beneficial effects of licensing on the stability of street sellers' incomes in Nagpur. As a result, the hypothesis is rejected.

The relationship between street vendors' knowledge of the PM SVANidhi program and their ability to obtain loans under it is evaluated in this study using the Chi-square test. This test offers significant insight into how public understanding may affect the possibility of benefiting from government initiatives, and it is especially helpful when analysing survey data including nominal or ordinal variables.

**Table 4** Awareness of PMSVANidhi Vs Loan Received

	Received Loan	Did Not Receive Loan	Total
Aware of Scheme	32	45	77
Not Aware of Scheme	12	61	73
<b>Total</b>	44	106	150

The findings of the chi-square test show a substantial correlation between street sellers' knowledge of the PM SVANidhi scheme and the loans they have received under it. The statistics strongly imply that vendors who are aware of the plan are significantly more likely to have received financial help than those who are not, with a chi-square value of 16.82 and a p-value less than 0.001. This research emphasises how important awareness is in granting vendors access to government incentives, underscoring the necessity of better outreach and communication initiatives to guarantee broader participation in such programs.

## 4. CONCLUSIONS

The study reveals that government policies and licensing significantly influence the economic stability of SVs in Nagpur city. Licensed vendors tend to have higher monthly incomes and better access to financial resources such as

loans under government schemes like PM SVANidhi. However, a large proportion of vendors remain unaware of key policies and lack formal licenses, which limits their ability to fully benefit from these initiatives. The findings underscore that while policy frameworks exist to support SVs, gaps in awareness, accessibility, and implementation hinder their effectiveness. Addressing these issues is crucial for enhancing the livelihoods of SVs and promoting inclusive urban economic growth.

## 5. RECOMMENDATIONS

To improve the economic stability of SVs, it is recommended that government agencies intensify awareness campaigns focused on informing vendors about relevant policies, licensing procedures, and financial schemes. Simplifying the licensing process and reducing bureaucratic barriers can encourage more vendors to register legally. Additionally, local authorities should facilitate easier access to credit and provide ongoing support and training to help vendors effectively utilize government benefits. Collaborative efforts between municipal bodies, NGOs, and vendor associations can ensure better communication and outreach, ultimately enabling SVs to thrive within a regulated and supportive framework.

## CONFLICT OF INTERESTS

None.

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