



# "The Role Of Micro Finance On Supporting Small Vendors And Entrepreneurs During Maha Kumbh 2025 "

<sup>1</sup> Abhinav Singh, <sup>2</sup>Dr. Satyendra Kumar

<sup>1</sup>Research Scholar, <sup>2</sup>Assistant Professor

<sup>1</sup>Department Of ECONOMICS,

<sup>1</sup>C.M.P. DEGREE COLLEGE, UNIVERSITY OF ALLAHABAD, Prayagraj, India

**Abstract:** Microfinance has emerged as a pivotal instrument for fostering entrepreneurial empowerment among small-scale vendors, particularly within the context of large-scale socio-cultural gatherings such as the Maha Kumbh Mela. The recent 2025 Maha Kumbh attract approximately 600 millions of pilgrims and tourists, offers a substantial economic prospect for both local and migrant micro-entrepreneurs. This study investigates the strategic role of microfinance in facilitating accessible credit, augmenting working capital, and ensuring the sustainability of small enterprises during the event. This study critically evaluates the influence of micro-loans on income generation, business growth, and the promotion of financial inclusion within the informal economy. Furthermore, the research engages with the inherent challenges in the sector, including elevated interest rates, repayment pressures, and the pervasive deficit of financial literacy. The findings underscore the transformative potential of microfinance in enhancing the livelihoods of marginalized entrepreneurs during this mega-events.

**Index Terms** - Microfinance, Small-Scale Vendors, Entrepreneurial Empowerment, Maha Kumbh 2025, Financial Inclusion, Informal Economy

## I. INTRODUCTION

In the modern world, very few events can bring millions of people together for a single spiritual purpose. The Maha Kumbh Mela 2025, which took place from January 13 to February 26, is one of the most important pilgrimages in Hinduism and happens only once every twelve years. Known as the largest peaceful gathering on earth, it draws countless devotees who come to bathe in holy rivers. They believe this sacred act cleanses their sins and helps them reach spiritual freedom, or moksha. This massive festival is held in four holy cities i.e. Haridwar, Ujjain, Nashik, and Prayagraj. This Maha Kumbh is especially significant in 2025 due to a unique astrological alignment occurring once every 144 years.

While experts first thought 450 million people would attend, the 2025 Mela actually saw more than 660 million pilgrims, showing just how huge its impact is on society and the economy.

Inside this giant gathering, small business owners and street vendors are the heart of the event. They provide everything pilgrims need, from food and places to stay to religious items like flowers and incense. However, these small entrepreneurs often face big money problems. They have very little cash to start their business, high costs to keep it running, and often have to borrow money from local lenders who charge very high interest. This is where microfinance becomes vital. It provides these small workers with affordable loans, the money they need to run their stalls, and basic lessons on how to handle their finances. This support helps them keep their businesses alive and grow during the busy days of the festival.

Studies from past festivals, such as the 2019 Kumbh in Prayagraj, prove that vendors who use formal microfinance are much stronger and more successful than those who rely on expensive local moneylenders. This research looks closely at how microfinance helped small entrepreneurs during the 2025 Maha Kumbh. It examines how these small loans helped people earn more, grow their shops, and become financially stable. At the same time, it looks at the hard parts, such as the difficulty of getting loans, the struggle of using digital payments, and the stress of paying back money in such a short, fast-moving environment. By looking at survey from the vendors, this study shows how small-scale credit works in a massive, temporary market.

## II. Review Of Literature

The Maha Kumbh Mela 2025 is one of the world's largest religious events, and it has a massive impact on both culture and the economy. Experts estimate the festival generates over ₹2 lakh crore in revenue, helping businesses like hotels, shops, and transport services grow (Kotak Securities, 2025). With more than 400 million people attending, there is a huge need for quick and flexible money services. Microfinance institutions (MFIs) are very important here because they give small loans to street vendors. This money allows vendors to buy more stock and keep their businesses running during the busy weeks of the festival (AG Horizon Pvt Ltd, 2025).

In addition to microfinance, "business angels" or private investors help small businesses by providing money and advice. This help allows small ventures to try new ideas and grow faster during the festival (ACCA Global, 2018). Research shows that this type of funding fills the gaps that traditional banks leave behind (Hegeman, 2024). Furthermore, religious-based microfinance groups help build trust and support people who are often left out of the regular banking system (IJSSMR, 2023). This financial support is a "multiplier," meaning the money spent by pilgrims flows through the local economy and helps many people earn a living (Dun & Bradstreet, 2025). By providing cash to artisans and food sellers, microfinance also helps protect traditional crafts and local food from disappearing (Faster Capital, 2018).

Microfinance is a key tool for fighting poverty in rural India. It offers small loans, savings accounts, and insurance to people who cannot use normal banks. While it helps people access money, it still faces challenges like high unemployment and income gaps (Panda, Panda, & Das, 2019). The main goal of

microfinance is to help self-employed people who are usually ignored by big financial systems (Otero, 1999). However, simply giving out loans does not always lead to long-term wealth. New models that help people buy assets, like equipment or property, seem to work better than just providing credit (Cai et al., 2023). Newer methods like "crowdfunding" are also becoming popular ways to help vulnerable groups (Rodriguez & Siles, 2022). Experts suggest that saving money and using digital payment systems might actually be more helpful for poor families than just taking out loans (Ledgerwood & White, 2017).

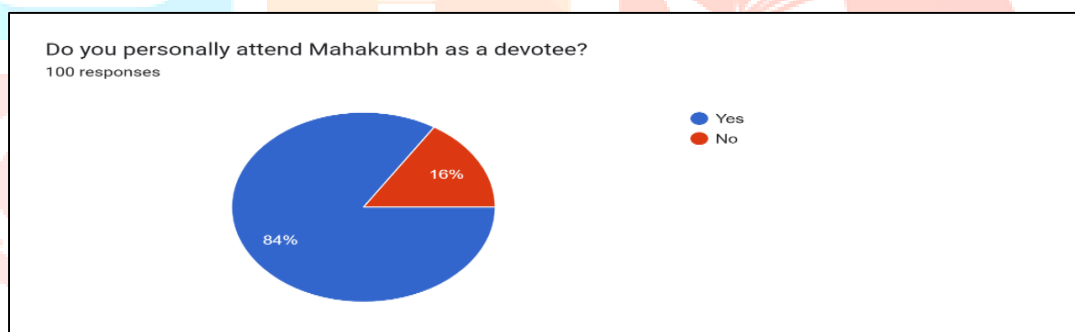
### III. Objectives

To examine how microfinance, through microcredit, microsavings, and faith-driven financial services, empowers small-scale vendors and promotes financial inclusion during the Maha Kumbh Mela 2025.

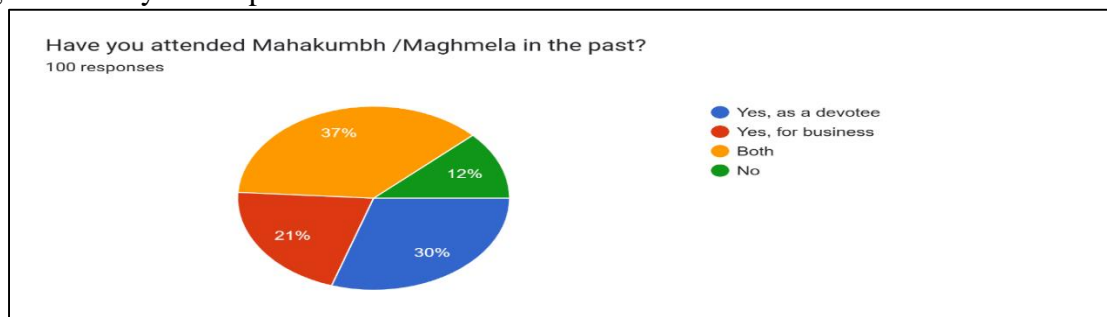
### Research Methodology

This study utilizes a descriptive and exploratory research design to evaluate the impact of microfinance on small-scale vendors during Mahakumbh 2025. Data were gathered from a purposive sample of 100 respondents via a structured interview schedule administered face-to-face and recorded through digital forms.

### IV. RESULTS AND DISCUSSION

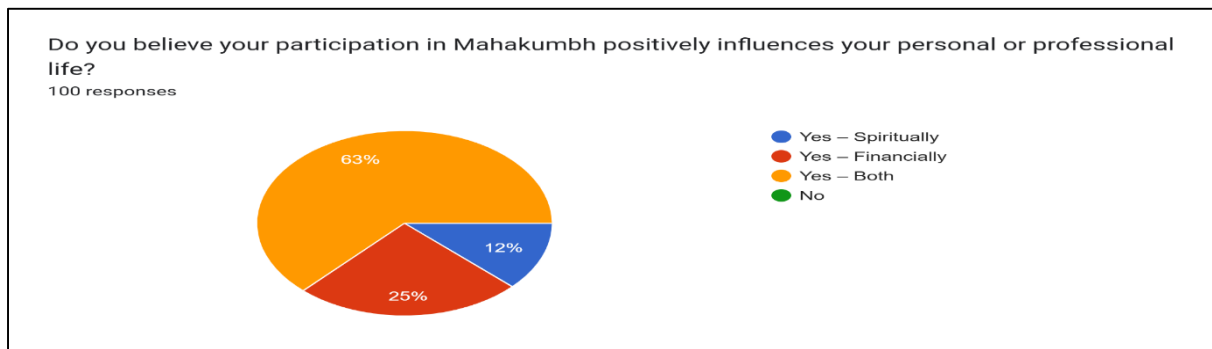


The survey's finding highlights that due to deep religious significance of the Maha Kumbh, **84% of respondents** participated as devotees, While 16% did not attend in a devotional capacity likely due to logistical reasons or interest in the event's cultural and touristic aspects the vast majority were driven by faith. These findings confirm that **devotional engagement** remains the primary factor shaping the identity and experience of the event.

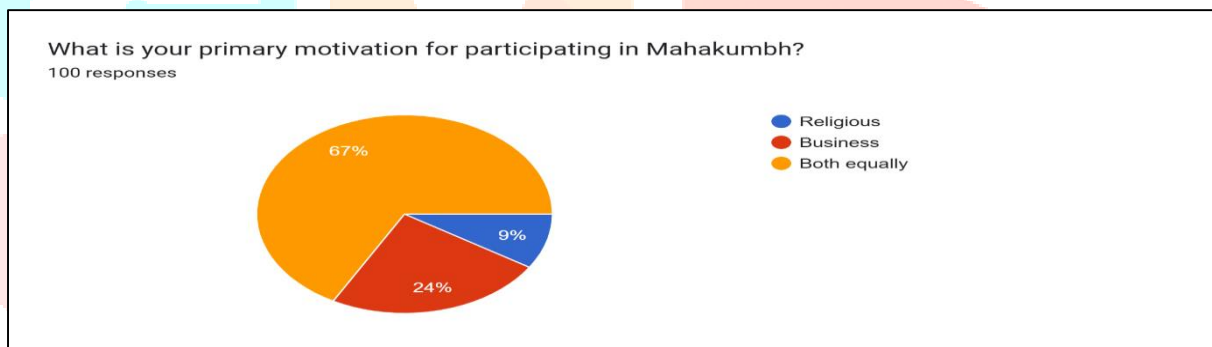


The survey shows that the Mahakumbh serves both spiritual and economic purposes. While **30% attend as devotees** and **21% for business**, the largest group (**37%**) participates in both. This confirms that the event is a unique blend of faith and livelihood. Additionally, 12% have never attended, suggesting

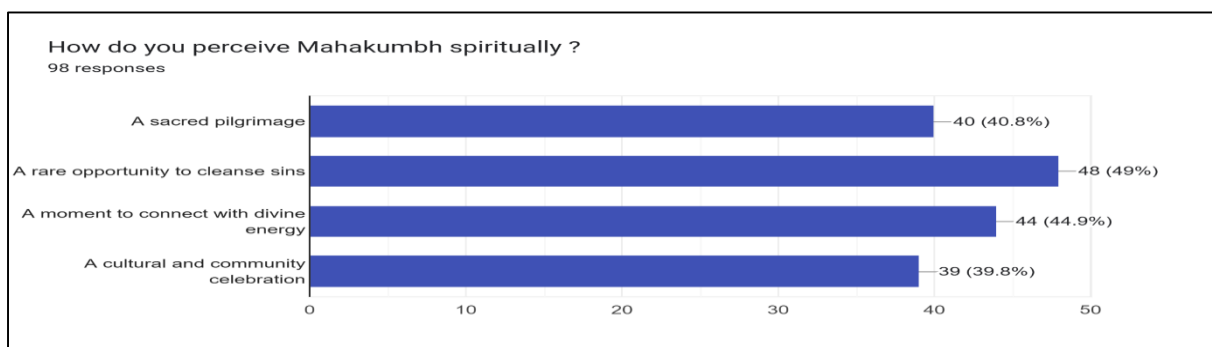
certain personal reasons. Overall, the findings highlight the event's role as a major socio-religious and economic hub.



Survey results show that 63% of respondents experience both spiritual and financial benefits from participating in the Mahakumbh, indicating its role in holistic well-being and opportunity creation. Additionally, 12% report spiritual enrichment as the main impact, while 25% cite financial gain, underscoring the event’s dual significance for faith and livelihood. These findings highlight the Mahakumbh’s multifaceted value, blending religious experience with socio-economic advancement for attendees



The survey of 100 Mahakumbh participants revealed that 67% were equally motivated by religious and business considerations, highlighting the event’s dual function as a site of spiritual engagement and commercial activity. Meanwhile, 24% indicated their primary motivation was business-related, emphasizing the growing appeal of the Mahakumbh for trade, networking, and promotion of products and services. Only 9% participated due to purely religious reasons, demonstrating that, while faith remains central, the event’s broader socio-economic dimensions are prominent for most attendees. These findings illustrate the Mahakumbh's evolving role as a multifaceted platform integrating faith, culture, and commerce in contemporary society.



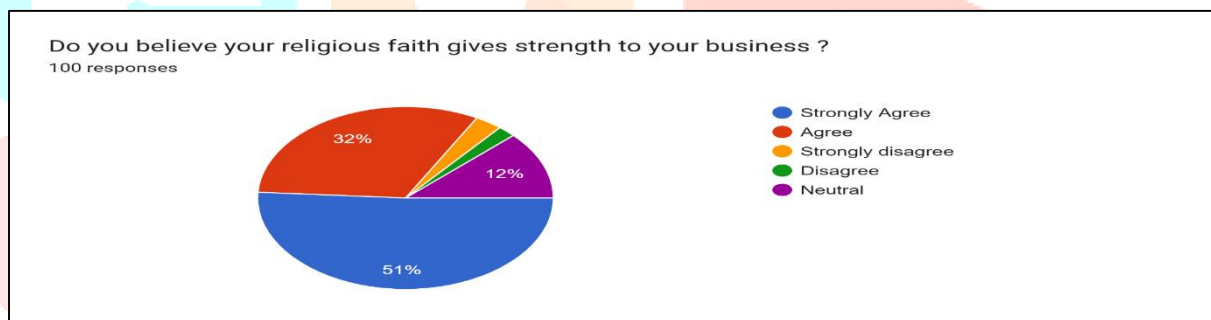
The survey sought to understand participants' spiritual perceptions of the Mahakumbh. Among the 98 respondents, the most prevalent view (49%) was that Mahakumbh represents **a rare opportunity to cleanse one's sins**. This perception aligns with the traditional belief that bathing in the sacred rivers during the Mahakumbh brings spiritual purification and liberation from past misdeeds.

A considerable proportion of participants (44.9%) perceived the Mahakumbh as **a moment to connect with divine energy**, reflecting a deeply personal and experiential dimension of faith. This interpretation suggests that beyond ritualistic participation, many individuals engage in Mahakumbh to experience a sense of

transcendence and spiritual rejuvenation.

Furthermore, **40.8% of respondents** regarded it as **a sacred pilgrimage**, emphasizing its continued importance as one of the most revered religious journeys in Hindu tradition. Similarly, **39.8%** described it as **a cultural and community celebration**, highlighting the event's role in fostering social bonds, shared identity, and cultural continuity.

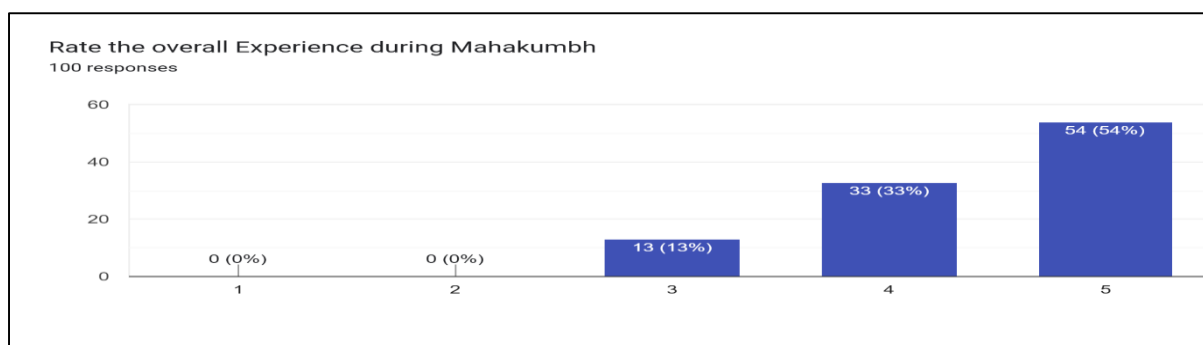
Overall, the data reveal that while ritual purification remains central to the Mahakumbh's spiritual significance, participants also view it as a **multidimensional experience** that encompasses divine connection, pilgrimage, and collective celebration blending personal spirituality with social and cultural engagement.



The survey explored the perceived relationship between religious faith and business strength among Mahakumbh participants. Out of 100 respondents, a majority of **51% strongly agreed** that their **religious faith contributes positively to their business activities**, while **32% agreed** with this statement. Together, these findings indicate that over four-fifths (83%) of participants view spirituality and faith as integral to their entrepreneurial motivation and success.

A smaller proportion of respondents held neutral or negative views. About **12% remained neutral**, suggesting an ambivalence or a belief that faith may have an indirect or situational influence on business outcomes. Only **3% disagreed**, and **2% strongly disagreed**, showing minimal resistance to the idea that religion supports business endeavors.

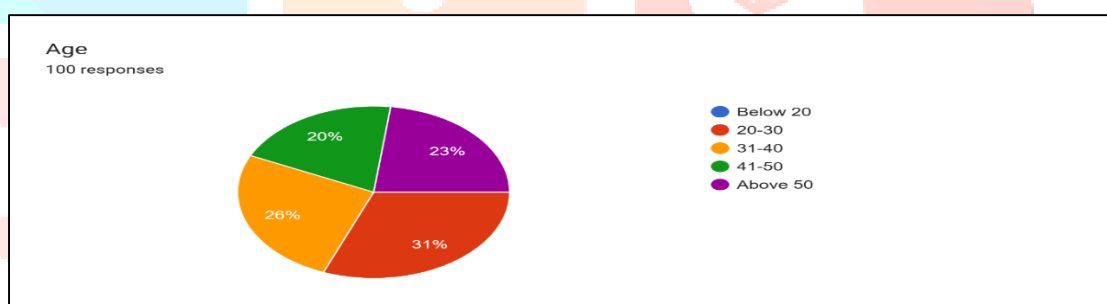
Overall, the data underscores a **strong interconnection between religious belief and economic practice** among the respondents. The findings suggest that faith not only serves as a moral compass but also as a source of psychological resilience, optimism, and community trust all of which may strengthen entrepreneurial behavior and business networks within the Mahakumbh context.



The respondents were asked to rate their overall experience during the Mahakumbh on a scale of 1 to 5, where 1 indicated a very poor experience and 5 indicated an excellent one. The results reveal a high level of satisfaction among participants. A majority of 54% rated their experience as 5, reflecting an overwhelmingly positive perception of the event. Additionally, 33% rated it 4, suggesting that most respondents found the event well-organized, spiritually fulfilling, and culturally enriching.

A smaller segment, 13% of respondents, rated their experience as 3, implying a moderate or mixed level of satisfaction. Notably, none of the respondents rated the event as 1 or 2, indicating an absence of negative experiences or dissatisfaction.

These findings collectively highlight the Mahakumbh as a highly successful and positively received event, both in terms of its spiritual and logistical dimensions. The overwhelmingly favorable responses suggest effective event management, a strong sense of communal harmony, and fulfillment of participants' expectations.

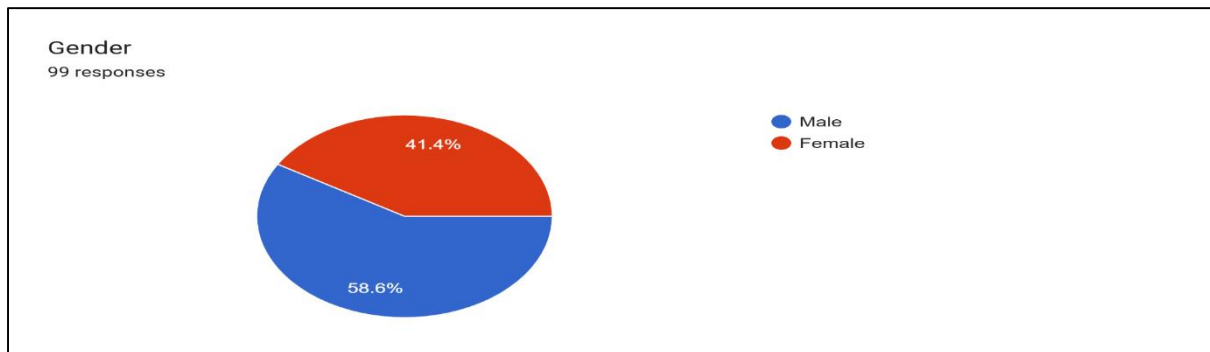


The age distribution of respondents indicates a relatively balanced representation across different age groups, reflecting diverse participation in the Mahakumbh. The largest segment, 31%, falls within the 20–30 years category, highlighting the strong engagement of young adults in the event. This suggests that the Mahakumbh continues to attract a younger demographic, possibly motivated by cultural curiosity, spiritual interest, or entrepreneurial opportunities.

The 31–40 years group follows closely with 26%, signifying active participation from individuals in their prime working years, who may perceive the event as both a spiritual journey and a social or professional networking space. The 41–50 years group represents 20% of respondents, while those above 50 years comprise 23%, underscoring the ongoing involvement of older participants who traditionally form the core of religious gatherings.

Interestingly, there were no respondents below 20 years, which may indicate limited independent participation among teenagers or younger individuals, possibly due to family or logistical constraints.

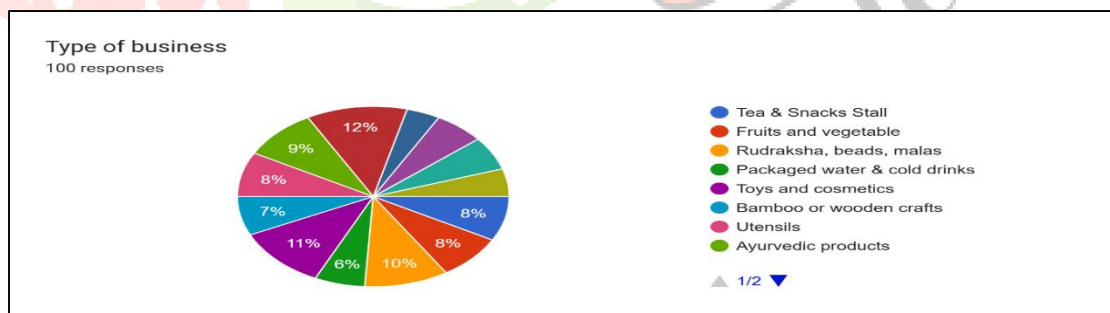
Overall, the data suggest that Mahakumbh participation spans multiple generations, with a particularly strong presence of young and middle-aged adults, reflecting a blend of tradition and modern engagement within the religious-cultural context.



The gender distribution of respondents reveals a moderately higher representation of males compared to females among Mahakumbh participants. Out of 99 respondents, **58.6% identified as male**, while **41.4% identified as female**. This indicates that men constitute a majority of the surveyed group, though women also form a significant portion, highlighting the inclusive nature of participation in the Mahakumbh.

The presence of over 40% female respondents demonstrates that the event appeals to both genders and is not confined to male-dominated religious engagement. This balanced participation may reflect the growing social mobility and active involvement of women in religious, cultural, and community-oriented events.

Overall, the data suggest a **gender-diverse participation pattern**, emphasizing that the Mahakumbh functions as a unifying spiritual and cultural platform, engaging individuals across gender lines in shared religious and social experiences.

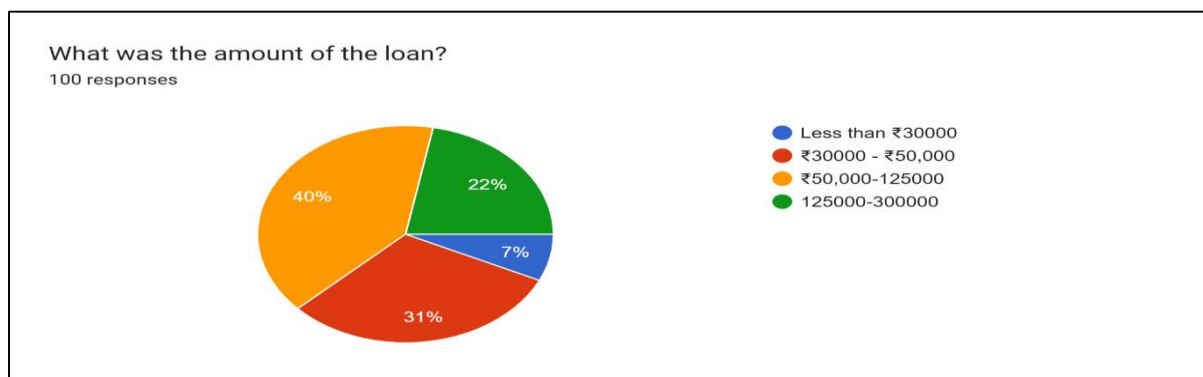


The distribution of business types among the respondents demonstrates the economic diversity of commercial activities at the Mahakumbh. The survey, based on 100 responses, shows that a wide range of small-scale vendors and traders participate, catering to the religious, cultural, and practical needs of the visitors.

The **largest segment (12%)** consisted of those selling **Ayurvedic products**, reflecting the enduring significance of traditional healing practices and natural wellness products among pilgrims. This was followed by **utensil sellers (11%)**, and **bamboo or wooden craft vendors (10%)**, indicating the continued demand for functional and handcrafted items.

Other business types such as **packaged water and cold drink stalls (9%)**, **fruits and vegetable sellers (8%)**, and **tea & snacks stalls (8%)** highlight the essential services that sustain visitors throughout the event. Similarly, **toy and cosmetic vendors (7%)**, and **Rudraksha, beads, and malas sellers (8%)**, cater to both spiritual and lifestyle needs, balancing devotional merchandise with general goods.

Overall, the data reveal that the Mahakumbh serves as a **vibrant micro-economy**, where religious devotion and livelihood intersect. The diversity of enterprises underscores how traditional beliefs, cultural practices, and local entrepreneurship converge to sustain the spiritual ecosystem of the event.

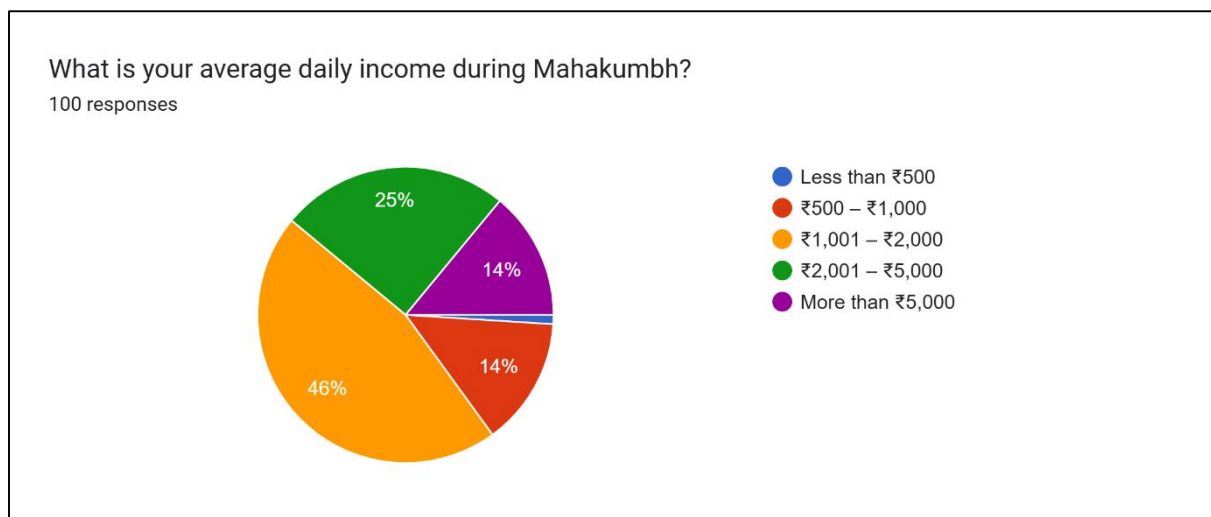


The analysis of loan amounts taken by respondents reveals a varied pattern of financial dependence among business participants at the Mahakumbh. Out of 100 respondents, the largest group, **40%**, reported taking loans in the range of **₹50,000–₹1,25,000**, suggesting that medium-sized borrowing is most common for setting up or managing temporary business stalls during the event.

This is followed by **31%** of respondents who borrowed between **₹30,000–₹50,000**, indicating a moderate financial requirement to sustain small-scale trading activities. Meanwhile, **22%** of respondents reported taking loans in the higher bracket of **₹1,25,000–₹3,00,000**, reflecting a group of relatively larger or more established vendors who possibly required greater capital investment for inventory, infrastructure, or logistics.

Only **7%** of participants took loans of **less than ₹30,000**, showing that minimal borrowing is relatively rare and that most participants rely on substantial financial inputs to operate effectively during the Mahakumbh.

Overall, the findings indicate that participation in the Mahakumbh as a business activity involves a **considerable level of financial commitment**, with most traders depending on moderate to large loan amounts. This underscores the event's significant economic scale and the entrepreneurial investment it attracts, reflecting how religious gatherings also act as economic ecosystems supporting livelihoods.



The analysis of daily income levels among respondents during the Mahakumbh reveals significant economic diversity among small-scale business participants. Out of 100 respondents, the largest share, **46%**, reported earning between **₹1,001 and ₹2,000 per day**, suggesting that the majority of traders operate within a modest but stable income range. This group likely includes vendors of consumable goods such as snacks, beverages, and everyday items that attract steady footfall during the festival.

A notable **25%** of respondents reported daily earnings between **₹2,001 and ₹5,000**, indicating a relatively prosperous segment of entrepreneurs who may be engaged in higher-value or high-demand products such as religious artifacts, crafts, or packaged goods.

Conversely, **14%** of respondents each fell into the lower-income categories of **₹500–₹1,000** and **more than ₹5,000**, representing the two ends of the economic spectrum. The lower group possibly includes smaller vendors or first-time participants with limited inventory or less advantageous stall locations, while the higher-income group reflects successful business owners benefiting from strong demand or established reputations.

Only a negligible **1%** (less than ₹500 per day) reported minimal income, highlighting that even the least profitable participants generally earned some sustainable return.

Overall, the income distribution reflects a **positive economic outcome** for most participants, emphasizing that the Mahakumbh serves as a **vital economic opportunity** for local traders and small entrepreneurs. The findings underscore how large-scale religious gatherings not only foster spiritual engagement but also stimulate local micro-economies through sustained consumer interaction.

## Conclusion

The findings of this study clearly establish that the Mahakumbh 2025 functions not only as a sacred religious congregation but also as a vibrant economic ecosystem sustained by small vendors, traders, and entrepreneurs. Microfinance has played a crucial role in enabling these participants to engage meaningfully in the event by providing accessible capital necessary for setting up stalls, purchasing inventory, and managing operational needs. It highlights how microfinance, through microcredit, microsavings, and faith-driven financial services, plays a transformative role in empowering small-scale vendors and enhancing financial inclusion during the Maha Kumbh Mela 2025. The findings demonstrate that the Mahakumbh operates as both a sacred pilgrimage and a thriving micro-economy where religious devotion and livelihood coexist. A significant proportion of respondents relied on

microloans ranging from ₹50,000 to ₹1,25,000, indicating the centrality of microcredit in enabling business participation. These loans provided crucial working capital for stall setup, inventory procurement, and transportation, allowing small traders to operate competitively within the short-term yet intense market environment of the event.

The distribution of respondents' daily earnings shows that most vendors achieved stable and sustainable incomes, with 46% earning between ₹1,000 and ₹2,000 per day and another 25% earning up to ₹5,000. This income stability demonstrates that microfinance-supported enterprises have tangible economic impact, fostering entrepreneurship and self-reliance among local populations. Moreover, the participation of women vendors (41.4%) underscores the role of microfinance as an instrument of gender-inclusive growth, empowering women to contribute meaningfully to both family income and cultural continuity. Similarly, the age distribution illustrates participation across generations, with strong engagement by young adults, reflecting the appeal of the Maha Kumbh as both a spiritual and entrepreneurial opportunity.

The survey further reveals a strong link between faith and enterprise 83% of respondents agreed that their religious beliefs positively influenced their business confidence and ethics. This intersection between spirituality and commerce exemplifies the unique model of faith-driven financial empowerment observed at the Mahakumbh. Microfinance institutions operating in such contexts do not merely offer financial assistance; they also reinforce values of trust, community cooperation, and social responsibility, which underpin sustainable economic networks. The high satisfaction levels among participants (87% rating their experience positively) reflect not only effective event organization but also the broader success of inclusive economic participation made possible through accessible financial mechanisms.

In sum, the findings affirm that microfinance acts as both an economic catalyst and a vehicle of empowerment for small-scale entrepreneurs at the Maha Kumbh Mela 2025. By expanding access to credit, encouraging microsavings, and aligning financial services with faith-based social values, microfinance enhances resilience, promotes inclusive growth, and embeds economic vitality within a religious-cultural ecosystem. Strengthening such financial linkages can further transform sacred gatherings like the Mahakumbh into platforms for enduring socio-economic development at the grassroots level.

## REFERENCES

- ACCA Global. (2018). The role of angel investors in emerging markets.
- AG Horizon Pvt Ltd. (2025). Economic impact of mass religious gatherings in India.
- Cai, S., et al. (2023). Asset-based microfinance and its impact on long-term poverty alleviation. World Development.
- Dun & Bradstreet. (2025). Financial ecosystems and peak demand phases: A study of Maha Kumbh.
- Faster Capital. (2018). Preserving cultural heritage through micro-entrepreneurship.

- Hegeman, J. (2024). Angel financing and its role in event-driven commerce. *Journal of Business Venturing*.
- IJSSMR. (2023). Faith-based microfinance and social cohesion in religious festivals. *International Journal of Social Sciences and Management Review*.
- Kotak Securities. (2025). Economic stimulus and revenue projections for Maha Kumbh 2025.
- Ledgerwood, J., & White, V. (2017). *The new microfinance: Moving beyond credit to inclusive payment systems*. World Bank Publications.
- Otero, M. (1999). *The role of microfinance in the 21st century*. ACCION International.
- Panda, S., Panda, R. K., & Das, S. (2019). Microfinance and poverty alleviation in rural India: Structural challenges. *Journal of Rural Studies*.
- Rodriguez, M., & Siles, R. (2022). Crowdfunding as a tool for empowering vulnerable populations. *Journal of Financial Inclusion*.

