



CREDIT, CONFIDENCE, CHANGE: THE PRIME MINISTER STREET VENDOR'S ATMANIRBHAR NIDHI JOURNEY

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ABSTRACT

The PM SVANidhi (Prime Minister Street Vendor's AtmaNirbhar Nidhi) scheme represents a landmark shift in urban governance, moving from the marginalization of street vendors to their formal financial integration. Launched during the pandemic, the initiative follows a journey of Credit (access to capital), Confidence (socio-economic dignity), and Change (digital and systemic transformation). The PM SVANidhi scheme was launched by the Ministry of Housing and Urban Affairs (MoHUA) to provide a safety net for one of the most vulnerable sectors of the informal economy: street vendors. Traditionally reliant on high-interest informal moneylenders, these micro-entrepreneurs were transitioned into the formal banking system through a tiered, collateral-free credit model. The PM SVANidhi (Prime Minister Street Vendor's AtmaNirbhar Nidhi) scheme has transitioned from a COVID-19 relief measure to a permanent pillar of India's urban informal economy. As of early 2026, the scheme has been restructured and extended until March 31, 2030, with an expanded focus on digital credit and holistic welfare. As the scheme extends its reach toward 2030, it stands as a global benchmark for inclusive urban governance. PM SVANidhi has proven that when provided with the right tools Credit for capital, Confidence through social security, and Change via technology the humblest of street vendors can become a vital engine of India's AtmaNirbhar (Self-Reliant) journey.

KEYWORDS : Collateral-free, Micro credit, Urban governance, Financial literacy, AtmaNirbhar Bharat, Direct Benefit Transfer, Street Vendors, SVANidhi

INTRODUCTION

The PM SVANidhi (Prime Minister Street Vendor's AtmaNirbhar Nidhi) scheme is not just a financial program; it is a movement that has redefined urban governance in India. Launched during the peak of the pandemic in June 2020, the initiative has transitioned from a temporary relief measure into a permanent, structural pillar of the informal economy.

In the bustling lanes of India's cities, the street vendor has long been the unsung hero of the urban supply chain. Yet, for decades, these micro-entrepreneurs remained "invisible" to formal financial systems, often trapped in a cycle of high-interest debt from informal moneylenders. The launch of PM SVANidhi changed that narrative. As we move through 2026, the scheme has not only met its initial targets but has been restructured and extended until March 31, 2030, with a total outlay of 7,332 crore.

Historically, street vendors faced an impossible trinity in banking: they needed credit but lacked collateral, a credit score, and a formal address. PM SVANidhi shattered this by offering collateral-free working capital loans. As of early 2026, the scheme has disbursed over 96 lakh loans amounting to approximately 13,800 crore. With the recent restructuring, the first tranche has been increased to 15,000, followed by 25,000 and 50,000 tranches, creating a "credit ladder" that rewards repayment discipline.

Financial inclusion is only the first step; socio-economic dignity is the goal. Through the SVANidhi se Samridhhi initiative, the government has moved beyond the individual to the family, linking over 68 lakh unique vendors and their kin to eight central welfare schemes. This includes insurance (PMJJBY), pension (PMSYM), and health benefits. This saturation of welfare has provided a safety net that has boosted the confidence of vendors, with 45% of beneficiaries being women and 75% belonging to SC/ST/OBC categories, proving the scheme to be a powerful tool for social justice.

Perhaps the most visible impact is the digital revolution on the streets. PM SVANidhi has turned cash-heavy micro-businesses into UPI-enabled enterprises. Over 4.7 million vendors are now digitally active, having conducted more than 557 crore digital transactions. To further cement this change, the government recently introduced UPI-linked RuPay Credit

Cards for those in the third loan cycle, ensuring that the local thelewala has the same financial tools as any modern shopkeeper.

The SVANidhi journey is a story of turning "unbankable" individuals into reliable micro-entrepreneurs. With an average 20% increase in business income recorded by borrowers between 2023 and 2025, the scheme has proven that providing formal recognition is the surest way to foster a truly AtmaNirbhar (Self-Reliant) India.

Literature review

This literature review synthesizes recent academic studies, government impact assessments (2023–2026), and institutional research (SBI, ISB) to evaluate the PM SVANidhi journey.

Financial Integration Literature consistently identifies the credit ladder as the scheme's most innovative structural feature. Formalization of Credit: A 2023 SBI Research paper highlights that PM SVANidhi acts as a force multiplier for formalization. It found that 75% of beneficiaries come from non-general categories (44% OBC, 22% SC/ST), effectively dismantling traditional community blockades to credit. Repayment Studies from the Indian School of Business (ISB, 2025) indicate that the tiered loan structure encourages sustainable repayment. By 2025, 30% of borrowers had established formal credit histories for the first time, making them eligible for standard bank loans.

Empirical research in cities like Indore and Varanasi (2024–2025) reported a statistically significant improvement in vendor income, with ISB noting a 20% average increase in annualized business income among repeat borrowers.

Transaction Volume: As of early 2026, literature confirms that over 4.7 million vendors are digitally active. A Department of Financial Services (2026) report found that UPI is now the preferred mode for 57% of micro-transactions in urban markets, surpassing cash (38%) due to ease of use and the 1,200 annual cashback incentive.

The RuPay Revolution: Recent articles on the 2025 Restructuring emphasize the introduction of UPI-linked RuPay Credit Cards. This is noted by researchers as a game-changer

for providing instant liquidity without the need for fresh loan applications each time.

Welfare Convergence: Academic journals (e.g., SEEJPH, 2025) highlight that profiling vendors for 8 core schemes (like Ayushman Bharat and PMJJBY) has created a social safety net that was entirely absent pre-2020.

Gender Empowerment: Studies in North Chennai and Karnataka (2025) show that while awareness remains a challenge (only 31% awareness in some pockets), the scheme has been highly effective for women vendors, who make up 44–45% of total beneficiaries and show higher repayment rates than their male counterparts.

Prime Minister Street Vendor's Atma Nirbhar Nidhi (PM SVANidhi) Scheme

The scheme, which began in 2020 as a micro-credit support measure during the COVID-19 pandemic, has since evolved into a comprehensive program aimed at the holistic development of street vendors. By restructuring its loan framework, it now offers enhanced financial support across three tranches, ensuring vendors have reliable access to credit for both immediate needs and long-term business expansion. Beyond financial inclusion, the scheme emphasizes socio-economic upliftment, helping vendors and their families achieve sustainable livelihoods while contributing to the transformation of urban spaces into vibrant, self-sustaining ecosystems. A key innovation is the introduction of UPI-linked RuPay Credit Cards for timely loan repayments, providing instant credit access, alongside digital cashback incentives that encourage adoption of cashless transactions in both retail and wholesale markets. The program also invests in capacity building, offering training in entrepreneurship, financial literacy, digital skills, and marketing, while partnering with FSSAI to deliver hygiene and food safety training for street food vendors. This convergence of financial empowerment, skill development, and digital adoption has earned the scheme national recognition, including the Prime Minister's Award for Excellence in Public Administration (2023) and the Silver Award for Digital Transformation (2022), underscoring its role in driving inclusive growth and innovation.

Enhanced Loan Amount: First Tranche: Increased to 15,000 (from 10,000),

Second Tranche: Increased to 25,000 (from 20,000), Third Tranche: Fixed at 50,000

UPI-Linked RuPay Credit Card: Available to beneficiaries who repay the second loan on time, Provides instant access to credit for urgent business or personal needs, Digital Cashback Incentive.

Retail Transactions: Cashback up to 1,200 annually (100 per month cap), **Wholesale Purchases:** Cashback up to 400 annually (20 per transaction, capped at 100 per quarter for purchases above 2,000), Expanded Coverage Extends beyond statutory towns to census towns, peri-urban areas, and other regions in a phased manner.

Institutional role

The institutional role in the restructured street vendor scheme is central to its success, as it brings together multiple layers of governance, financial systems, and capacity-building agencies to create a supportive ecosystem. At the core, government institutions act as facilitators by designing policy frameworks, expanding coverage beyond statutory towns to census towns and peri-urban areas, and ensuring that the benefits reach the intended population in a graded and inclusive manner. Financial institutions, particularly banks

and digital payment providers, play a critical role in disbursing enhanced loans, enabling access to UPI-linked RuPay Credit Cards, and supporting digital transactions through cashback incentives. These mechanisms not only provide immediate liquidity but also integrate vendors into the formal financial system, strengthening financial inclusion.

Institutional convergence is equally important in building vendor capacity. Agencies collaborate to deliver training in entrepreneurship, financial literacy, digital skills, and marketing, thereby equipping vendors with tools for sustainable growth. Specialized institutions like the Food Safety and Standards Authority of India (FSSAI) contribute by conducting hygiene and food safety training for street food vendors, ensuring quality standards and consumer trust. Together, these institutional roles transform the scheme from a credit support initiative into a comprehensive development program that fosters livelihoods, strengthens urban economies, and drives digital empowerment.

The implementation of the PM SVANidhi scheme is designed as a collaborative effort between central and local institutions, ensuring that policy translates effectively into practice. At the national level, the Ministry of Housing and Urban Affairs (MoHUA) and the Department of Financial Services (DFS) share responsibility. MoHUA provides overall policy direction and coordination, while DFS facilitates access to loans and credit cards through banks and financial institutions, working closely with their ground-level functionaries. Although it is a Central Government initiative, its success depends heavily on partnerships with State governments, banks, and Urban Local Bodies (ULBs). States and ULBs are tasked with identifying eligible street vendors, assisting them in loan applications, and linking beneficiaries to other welfare schemes, thereby ensuring inclusivity and outreach. Banks, on the other hand, play a crucial role in smooth loan disbursement, timely processing of interest subsidies, and encouraging digital transactions among vendors. This multi-tiered institutional framework ensures that the scheme is not just a financial support program but a comprehensive empowerment initiative. By combining the strengths of central policy, state-level execution, and financial sector participation, the scheme creates opportunities, dignity, and sustainable livelihoods for street vendors across the country.

Scheme Progress

The PM SVANidhi (Prime Minister Street Vendor's AtmaNirbhar Nidhi) scheme has made significant progress in supporting street vendors across India. So far, more than 73 lakh vendors have registered under the program, and nearly 49 lakh have undergone socio-economic profiling, which also covers over one crore family members. Through this profiling, beneficiaries are being linked to other welfare schemes such as PM Suraksha Bima Yojana, PM Jeevan Jyoti Bima Yojana, PM Shram Yogi Maandhan Yojana, Jan Dhan Yojana, and the One Nation One Ration Card initiative. Recently, the Union Cabinet extended the lending period of the scheme until March 31, 2030, with a total financial outlay of 7,332 crore. This extension aims to benefit 1.15 crore street vendors, including 50 lakh new entrants. The scheme provides collateral-free working capital loans in progressive stages of 10,000, 20,000, and 50,000, encouraging vendors to build credit history and adopt digital transactions. Overall, PM SVANidhi is helping street vendors gain financial inclusion, access to formal credit, and opportunities to expand their businesses while promoting digital payment adoption.

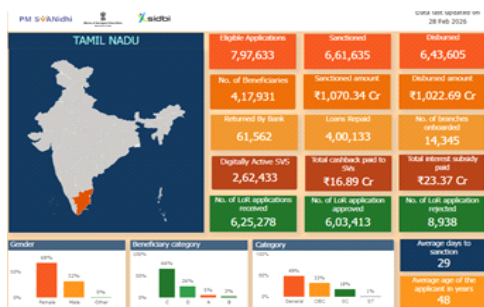
CONCLUSION

The extension of the PM SVANidhi Scheme represents a significant step toward inclusive urban development by strengthening the financial and social foundations of street vendors. Initially conceived as a micro-credit initiative, the

scheme now provides collateral-free bank loans that help vendors build credit histories and gain access to formal financial systems. By linking these loans with UPI-enabled digital payment platforms, the program encourages a shift from informal cash-based livelihoods to structured micro-entrepreneurship, enabling vendors to expand their businesses and operate with greater resilience. Beyond financial support, the scheme integrates social security and welfare linkages, reducing vulnerability and enhancing long-term livelihood security for vendors and their families. Its emphasis on digital inclusion, financial literacy, and capacity-building ensures that beneficiaries are not only financially empowered but also equipped with the skills needed to thrive in a modern economy. In this way, PM SVANidhi goes beyond credit provision to foster dignity, opportunity, and sustainability for one of the most vital segments of the urban informal economy.

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It is not just a financial inclusion program but a reflection of the Central Government's larger vision of building a resilient, self-reliant, and inclusive economy. By ensuring that even the most marginalized citizens street vendors who form the backbone of urban informal markets are integrated into formal systems of finance, digital payments, and social security, the scheme embodies the principle of equitable growth. It highlights the idea that development is meaningful only when every citizen, regardless of background or circumstance, has the opportunity to participate in and benefit from the nation's progress.



Source : <https://pmsvanidhi.mohua.gov.in/Home/PMSDashboard>

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