

Policy Article

Utilization of PM Street Vendor's AtmaNirbhar Nidhi (*PM SVANidhi*) and Pradhan Mantri Jeevan Jyoti Bima Joyana (*PMJJBY*) by the Urban Informal Sector

Abstract:

PMSVANidhi and PM Jeevan Jyoti Bima Yojana are two schemes which were designed to help improve the quality of the lives of the people working in urban informal sectors. The COVID-19 has had a huge impact on everyone's daily life including the urban informal sector employees, but these schemes when found to have been implemented in a disastrous situation like this, was found to be rather disadvantageous due to some loopholes and lacunae in the designing of the scheme, rendering them useless to its beneficiaries. This study will evaluate the government-aided programs created to help people in the urban informal sector during the COVID-19 pandemic, and see how well they've been beneficial to the people. It was also intended to find further slits in the designs and its implementation by the authorities, other than already the existing ones. This study was conducted mainly through secondary literature sources such as review and research paper, electronic journals, etc. In case of PMSVANidhi, it was found that due to inadequate information on registration forms or a lack of knowledge, registration declined in several states, and public sector banks dispersed maximum loans, with private sector, rural, and cooperative banks contributing the most meager figures. At the same time due to people not obtaining claims and people receiving low rates, PMJJBY enrollments decreased every year. Thus, this study has shown that these schemes aren't always fool-proof and these loopholes tend to be misused and deleterious in unfavorable times where these schemes can really help its beneficiaries.

Introduction:

The informal sectors of India account for the vast majority of non-agricultural employment, with the majority of workers subsisting on a daily wage while others work in temporary positions. None of these jobs guarantee paid leave, a safe working environment, or remuneration for extended hours of labor. In addition to this, COVID had a huge impact on the lives of uncountable people, since the majority of them lost their employment as companies cut their workforces, and many self-employed individuals who relied on daily income experienced a big setback. During this period, government-implemented programs assisted a large number of individuals in progressively stabilizing their means of subsistence, with each program assisting in variable benefits and eligibility requirements.

PM Street Vendor's Atma Nirbhar Nidhi (PM SVANidhi) and Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) were a few of the schemes whose popularity soared during the COVID period. Although these programs had been in place for a few years before the COVID outbreak, billions of individuals from the informal sectors engaged in them. The PMJJBY is a one-year insurance plan that renews yearly at the end of the fiscal year, with the beneficiary receiving a specified sum of premium. Nevertheless, these rates may change depending on when an individual joins the coverage in the same financial year. It is permitted for anyone between the ages of 18 and 50 who hold a bank account. On May 9, the Prime Minister of India, formally launched PMJJBY in Kolkata. Yet, this program was initially proposed in a Budget address by the late Finance Minister Arun Jaitley in February 2015. (Wikipedia contributors, 2023)^[1]

The Ministry of Housing and Urban Affairs (MoHUA) established PMSVANidhi on June 1, 2020, during the shutdown due to the coronavirus outbreak. The programme offers working capital loans to street vendors, which they might use to invest in other aspects of their business. With capital loans ranging from Rs. 10,000 to Rs. 50,000 and an interest rate of 7%, customers are given access to low-interest mortgages that are affordable for them to repay in monthly installments. The MoHUA has provided all of the funding for this one-year strategy. A vending license or an Urban Local Bodies certification is required to be eligible for this programme (ULB). (Viji, 2020)^[2]

The purpose of this study is to evaluate the government-aided programs created for people in the urban informal sector, their benefits, how they assisted the people throughout the COVID-19 pandemic, to what degree they have been beneficial to the people. In addition, the study investigates people's awareness of these schemes and the implementation rates to date.

Literature Review:

In the event of a sudden death, insured families are intended to get financial assistance through the Pradhan Mantri Jeevan Jyoti Bima Yojana if they are between the ages of 18 and 50 and have savings accounts with recognized banks. The programme offers financial assistance, however it overlooks the following factors: Pre-medical check-ups are not available, which encourages abuse of the system. Corruption has resulted in delayed payment of claims in our system, which makes filing insurance claims difficult when the need arises. Verification of false claims and deceased insurers is absent. Existing term insurances are more competitive. Investors' biggest barriers are internal. (Yadav RK, Mohania S, 2016)^[3]

Upon the demise of the insured individual, Rs. 2 lakhs will be paid to the insured nominee. The nominee must have a savings account and be between the ages of 18 and 50. The coverage begins on the date the account holder requests it and ends on May 31 of the following year. In the depository year, the premium would decrease based on when coverage was initiated, as follows:

Table 1. Month wise Depository of Premium Amount

Month	Premium Amount in Depository Year (Rs.)
June- August	330
September-November	258
December-February	172
March-April	86

After enrollment, the bank would remit Rs. 330 annually between May 25 and May 31 for the following years. In the case of a joint account, each party will have to sign up independently by submitting a new enrolment request to the joint account's administrator. The policy will be ceased under three circumstances: when the policyholder attains the age of 55; when the bank account doesn't meet the balance amount to remit the premium; if coverage from other banks is rescinded, the premium would be revoked. (Writer S, 2021)^[4]

The Insurance Regulatory and Development Authority of India (IRDAI) has amended the PMJJBY government-sponsored life insurance program. The premium rates have been adjusted to encourage more people to participate in this program. On June 3, 2022, the IRDAI relaxed the capital requirements for insurers. A holder's capital requirements have been reduced by approximately 50 percent. This action, according to IRDAI, will not only enable life insurers to offer more policies under the scheme, but it will also provide financial sustainability to the bottom of the Indian population pyramid. The revised annual premium rate has increased by Rs. 1.25 per day and from Rs. 330 to Rs. 436 annually. As of March 31, 2022, claims totaling Rs.14,144 have been paid out to a total of Rs.9,737 crores in premiums paid by policyholders. (PTI, 2022)^[5]

The Union Minister of State for Finance, Dr. Bhagwat Kisanrao Karad, reported a significant increase in the cumulative number of women enrolled in PMJJBY and PMSBY, with 3,42,40,254 and 10,26,45,754, respectively. According to the Minister, both PMJJBY AND PMSBY are demand-driven and consent-based schemes with no government aid for the premium amount, with the former providing Rs. 2 lakhs of life cover and the latter providing Rs. 2 lakhs of accidental death cover and Rs. 1 lakh of permanent partial disability cover. The number of female recipients and the total amount claimed as of October 27, 2021. In contrast, according to data provided by insurance companies, Rs 10,258 crores for 5,12,915 claims and Rs 1,797 crores for 92,266 claims were credited under PMJJBY AND PMSBY, respectively.(PTI, 2021)^[6]

A total of 1,854 Jan Dhan account holders were selected at random and interviewed personally across India. 68% were men and 32% were women; 45% earned less than Rs. 10,000 per month, 34% earned between Rs. 10,000 and Rs. 20,000 per month, 20,000 to Rs. 30,000 per month, and 10% earned more than Rs. PMSBY, PMJJBY, and APY were among the excluded sections of India. Survey data of preferred methods of communication within the three categories, 'Aware,'

'Not Aware,' and 'Little Aware'. It was determined that communication via Branch/Bank Employees and Newspaper Advertisements/TV/Radio were more effective than methods such as Mobile/SMS/Call or informal conversations with friends and families. Communication via Social Workers/NGOs/Government Agencies was found to have the lowest level of scheme comprehension. (Roop Kumar, K.V.N. & Harsolekar, 2022)^[7]

The study examines the impact of two social security schemes, PMSBY and PMJJBY, on the population in West Bengal, India. The study found that enrollment in the schemes is low (14% for PMSBY and 12% for PMJJBY) due to lack of awareness (40% aware of PMSBY and 35% aware of PMJJBY). Enrollment is higher among urban households and positively correlated with household income. The schemes have had a positive impact on financial security, with 34% of enrolled households feeling more secure. The study concludes that there is a need to increase awareness and accessibility of the schemes, particularly for low-income households, to maximize their impact on financial protection. (Deb R, & Sarma S, 2016)^[8]

The Pradhan Mantri Street Vendors Atmanirbhar Nidhi Yojana aims to give street merchants access to operating finance. It is a unique microcredit scheme that offers street sellers a working capital loan of Rs. 10,000 at an interest rate of 7% from different banks and financial organisations. It was discovered that 71% of vendors did not apply, despite the fact that they qualified since it was simple and quick to obtain a loan from friends or family with little or no interest and kind payback conditions. The PM SVANidhi initiative for working capital loans received just 29% of the applications. Even those that sought for loans were unable to take advantage of it since the banks rejected their applications on the basis that i) the vendors were not interested in taking out loans, ii) a Letter of Recommendation for the pending application, and iii) inadequate supporting documentation. Overall, this programme was viewed by the vendors as a missed or distant opportunity that was charitable but was unable to fully embrace its beneficiaries in providing benefits because of administrative obstacles and governance limitations. (Joshi A, & Reddy V, 2022)^[9]

The PM SVANidhi scheme launched by the Indian government aims to provide working capital loans to street vendors affected by COVID-19. The scheme is praised for its swift implementation and for providing support to the informal sector. However, there are limitations to the scheme including limited reach to only those with a valid vending certificate or ID, a loan amount of INR 10,000 that may not be sufficient, and a relatively high interest rate of 7% with a one-year repayment tenure. The scheme also lacks additional support such as training or mentoring. Although the PM SVANidhi is a positive step, the government needs to consider providing additional support and increasing the loan amount and repayment tenure to ensure the sustainability of street vendors. (Deb R, 2021)^[10]

According to the IAS Baba (2020)^[11], while the positive feedback the PMSVANidhi plan has gotten from many merchants nationwide, there remains a significant implementation gap because

of a number of problems, specifically: States have implemented this programme disproportionately, needing a survey of the sellers in order to issue them a certificate of vending. (ii) Because there isn't enough complete data, the vendors first apply for LORs from the ULBs, which just slows down the process and results in a few rejections. Even slowly issuing LORs by municipalities has increased loan waiting times. (iii) A high percentage of sellers' mobile numbers are not connected to their Aadhar cards. (iv) The attitude of local authorities towards street vendors has not altered, resulting in arbitrary evictions by police or ULB officials, which further results in the loss of their sole source of income and makes it difficult for them to repay their debts on time. (v) Due to the distribution of certificates of vending before or after the epidemic, Telangana, Andhra Pradesh, Uttar Pradesh, and Madhya Pradesh are among the states that do better. Some states are still falling behind, demonstrating a geographical imbalance in the loan distribution that may also be caused by the state's current ruling party.

PMSVAnidhi Scheme- Many individuals found the system application challenging due to a lack of digital literacy. Because they were frequently the policy's first point of contact, the vendors' lack of awareness of the plan also presented challenges for the financial institutions. Research suggested that the government take action to remedy the fact that vendors had no basic or prior knowledge of the scheme based on personal interviews. The policy aims at multiple things: It aims to advance their future by empowering them with financial and digital literacy, integrating them into the formal sector, enhancing the well-being of their families, and paving the way. Another illustration of the government's lack of compassion was the fact that the majority of vendors lacked formal education. As a result, a lot of vendors didn't have the right bank accounts and didn't know much about most financial products. Due to objectives like financial and digital literacy, social good based on the introduction of payment methods like UPI and banks, and these objectives, it has been extremely challenging to address the system and advocate for social good. (Aggarwal, A, 2022)^[12]

The paper aimed to understand the impact of the COVID-19 pandemic on street vendors in North Bengaluru, India. The study found that before the pandemic, 70% of street vendors were earning a daily income of between INR 300 to INR 1000. However, this income has dropped by over 50% with only 22% of vendors now earning this level of income. The paper also found that there has been a significant decrease in the number of customers visiting street vendors. The study highlights the severe impact of the COVID-19 pandemic on the livelihoods of street vendors in North Bengaluru. Only 20% of vendors surveyed received any government aid, and of those, the majority received only a one-time financial assistance of INR 5000. The decrease in income and customers, along with the impact on mental and physical health, highlights the need for more comprehensive and effective relief measures to support street vendors. (Sharma S., Sharma S. and Begum, S 2021)^[13]

The National Urban Livelihood Mission (NULM) is a government-implemented program to reduce poverty among urban poor in India. The program, launched in 2014, consists of six

components, including creating self-employment opportunities, skill development, and supporting street vendors. However, a Bangalore-based NGO, Civic, has revealed that the lack of interest by the Bruhat Bangalore Mahanagara Palike (BBMP) has led to the failure of these welfare schemes. The BBMP has faced delays in conducting surveys and allocating funds, and has even failed to submit progress reports. The appointment of a city mission manager is necessary, but there are hurdles in the appointment process. The BBMP's poor performance in implementation and fund allocation in comparison to other cities highlights the need for improvement in the administration of these welfare schemes. (Akshata, M, 2017)^[14]

Methodology

This study was conducted through consultations, reviews of literary sources, and personal communications with various sects of people in the country. This research aimed to gain a better understanding of how different groups view these schemes by talking to those from all around the country. The study mainly focused on secondary literary sources available through books, journals, electronic media, etc.

Data Analysis

The table 2 shows that, the MP was at the top of the list of States and UTs with the most first loans and second loans disbursed to street sellers falling under the ST category. Gujarat, Karnataka, and UP are the next states following MP, then Telangana. From Sikkim and the Andaman and Nicobar Islands, there were no reports of the first loan disbursements to ST category street sellers. Chandigarh had nine first loan disbursements, which was the fewest in this category. In reverse order, Puducherry is at the bottom of the list for the first loans made to ST street sellers, followed by West Bengal, Goa, and Kerala. West Bengal, Sikkim, Puducherry, Chandigarh, and the Andaman and Nicobar Islands did not disclose making second loans available to street sellers who fall under the ST category. Ladakh reported the least decrease in the number of second loans disbursed to ST category street vendors—a decrease of 59.71%—among States and UTs. Kerala and Mizoram both showed declines in this category of 77.94% and 79.79% respectively. In this area, all other States and UTs recorded declines ranging from 85% to 99%. Manipur (99.84%), Daman and Diu and Dadra Nagar Haveli (99.63%), and Rajasthan (99.37%) all registered dips of above 99%.

These shocking figures of disbursement of loans may be attributed to the failure of sanctioning of applications by authorities over various reasons such as literacy of the applicant, absence of digital id proof, problems in the e-KYC, name of applicant not being there in the list of STs, poor access to banks which provide these micro-credit schemes ,etc. These dips in the loan disbursement maybe due to the fact that due to various problems faced during the 1st loan disbursement, the applicants felt the ease of borrowing from their relatives or friends as they don't require documents as such to prove anything.

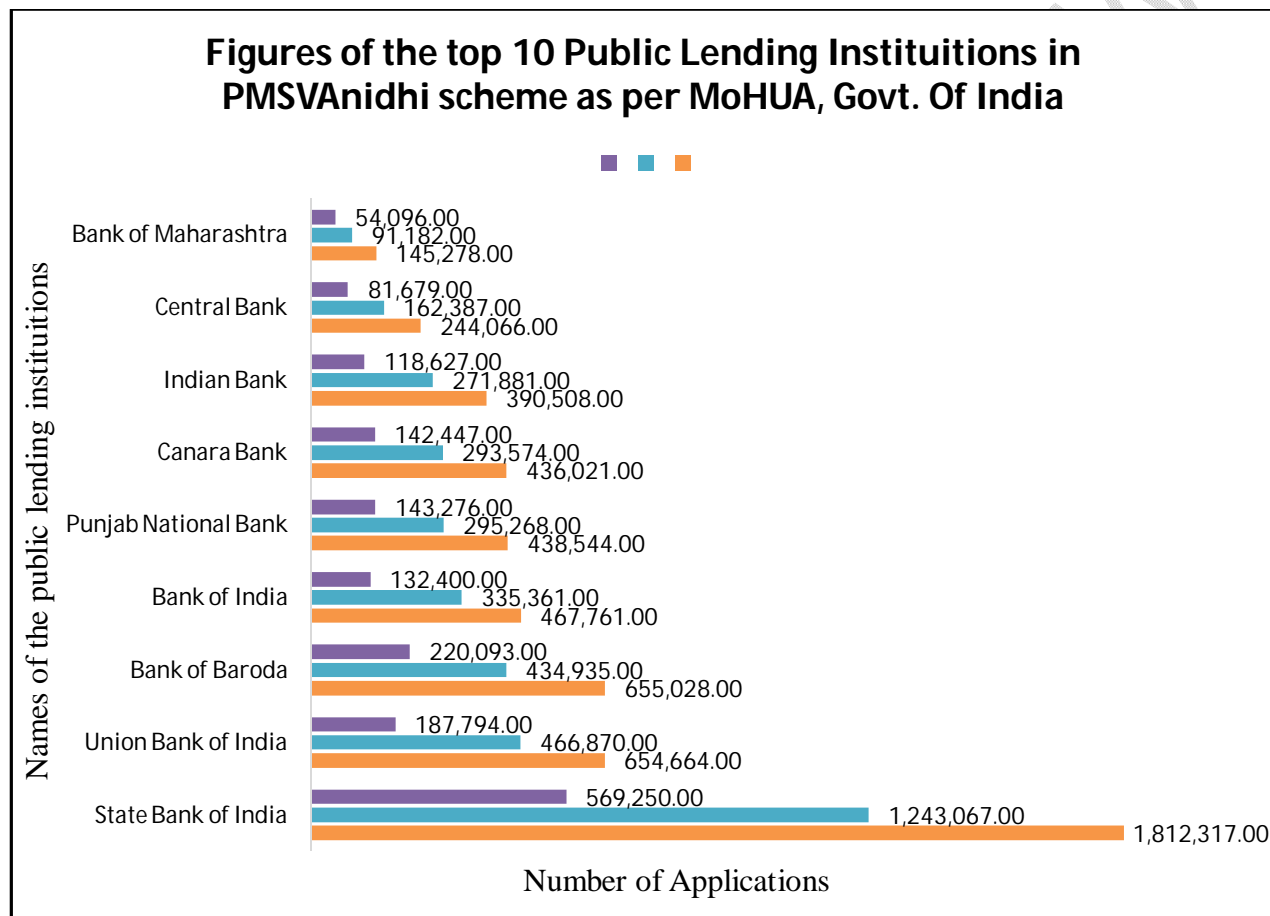
Table 2: Loan Application Distributed in Year and State/UTs wise

LOAN APPLICATION DISBURSED	1ST LOAN APPLICATION DISBURSED				2ND LOAN APPLICATION DISBURSED			Grand Total	Dip in 2nd Loan Disburs als	Percent age of Dip
	2020-2021	2021-2022	2022-2023		2021-2022	2022-2023				
Year	2020-2021	2021-2022	2022-2023		2021-2022	2022-2023				
STATE /UTs	ST	ST	ST	Total	ST	ST	Total		ST	ST
A&N Islands	0	0	0	0	0	0	0	0	0	0
Andhra Pradesh	3273	1608	8	4889	265	149	414	5303	4475	91.53
Arunachal Pradesh	1284	728	31	2043	138	59	197	2240	1846	90.36
Assam	1128	4001	127	5256	165	39	204	5460	5052	96.12
Bihar	825	504	6	1335	16	8	24	1359	1311	98.20
Chandigarh	6	3		9			0	9	9	100
Chhattisgarh	3155	572	39	3766	175	63	238	4004	3528	93.68
D&D & DNH	202	57	8	267	1	0	1	268	266	99.63
Delhi	203	64	5	272	3	3	6	278	266	97.79
Goa	47	5	0	52	6	1	7	59	45	86.54
Gujarat	4933	4577	156	9666	835	140	975	10641	8691	89.91
Haryana	107	60	2	169	17	3	20	189	149	88.17
Himachal Pradesh	102	21	0	123	14	1	15	138	108	87.80
Jammu and Kashmir	86	20	0	106	3	2	5	111	101	95.28
Jharkhand	646	387	12	1045	47	6	53	1098	992	94.93
Karnataka	7030	1717	34	8781	631	155	786	9567	7995	91.05
Kerala	56	12		68	14	1	15	83	53	77.94
Ladakh	130	9	0	139	33	23	56	195	83	59.71
Madhya Pradesh	13059	7440	231	20730	1414	216	1630	22360	19100	92.14
Maharashtra	5503	1791	38	7332	366	88	454	7786	6878	93.81
Manipur	178	432	0	610	1	0	1	611	609	99.84
Meghalaya	183	289	38	510	22	15	37	547	473	92.75
Mizoram	438	38	4	480	93	4	97	577	383	79.79
Nagaland	1166	260	0	1426	153	25	178	1604	1248	87.52
Odisha	715	157	3	875	20	8	28	903	847	96.80
Puducherry	9	1	0	10	0	0	0	10	10	100
Punjab	312	113	0	425	3	4	7	432	418	98.35
Rajasthan	1961	730	0	2691	14	3	17	2708	2674	99.37
Sikkim	0	0	0	0			0	0	0	0
Tamil Nadu	577	442	8	1027	24	6	30	1057	997	97.08
Telangana	10488	1128	8	11624	1311	215	1526	13150	10098	86.87
Tripura	83	13	0	96	6	0	6	102	90	93.75

Uttar Pradesh	5893	2023	343	8259	136	281	417	8676	7842	94.95
Uttarakhand	147	31	1	179	7	0	7	186	172	96.09
West Bengal	9	27	1	37	0	0	0	37	37	100
Grand total	63934	29260	1103	94297	5933	1518	7451	101748	86846	92.10

Source: Figures of PMSVAnidhi beneficiaries under Scheduled Tribes as obtained from MoHUA via RTI filed by Mr.Venkatesh Nayak.

Figure 1: The public lending institutions for PMSVAnidhi loan scheme.



Source: PIB release for PMSVAnidhi's private lending institutions' loan disbursement.

According to Figure 1 the top 10 public lending institutions in PMSVAnidhi schemes as per MoHUA, the ministry statistics shows that, 20 lakh street sellers have received loans of Rs 1,983 crore out of the 41.21 lakh street vendors who enrolled under the scheme as of 3 April 2021 and upto March 29, public sector banks distributed loans to 18 lakh recipients, or 90% of the total. Just 32,534 recipients received loans from private sector banks, or 1.6% of the total. Even local rural banks have provided loans to 1.11 lakh street vendors, a considerably bigger number of recipients. 29,396 street merchants have received loans from cooperative banks. State Bank of

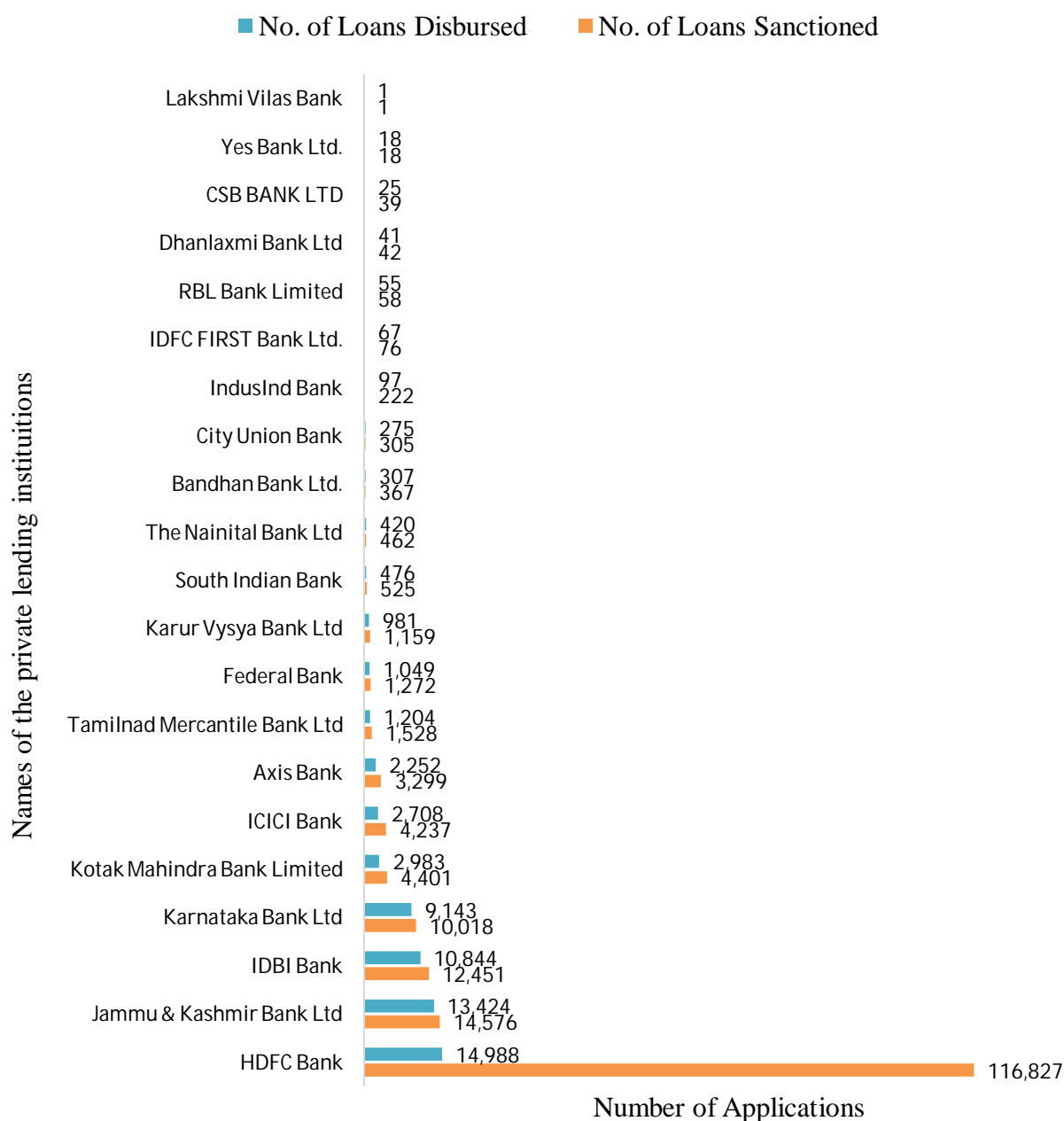
India (SBI), one of the public sector banks, tops the list with 5.8 lakh loan recipients, followed by Union Bank of India and Bank of Baroda with 2.32 lakh and 1.99 lakh, respectively.

According to Figure 2 the private lending institutions in PMSVAnidhi schemes as per MoHUA, the largest private bank donor, Jammu and Kashmir Bank Ltd, had given loans to 9,595 applicants as of March 29 to their concern about collateral-free loans becoming non-performing assets (NPA), which is a major factor in their subpar performance, private lending institutions are reluctant to provide loans to street vendors. This hesitation is also attributed to their concern about receiving fewer loan applications and another justification offered by private banks for the low loan disbursement is the fact that, in contrast to public sector banks, very few street vendors hold accounts there. Also, when it comes to creating a new account, street sellers don't typically choose private banks. Loan disbursement is immediately hampered in the absence of a bank account.

Figure 2: The Private lending institutions for PMSVAnidhi loan scheme.

UNDER PEER REVIEW

Figures of Loan Applications of PMSVAnidhi scheme in case of Private Lending Institutions.



Source: PIB release for PMSVAnidhi's private lending institutions' loan disbursement.

Table 3: Number of Individuals enrolled for the PMSBY and PMJJBY programs

State	GROSS ENROLLMENTS			CLAIM AMOUNTS PAID (IN Rs CRORE)		
	PMSBY	PMJJBY	Total	PMSBY	PMJJBY	Total

Andhra Pradesh	2,76,32,231	1,83,84,214	4,60,16,445	213.3	45.76	259.06
Bihar	58,29,559	16,48,757	74,78,316	56.76	9.42	66.18
Chhattisgarh	52,99,788	12,91,366	65,91,154	110.12	35.4	145.52
Gujarat	60,99,823	25,62,854	86,62,677	222.08	45.3	267.38
Jharkhand	22,44,237	5,99,262	28,43,499	31.28	6.38	37.66
Karnataka	79,09,701	34,55,273	1,13,64,974	241.44	39.74	281.18
Madhya Pradesh	87,86,945	22,37,052	1,10,23,997	191.04	69.8	260.84
Maharashtra	97,01,319	40,21,981	1,37,23,300	227.72	53.34	281.06
Odisha	45,15,671	12,59,527	57,75,198	82.9	17.96	100.86
Punjab	40,09,575	7,27,495	47,37,070	43.62	21.66	65.28
Rajasthan	60,56,922	18,20,827	78,77,749	164.12	46.4	210.52
Tamil Nadu	83,40,290	27,79,983	1,11,20,273	136.86	43.24	180.1
2Telangana	63,33,999	21,77,346	85,11,345	238.92	41.54	280.46
Uttar Pradesh	1,59,84,910	39,90,315	1,99,75,225	346.64	65.56	412.2
West Bengal	74,60,614	16,39,458	91,00,072	85.98	16.74	102.72
Total	15,47,17,823	5,91,69,362	21,38,87,185	2,704.24	643.52	3,347.76

Source: Answer to Lok Sabha question, quoting data uploaded by banks and insurance companies on Jansuraksha portal. Data as on March 31, 2019.

The table 3 shows that, On March 31, 2019, the Lok Sabha reported that 15.47 crore and 5.91 crore individuals had enrolled for the Pradhan Mantri Suraksha Bima Yojana (PMSBY) and Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) programs, respectively. The entire amount includes contributions from all states and Union Territories, insurance plan recipients in government departments, and non-CBS migrating clients of the urban cooperative bank. Andhra Pradesh had the highest enrollments in both programs, with 2.76 crores for PMSBY and 1.60 crores for PMJJBY for a total of 4.60 crores. In contrast, Jharkhand enrolled 22,44,237 lakhs in PMSBY and 5,99,262 lakhs in PMJJBY for a total of 28,43,499 lakhs, making it the state with the lowest enrolments. Contrary to the number of subscribers, 1,35,212 and 32,176 subscribers claimed a total of Rs 2,704,24 crores and Rs 643,52 crores under PMJJBY and PMSBY, respectively, by the end of the fiscal year. The states with the highest claims under PMJJBY are Uttar Pradesh, Karnataka, Telangana, Maharashtra, and Gujarat, each with claims above 200 crores, while Jharkhand and Punjab have claims less than 50 crores. In PMSBY, the states having claims over 50 crores are Madhya Pradesh and Maharashtra, whilst Jharkhand and Bihar have claims below 10 crores. All of this comprehensive data is given by banks and insurance firms, which upload the statistics to the Jansuraksha portal.

Table 4: Year wise details of members covered and death claims paid under PMJJBY

Year wise details of members covered and death claims paid under PMJJBY - Annexure-I							
	No. of Lives and Premium				Claims		
Year	No Of Lives renewed during the year*	New lives added during the year*	Total lives covered as at 31st May	Premium received during the year* Rs.	Claims intimated during the year	Claims paid during the year	Amount of claims settled during the year Rs.
2015-16		2,73,54,338	2,73,54,338	7,90,55,40,844	42,317	41,231	8,24,62,00,000
2016-17	2,25,06,952	28,70,150	2,53,77,102	7,33,42,39,630	44,171	42,662	8,53,24,00,000
2017-18	2,07,17,415	46,23,891	2,53,41,306	7,32,41,95,198	40,391	37,811	7,56,22,00,000
2018-19	2,26,88,625	71,89,251	2,98,77,876	7,88,50,33,166	43,367	42,191	8,43,82,00,000
2019-20	2,49,38,631	1,27,16,717	3,76,55,348	9,77,80,96,015	47,261	45,037	9,00,74,00,000
2020-21 Till 31.03.2021	3,13,25,444	1,82,78,438	4,94,39,306	13,09,56,07,053	65,322	60,908	12,18,16,00,000
Grand Total				53,32,27,11,905	2,82,829	2,69,840	53,96,80,00,000

- In this statement year means PMJJBY policy year i.e. from 1st June to 31st May

Source: Year wise details members covered and death claims paid under PMJJBY from RTI from 2020-21

The table 4 summarizes the findings of a Right to Information (RTI) query regarding the PMJJBY. The table 4 shows that the number of policies sold under the scheme has increased each year, with a total of 12 crore policies sold as of 2021. However, the data on claims shows that only a small fraction have been paid out. Out of 5,50,221 claims received, only 5,16,338 have been processed, and of those, only 5,05,888 have been paid, representing a pay-out rate of 0.46%. The number of claims received and processed each year has decreased since 2018, with a sharp drop in 2020, which was due to the impact of COVID – 19. Hence, it can be said that the PMJJBY did not come of any help during the pandemic.

Findings

Madhya Pradesh had the highest number of applications for both the first and second disbursements of PMSVANidhi between 2000 and 2023, while Chandigarh and Puducherry had the lowest number of applications for the first loan, and Sikkim had no registrations. Other states, including Manipur, Daman, Diu, Rajasthan, and Dadra and Nagar Haveli, saw registration declines of 99 percent due to incomplete information on registration forms or a lack of awareness. In addition, 90% of all loans were distributed by public sector banks, while the remaining 10% were provided by private sector banks, rural banks, and cooperative banks. The low percent of loans disbursed from private sectors is due to the concern of private banks for the applicant lacking a collateral which can become a non-performing assets (NPA). According to PMJJBY data, Andhra Pradesh, Uttar Pradesh, and Maharashtra had the greatest gross enrollments, whereas Uttar Pradesh, Telangana, Gujarat, and Andhra Pradesh had the highest quantity of applicants' claims. According to PMSBY, Madhya Pradesh had the most quantity of claims while Andhra Pradesh had the highest enrollments. When statistics from 2015 to 2021 were analyzed, it was shown that PMJJBY enrollments fell each year as a result of persons not receiving claims and those who received low rates. This decline was another COVID-19 adverse effect.

Summary

The review was aimed at finding out the efficiency and implementation of government schemes for the citizens working in the non – organized sector such as household labor, gardeners, or drivers. Going through various literatures, it was found out that there were various schemes such as the PMJJBY, PMSBY, NULM and PMSVANidhi that were implemented by the government. But, there are various problems with these schemes such as the low response rate in states having local political parties in power due lack of awareness of the schemes offered by the central government or it could even be that the people prefer the schemes offered by the state government. Major problems with these schemes were the application process which required a lot of documents which many did not possess and often led to the rejection of their applications. Delays in receiving funds due to corruption is another thing which must be dealt with, but there has not been much effort by the government in doing so. The main benefactors of these schemes

were the urban households who were well aware of these schemes and possessed all the necessary documents to claim the insurance. Overall, these schemes did attract a huge population from the non – organized sector and even saw a steady increase in the participants but failed to serve its cause to a lot of people who were actually in the need of it during a severe pandemic like the COVID- 19.

Conclusion

It is suggested that the government take further gainful steps to enhance its survey of its scheme's beneficiaries which can give better ideas and access to their real issues in detail .Since errors and negligence in surveys cause a sect, who deserve to be their scheme's beneficiaries to miss out their chance. A limiting factor of this study is the literacy rate of its people under study which is the main reason for them being unaware of such schemes or difficulty in understanding technical terms related to financial matters. Also not all urban local bodies want to invest time on implementation of schemes for the urban informal sector, as they feel that they would rather be productive in working for the development of infrastructure of the organized sector who have a stable source of income and are thus a lesser liability. The future goals of this study include improving the lacunae and loopholes in the banking sector due to which the beneficiaries of the schemes may experience higher sanction rates and disbursements. The private sector banks especially, must have a workable future goal of incentivizing employees of the informal sector to open bank accounts in their banks to increase loan disbursements of financial schemes which has always shown to be more in the case of public sector banks.

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