



CURRENT AFFAIRS



Argasia Education PVT. Ltd. (GST NO.-09AAPCAI478E1ZH)
Address: Basement C59 Noida, opposite to Priyagold Building gate, Sector 02,
Pocket I, Noida, Uttar Pradesh, 201301, CONTACT NO:-8448440231

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PRADHAN MANTRI STREET VENDORS ATMANIRBHAR NIDHI (PM SVANIDHI)

This article covers “Daily Current Affairs” and the topic details “Pradhan Mantri Street Vendors Atmanirbhar Nidhi (PM SVANidhi)”. The topic “Pradhan Mantri Street Vendors Atmanirbhar Nidhi (PM SVANidhi)” has relevance in the “Governance” section of the UPSC CSE exam.

For Prelims:

What is Pradhan Mantri Street Vendors Atmanirbhar Nidhi (PM SVANidhi), its aim, objectives and implementation?

For Mains:

GS2: Governance: Welfare Schemes for Vulnerable Sections

Why in the news?

The Union Ministry of Housing and Urban Affairs has set a new target for its loan scheme for street vendors: 63 lakh new loans in less than six months, until December of this year.

Pradhan Mantri Street Vendors Atma Nirbhar Nidhi (PM SVANidhi)

- The Pradhan Mantri Street Vendors Atmanirbhar Nidhi (PM SVANidhi) was launched during the COVID-19 pandemic and the subsequent lockdown to provide street vendors with small working capital loans of Rs 10,000 each. This was done to help them restart their businesses and sustain their livelihoods.
- By doing so, the scheme creates opportunities for these vendors to improve their economic status.
- This initiative operates as a Central Sector Scheme.
- It is implemented by the MoHoUA.

Its main goals are as follows:

1. Facilitate working capital loans of up to 10,000 for street vendors.
2. Encourage timely repayment of loans.
3. Provide incentives for conducting transactions through digital means.

Eligibility of States/Union Territories

- This scheme is open to people from states and union territories that have implemented the Street Vendors (Protection of Livelihood and Regulation of Street Vending) Act, 2014.
- However, vendors from Meghalaya, which has its own state street vendors act, are also eligible to participate.

Beneficiary Eligibility Criteria

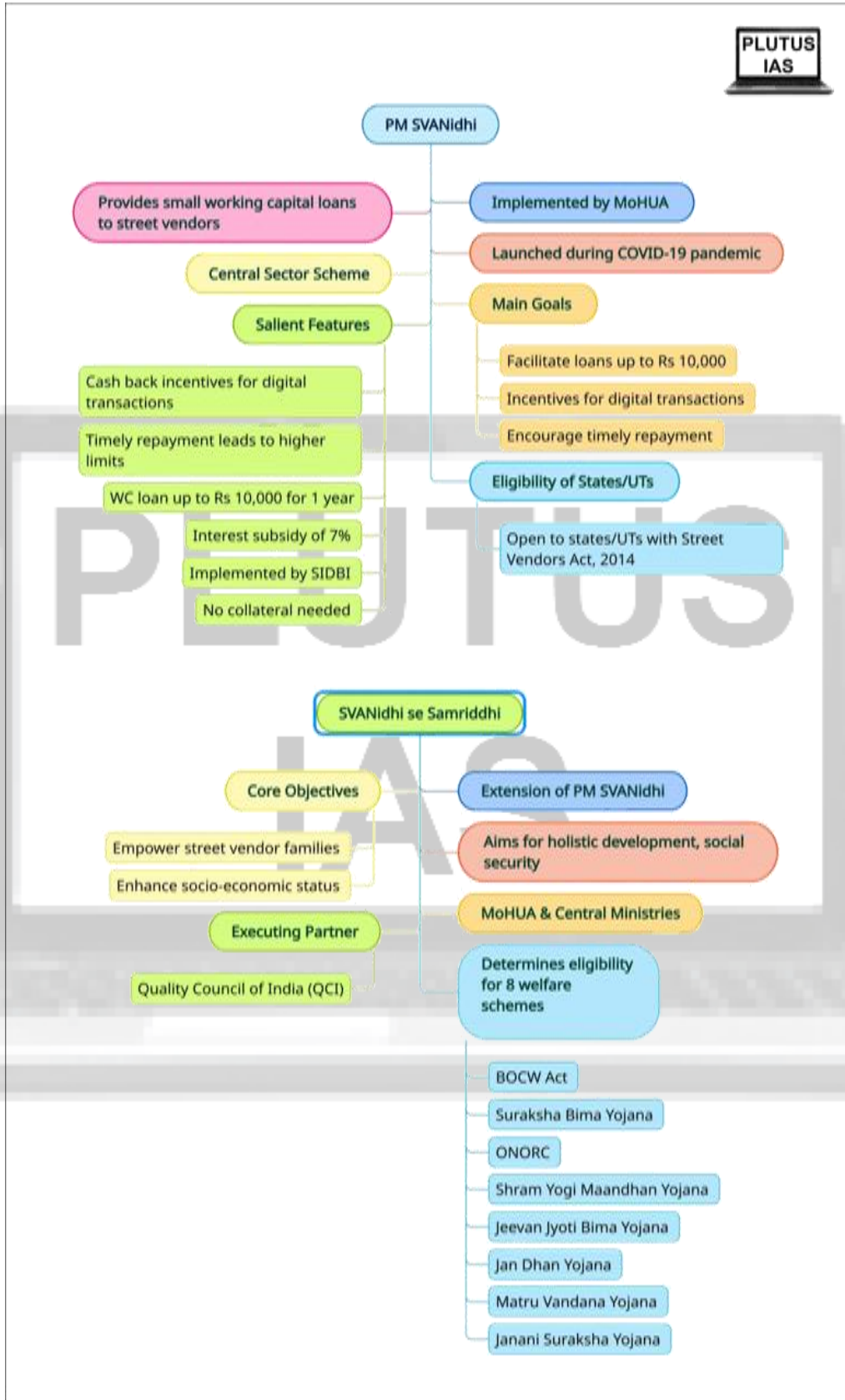
- This program is available to all street vendors who were selling goods in urban areas on or before March 24, 2020.
- **Eligible vendors will be determined based on the following conditions:**
 - Street vendors who possess a Certificate of Vending or Identity Card issued by Urban Local Bodies (ULBs).
 - Vendors identified in surveys but who have not yet been issued a Certificate of Vending or Identity Card will be given a Provisional Certificate of Vending through an IT-based platform. ULBs are advised to issue permanent Certificates of Vending and Identification Cards within one month.
 - Street vendors left out of the ULB-led identification survey or those who started vending after the survey's completion, and have received a Letter of Recommendation (LoR) from the ULB or Town Vending Committee (TVC).
 - Vendors from surrounding development/peri-urban/rural areas vending within ULB limits and holding an LoR from the ULB/TVC.

Salient Features

- Urban street vendors can access a Working Capital (WC) loan up to 10,000 for 1 year, repayable monthly.
- No collateral needed for the loan from lending institutions.
- Timely or early repayment qualifies vendors for the next loan cycle with a higher limit.
- No penalty for prepayment before the due date.
- For borrowers who repay their loans on time or before the due date, an annual interest subsidy of 7% will be directly transferred to their bank accounts every quarter.
- The scheme encourages digital transactions by offering cash back incentives of up to Rs. 100 per month.
- The implementing body is the Small Industries Development Bank of India (SIDBI).

SVANidhi se Samridhhi

- The "SVANidhi se Samridhhi" program is an extended initiative of the Prime Minister Street Vendors AtmaNirbhar Nidhi (PM SVANidhi), jointly launched by the Ministry of Housing and Urban Affairs (MoHUA) and Central Ministries.
- This program aims to empower urban street vendors by not only offering working capital loans but also ensuring their holistic development and social security.
- Its core objective is to uplift street vendor families and enhance their socio-economic status.
- Within this initiative, a socio-economic assessment is carried out for PMSVANidhi beneficiaries and their families. This assessment determines their qualification for eight welfare schemes offered by the Government of India, facilitating the approval of eligible schemes.
 1. Pradhan Mantri Jeevan Jyoti Bima Yojana
 2. PM Suraksha Bima Yojana
 3. Pradhan Mantri Jan Dhan Yojana
 4. Enrollment under the Building and other Constructions Workers (Regulation of Employment and Conditions of Service) Act (BOCW)
 5. Pradhan Mantri Shram Yogi Maandhan Yojana
 6. Portability benefits under the National Food Security Act (NFSA) – One Nation One Ration Card (ONORC)
 7. Janani Suraksha Yojana
 8. Pradhan Mantri Matru Vandana Yojana (PMMVY)
- The Quality Council of India (QCI) collaborates as the executing partner for this program.



Sources:

Govt sets fresh target of 63 lakh loans for street vendors by year-end | India News – The Indian Express

Q1. With reference to Pradhan Mantri Street Vendors Atmanirbhar Nidhi (PM SVANidhi), consider the following statements:

1. The PM SVANidhi was launched during the COVID-19 pandemic and the subsequent lockdown to provide street vendors with working capital loans of Rs 100,000 each.
2. This initiative operates as a Central Sector Scheme.
3. The implementing body for the scheme is Small Industries Development Bank of India

Which of the statements given above is/are correct?

- (a) 1 and 2 only
- (b) 2 and 3 only
- (c) 3 only
- (d) None

Answer: (b)

Q2. Consider the following :

1. The “SVANidhi se Samridhi” program is an extended initiative of the Prime Minister Street Vendors AtmaNirbhar Nidhi (PM SVANidhi), launched by the NITI Aayog.
2. Within this initiative, a socio-economic assessment is carried out for PMSVANidhi beneficiaries and their families.
3. The Quality Council of India (QCI) collaborates as the executing partner for this program.

How many of the abovementioned statements are correct ?

- (a) Only one
- (b) Only two
- (c) All three
- (d) None

Answer: (b)

Q3. Discuss the significance of the “Pradhan Mantri Street Vendors Atma Nirbhar Nidhi” (PM SVANidhi) scheme in the context of urban informal economy and the challenges faced by street vendors.

Rishabh

STATUS OF EMPLOYMENT IN INDIA

This article covers “Daily Current Affairs” and the topic details “Status of Employment in India”. The topic “Status of Employment in India” has relevance in the Economic issues section of the UPSC CSE exam.

For Prelims:

About formal and informal employment?

For Mains:

GS 3: Economic issues

Protection of Labor Rights in India?

Government Initiatives to Curb Unemployment?

Way Forward?

Why in the news:

Despite net increases in contributors to the Employees Provident Fund (EPF) as indicated by the recently released data, there are contradictory reports from the ground suggesting high levels of unemployment and job scarcity in India.

Formal Employment: Key Features

- **Written Contracts:** Employment is regulated by written contracts specifying job responsibilities, working hours, compensation, benefits, and terms.
- **Social Security:** Formal employees receive social security benefits like health insurance, retirement funds, and unemployment benefits.
- **Labor Rights:** Formal employees have labor rights, including union membership, collective bargaining, and legal recourse in case of disputes.
- **Regular Payment:** Formal employees receive stable wages or salaries on a fixed schedule.

Informal Employment

Work outside labor law protection, lacking formal arrangements and government oversight.

Characteristics:

- **Lack of Labor Law Protection:** Informal workers do not enjoy the same level of legal protection as formal employees.
- **No Formal Arrangements:** Informal jobs are often characterized by the absence of written contracts or formal agreements between employers and workers.
- **Limited Social Security Benefits:** Informal workers usually do not have access to social security benefits such as health insurance, retirement funds, or unemployment benefits, leaving them vulnerable in times of economic hardship or crisis.
- **Precarious Working Conditions:** Informal employment can be unpredictable and unstable, leading to precarious working conditions.
- **Lower Productivity:** The lack of formal training and development opportunities in informal jobs can result in lower productivity levels compared to formal employment settings.
- **Income Inequality:** Informal workers often earn lower wages and have limited opportunities for career advancement, contributing to income inequality within the labor market.

EPF Data on Formal Jobs

- **Decline in Contributors:** Between 2017-2022, EPF enrollments increased significantly, but the number of regular contributors grew minimally.
- **Factors:** Disputed data, pandemic impact, and lack of comprehensive formal employment data led to the decline.

Job Crisis in India

- **Unemployment Rate:** NSO's PLFS reported a 4.1% unemployment rate for 2021-22.
- **Low LFPR:** India's LFPR fell to 39.5% in FY 2022-23, with men at a seven-year low of 66% and women at 8.8%.
- **Causes:** Absence of formal quality jobs, social factors, dominance of agriculture, fall of small industries, and limitations in the education system contribute to low employment.

Protection of Labor Rights in India:

1. Constitutional Framework:

Under the Indian Constitution, the subject of labor falls under the Concurrent List, which means both the Central (Union) and State governments have the authority to enact labor laws. This allows for a mix of central and state-specific regulations to cater to the diverse labor needs of different regions.

The relevant articles in the Constitution that protect labor rights include:

- **Article 16:** Prohibits discrimination in public employment on grounds of religion, race, caste, sex, or place of birth. It emphasizes the principle of equal opportunity in matters of public employment.

- **Article 19(1)(c):** Guarantees the right to form associations or unions, providing workers with the freedom to organize and collectively bargain.
- **Article 23:** Prohibits trafficking and forced labor, ensuring protection against exploitation.
- **Article 24:** Prohibits the employment of children below the age of 14 in factories, mines, or hazardous work.
- **Directive Principles of State Policy (DPSP):** Although not enforceable by any court, the DPSP contains principles like securing a living wage, humane working conditions, and opportunities for healthy development for children.

2. **Judicial Interpretation:**

The Indian judiciary has played a significant role in interpreting and expanding the scope of labor rights. The principle of “Equal pay for equal work” is derived from the interpretation of various articles of the Constitution, including Articles 14, 16, and 39(c). The Supreme Court of India, through its judgments, has upheld the right of equal pay for equal work for both men and women, irrespective of their employment status.

3. **Legislative Framework:**

The government has taken significant steps to streamline and consolidate labor laws in India by introducing labor codes. Some of the recent labor codes enacted are:

- **Code on Wages, 2019:** It consolidates and simplifies the provisions related to wages and bonus payment, among other related aspects.
- **Industrial Relations Code, 2020:** This code combines the Industrial Disputes Act, the Trade Unions Act, and the Industrial Employment (Standing Orders) Act to address issues related to industrial disputes and trade unions.
- **Social Security Code, 2020:** It integrates various social security schemes and provides comprehensive coverage for workers’ social security, including health, maternity, old age, and disability benefits.
- **Occupational Safety, Health and Working Conditions Code, 2020:** This code consolidates and modernizes the laws relating to occupational safety, health, and working conditions of workers.

Government Initiatives to Curb Unemployment

- **SMILE:** It stands for “Support for Marginalized Individuals for Livelihood and Enterprise,” is a government initiative in India aimed at empowering and supporting marginalized individuals to enhance their livelihood opportunities and encourage entrepreneurship
- **PM-DAKSH:** The PM-DAKSH (Pradhan Mantri Dakshta Aur Kushalta Sampann Hitgrahi) Yojana, launched by the Ministry of Social Justice & Empowerment (MoSJ&E) in 2020-21, is a significant initiative aimed at empowering marginalized individuals through skill development and enhancing their employability and entrepreneurial capabilities.
- **MGNREGA:** The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is a landmark social welfare scheme enacted by the Government of India in 2005. The primary objective of MGNREGA is to provide guaranteed employment and livelihood security to rural households by offering at least 100 days of wage labor in a financial year..
- **PMKVY:** Pradhan Mantri Kaushal Vikas Yojana.
- **Start Up India Scheme:** Encourages entrepreneurship and job creation.
- **Rozgar Mela:** Job fairs to connect job seekers with employers.

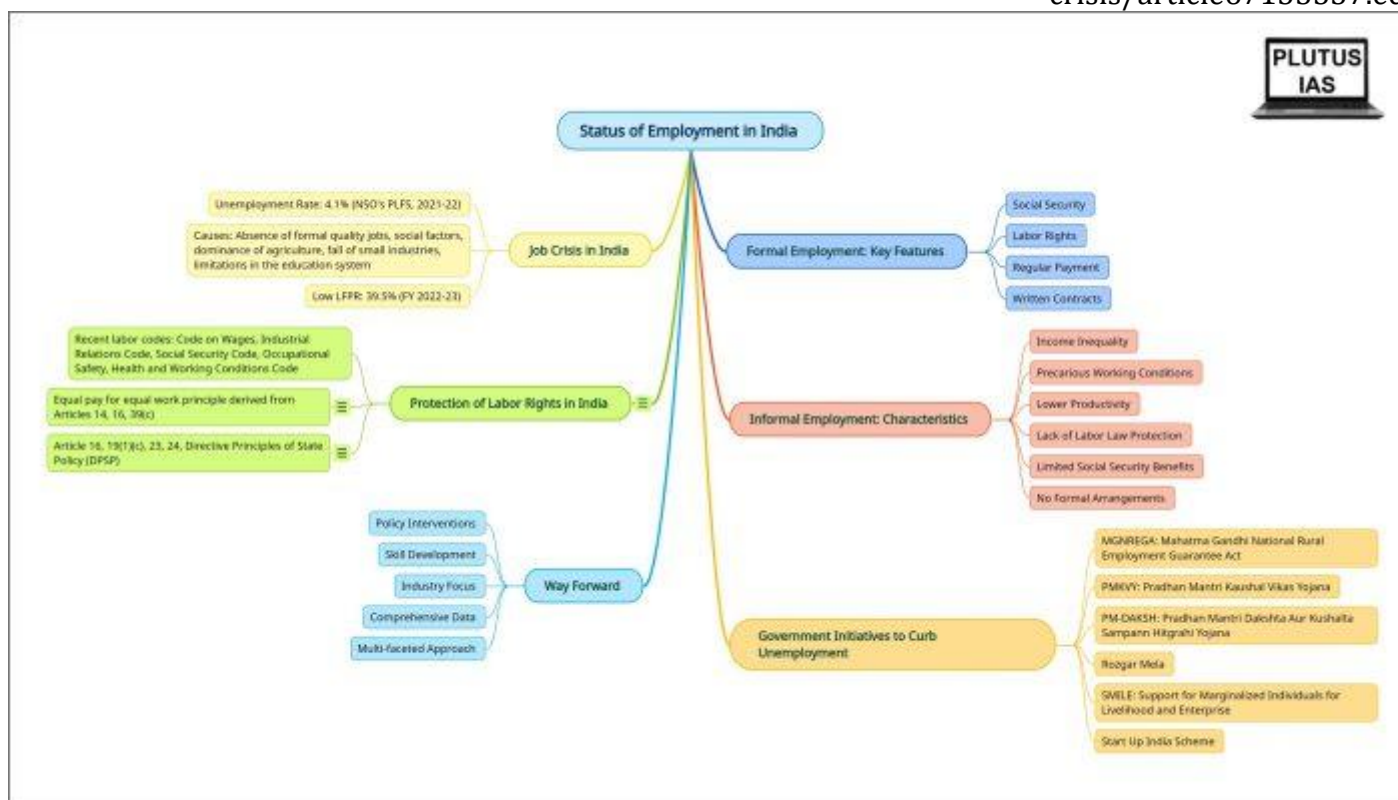
Way Forward

- **Comprehensive Data:** Rely on comprehensive labor statistics like PLFS to address the jobs crisis effectively.

- **Multi-faceted Approach:** Address underlying issues for formal employment generation.
- **Industry Focus:** Encourage labor-intensive industries to create more formal job opportunities.
- **Skill Development:** Invest in skill development programs aligned with industry demands to enhance employability.
- **Policy Interventions:** Urgent policy interventions needed to tackle the formal job crisis.

SOURCE:

<https://www.thehindu.com/data/data-the-contours-of-indias-formal-jobs-crisis/article67153537.ece>



Q.1 Which of the following statements are true regarding the characteristics of the informal economy?

1. Informal economic activities contribute to tax revenue and GDP if they were recorded.
2. Informality in the economy arises to avoid taxes and compliance with standard requirements.
3. The informal economy is associated with high productivity and easy access to financial resources.

How many of the above statement/s is/are correct?

- (a) Only one
- (b) Only two
- (c) All three
- (d) None

ANSWER: B

Q.2 Consider the following statements regarding Code on Wages 2019.

1. The basic pay of employees will remain unchanged, while the non-allowance part will increase to 50% or more of total pay.
2. Post-retirement pay-outs are expected to decrease due to reduced contributions towards provident funds.

3. Companies will witness a decrease in costs as the contribution towards provident funds and gratuity increases.

How many of the above statement/s is/are correct?

- (a) Only one
- (b) Only two
- (c) All three
- (d) None

ANSWER: D

Q.3 Discuss the factors contributing to the growth of the informal sector and the reasons why individuals choose informal employment over formal jobs. Evaluate the effectiveness of existing government policies and initiatives in addressing informal employment and promoting formalization.

Rishabh

