

**Antyodaya Reimagined: Deen Dayal Upadhyay's Vision in Modi's Policy Framework,
An Organically Integrated Approach**

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Abstract

The concept of Antyodaya, rooted in the philosophy of Pandit Deen Dayal Upadhyay, emphasizes the upliftment of the "last person in the queue" as the cornerstone of inclusive development. This paper explores how the Modi government has reimagined and operationalized Antyodaya within its policy framework, adopting an organically integrated approach to governance by analyzing flagship initiatives such as Pradhan Mantri Jan Dhan Yojana. The paper also examines the ideological continuity between Upadhyay's Integral Humanism and Modi's governance model, emphasizing the integration of economic and social dimensions to achieve holistic development. Through a critical lens, it evaluates this approach's successes, challenges, and long-term implications in addressing inequality, poverty, and exclusion. Ultimately, this study argues that the reimagined Antyodaya framework represents a transformative shift in India's development paradigm, offering valuable insights for policymakers.

Keywords: Inclusive Development, Modi Government, Pradhan Mantri Jan Dhan Yojana, Antyodaya, Integral Humanism

Introduction

At the heart of India's transformative journey lies the profound legacy of Pandit Deendayal Upadhyay, whose visionary ideals of Integral Humanism and Antyodaya have found renewed expression under Prime Minister Narendra Modi's leadership.¹ Once confined to philosophical discourse, these principles have now been reimagined as the cornerstone of a governance model that seeks to uplift the most marginalized while positioning India as a beacon of inclusive progress globally.² Integral Humanism, the philosophical cornerstone of Pandit Deendayal Upadhyay, offered a distinctly Indian vision for post-independence nation-building. At its heart, this ideology redefined development not as a mere economic metric but as a means to ensure every individual's holistic well-being and dignity.³ Upadhyay argued that India's cultural essence—its traditions, art, literature, and philosophy—was not just a relic of the past but the foundation of its national identity and unity.⁴ For him, cultural cohesion was inseparable from political and economic progress.

Upadhyay's vision was uncompromising in its focus on eradicating poverty and illiteracy as the first steps toward meaningful development. His organizational acumen and relentless dedication were instrumental in forming the Bharatiya Jana Sangh in 1951, the ideological

precursor to the modern Bharatiya Janata Party (BJP).⁵ Dr. Shyama Prasad Mukherjee, the party's founder, once quipped that "two Deendayals could revolutionize India's political destiny."⁶ However, Upadhyay's leadership was tragically cut short in 1968 when he was assassinated after serving just 44 days as the Jana Sangh's president, leaving behind an unfinished legacy.

Prime Minister Narendra Modi's governance model today seeks to breathe new life into Upadhyay's vision. The Modi administration has placed the empowerment of the most marginalized—Antyodaya—at the center of its policy framework. Over the past decade, initiatives such as Pradhan Mantri Jan Dhan Yojana have sought to translate Upadhyay's ideals into tangible outcomes. The government's motto, "Sabka Saath, Sabka Vikas," reflects this commitment to inclusive growth and collective effort.⁷

Dharma as the Moral Compass

At the heart of Integral Humanism lies the concept of Dharma, not as a religious dogma but as the moral and ethical foundation guiding the state and society. Unlike the rigid doctrine of statism, which centralizes power and authority, Deendayal Upadhyay envisioned a state that harmonizes individual liberty with collective social responsibility. His vision was neither authoritarian nor anarchic; instead, it sought to strike a delicate balance between a unitary constitutional framework and the decentralized execution of power.

Upadhyay's philosophy was deeply inclusive, advocating for policies that create a safety net for the marginalized—Daridra Narayana, or the "divine in the poor," as Swami Vivekananda described them—while rewarding merit and talent.⁸ This dual approach aimed to prevent the perennial conflict between the politically empowered poor majority and the economically dominant wealthy minority, a tension often exacerbated in democratic systems. By addressing the needs of the most disadvantaged while fostering excellence, Integral Humanism sought to create a society where every individual, regardless of their starting point, could thrive.

This vision of the state is inherently secular, not in the Western sense of separating religion from governance but in its commitment to universal welfare and justice. Upadhyay's emphasis on decentralization and local empowerment reflects a profound understanding of India's diversity and the need for inclusive and adaptive governance. In this framework, the state becomes not just a regulator but a facilitator of holistic development, ensuring that no one is left behind.

Deen Dayal's Vision of the Economy

The foundation of any economic system lies in its capacity to ensure that the fundamental necessities of human life—such as food, clothing, and shelter—are accessible to all. A self-sustaining economic model inherently acknowledges the necessity of guaranteeing work, as it fosters productivity and self-reliance. Conversely, a system that impedes people's ability to engage in productive activities is inherently counterproductive and unsustainable. Deendayal emphasizes that the goals of an economy must prioritize two key elements: ensuring a minimum standard of living for every individual and providing meaningful employment opportunities to all capable citizens. He asserts, "The economic system should strive to

guarantee work for every able-bodied member of society”. His advocacy for full employment stems from the belief that the productive utilization of human resources is essential for economic growth and enabling individuals to contribute meaningfully and with dignity to society. By integrating these principles, a financial system can achieve material prosperity and social equity. In his economic philosophy, Deendayal Upadhyaya emphasizes the significance of seven key elements, which he refers to as the seven Ms: man, material, money, management, motive power, market, and machine. He posits that these components form the essential pillars of a robust production system, enabling an economy to function self-sufficiently while addressing the needs of its people. Upadhyaya argues that India, being richly endowed with these seven elements, possesses the inherent capacity to fulfill the necessities of its population without disrupting the balance of human ecology. Central to his economic vision are the principles of *Swadeshi* (self-reliance) and decentralization. He asserts, “Man, as the highest creation of God, is gradually losing his sense of identity. It is imperative to restore him to his rightful place, awaken him to his potential, and inspire him to strive for the highest ideals of his existence. This can only be achieved through a decentralized economic framework”.

Upadhyaya’s approach underscores the importance of empowering individuals and communities, fostering self-reliance, and ensuring that economic systems align with human dignity and ecological sustainability. His vision advocates for an economy that is productive but also equitable and harmonious with nature, reflecting a deep commitment to human and environmental well-being.

PMJDY: Deendayal Upadhyaya’s Vision of Decentralized Economy

Deendayal Upadhyaya’s economic philosophy, rooted in decentralization and self-reliance, resonates with India’s contemporary emphasis on financial inclusion. While financial inclusion initiatives began over a century ago, it is only in the 21st century that they have gained significant attention through targeted public policies. The Rangarajan Committee (2008) defines financial inclusion as “the process of ensuring access to financial services and timely and adequate credit for vulnerable groups, such as weaker sections and low-income groups, at an affordable cost.”⁹ This aligns with Upadhyaya’s vision of empowering individuals and communities, particularly those at the economy’s margins. Financial inclusion can be seen as a movement to integrate low-income and disadvantaged groups into the formal banking and financial systems, providing them with essential services such as savings, credit, insurance, pensions, and remittances.¹⁰

Upadhyaya’s emphasis on decentralization and self-reliance underscores the importance of creating an inclusive economic framework that ensures equitable access to resources and opportunities. By bridging the gap between marginalized communities and financial services, financial inclusion fosters economic growth and upholds the principles of social justice and human dignity central to Upadhyaya’s vision. Thus, the modern push for financial inclusion can be viewed as a practical extension of his ideas, aiming to create a more equitable and self-sufficient economy.

The Pradhan Mantri Jan Dhan Yojana (PMJDY) is a flagship initiative introduced by Prime Minister Narendra Modi, which he highlighted during his Independence Day address. The

program's slogan, "*Mera Khata – Bhagya Vidhata*," symbolizes the idea that an individual's financial account can shape their destiny.¹¹ PMJDY represents a national mission to achieve comprehensive financial inclusion by ensuring that every household in the country has access to formal banking and financial services. This initiative adopts a holistic approach to integrating underserved populations into the financial system, promoting economic empowerment and self-reliance.

Outline of Pradhan Mantri Jan-Dhan Yojana (PMJDY)

The Pradhan Mantri Jan-Dhan Yojana (PMJDY), launched on August 15, 2014, is a transformative national initiative to achieve financial inclusion across India. Its primary objective is to provide affordable access to essential financial services, including banking and savings accounts, remittance facilities, credit, insurance, and pension schemes. The implementation of PMJDY was structured into two distinct phases.

The financial inclusion initiative, launched on 15th August 2014, was implemented in two phases to address the systemic gaps in access to formal financial services in India. The first phase prioritized universal access to banking facilities from 15th August 2014 to 14th August 2015. This phase introduced basic banking accounts designed for savings and remittance purposes, coupled with RuPay Debit cards that included an embedded accident insurance cover of ₹1 lakh. Concurrently, financial literacy programs were rolled out to enhance public understanding of banking systems and financial management, fostering a culture of informed financial decision-making.

The second phase, operational from 15th August 2015 to 15th August 2018, sought to deepen financial inclusion by expanding the financial services available to underserved populations. Key initiatives included the provision of an overdraft facility of up to ₹5,000, accessible after six months of consistent savings or a positive credit history. A Credit Guarantee Fund was established to mitigate risks associated with overdraft defaults. Additionally, micro-insurance products were introduced to provide affordable insurance coverage, while pension schemes such as Swavalamban were implemented to address the social security needs of the unorganized sector.

During the initial phase, a critical focus was extending coverage to households in geographically remote and challenging areas, including hilly and tribal regions. Efforts were also directed toward ensuring that all remaining adults and students within households were included in the banking network. The implementation strategy relied on optimizing existing banking infrastructure while expanding it to achieve universal coverage. This involved mobilizing the existing banking network to open accounts for unbanked households in rural and urban areas. Furthermore, the banking sector planned to deploy 50,000 additional Business Correspondents (BCs), establish over 7,000 new branches, and install more than 20,000 ATMs during the first phase.¹²

The initiative adopted a comprehensive approach to address the persistent issue of dormant accounts, which had previously resulted in operational inefficiencies and financial losses for banks without corresponding benefits to account holders. This included integrating all

government benefits, such as those under the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), into these accounts. The Direct Benefits Transfer (DBT) scheme, including the reintroduction of DBT for the LPG subsidy, was also emphasized to ensure the active utilization of accounts and to enhance the efficiency of welfare delivery mechanisms.¹³

The outcomes of this initiative underscore its significance in promoting financial inclusion and reducing economic disparities. By expanding access to formal financial services and integrating marginalized populations into the banking ecosystem, the initiative has contributed to more excellent financial stability and empowerment among underserved communities. Moreover, the emphasis on financial literacy and the provision of tailored financial products have played a pivotal role in fostering sustainable financial behavior and improving overall economic resilience.

The Six Pillars of Pradhan Mantri Jan Dhan Yojana (PMJDY)

1. Universal Access to Banking Facilities

PMJDY aims to ensure financial inclusion by providing universal access to banking services across India's 600,000 villages. These villages are mapped into "Sub-Service Areas" (SSAs), with each SSA catering to 1,000–1,500 households. Banking services are delivered through a combination of traditional bank branches and Bank Mitras (BMs), who act as banking correspondents. These BMs are equipped to handle transactions, ensuring that even remote and rural areas can access formal financial services.

2. Basic Banking Accounts with Overdraft and RuPay Debit Card

The initiative provides all adult citizens with zero-balance Basic Savings Bank Deposit Accounts (BSBDAs), starting with universal household coverage. Each account holder is issued a RuPay Debit Card, including an inbuilt accident insurance cover of ₹1 lakh. After six months of satisfactory account operation and credit history, account holders become eligible for an overdraft facility of up to ₹5,000. These accounts are linked to the Aadhaar number of the account holder, serving as a single point for receiving Direct Benefit Transfers (DBTs) from central, state, and local governments.

3. Financial Literacy Programs

PMJDY collaborates with the National Rural Livelihood Mission (NRLM) and the National Urban Livelihood Mission (NULM) to promote financial awareness. These programs aim to educate individuals on banking services, savings, and credit management, empowering them to make informed financial decisions.

4. Credit Guarantee Fund

A Credit Guarantee Fund was established to cover defaults in overdraft accounts. This mechanism reduces banks' risk, encouraging them to extend credit facilities to low-income households while ensuring financial stability.

5. Micro-Insurance Coverage

PMJDY provides account holders micro-insurance coverage of ₹1 lakh, offering financial protection against accidents. This initiative ensures that vulnerable populations can access affordable insurance, safeguarding them from unforeseen financial shocks.

6. Pension Schemes for the Unorganized Sector

The Swavalamban pension scheme targets workers in the unorganized sector, providing them with a structured savings mechanism for retirement. This initiative addresses the social security needs of informal workers, promoting long-term financial planning.

Complementary Social Security Schemes Linked to PMJDY

Atal Pension Yojana (APY)

The APY integrates beneficiaries into the National Pension System, offering monthly pensions ranging from ₹1,000 to ₹5,000 based on individual contributions. All transactions are processed through PMJDY-linked bank accounts, ensuring transparency and ease of access.

Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)

This life insurance scheme provides renewable annual coverage of ₹2 lakh in case of the policyholder's death. Premiums are automatically deducted from the beneficiary's savings account through an auto-debit facility, ensuring seamless transactions.

Pradhan Mantri Suraksha Bima Yojana (PMSBY)

PMSBY offers accidental death and disability coverage of ₹2 lakh and ₹1 lakh, respectively, at an annual premium of ₹12. Available to individuals aged 18–70, the premium is auto-debited from the beneficiary's savings account, making it an affordable and accessible insurance option.

Implementation Phases of PMJDY

The government prioritized the first three pillars—universal access to banking, basic accounts with RuPay cards, and financial literacy—during Phase I (15th August 2014 to 15th August 2015). The remaining pillars, including the Credit Guarantee Fund, micro-insurance, and pension schemes, were implemented in Phase II (15th August 2015 to 15th August 2018) (Services, 2014). PMJDY represents a transformative approach to financial inclusion, addressing systemic barriers and empowering marginalized populations. By integrating banking services with social security schemes, the initiative has significantly enhanced financial stability and access to welfare benefits for millions of Indians.

Challenges of Pradhan Mantri Jan-Dhan Yojana: A Critical Analysis

The Pradhan Mantri Jan-Dhan Yojana (PMJDY) is widely regarded as a transformative initiative to foster financial inclusion in India. The scheme seeks to empower rural populations by providing access to banking services, reducing dependency on informal money lenders, and enhancing household savings, which can be channeled into productive capital. Additionally, integrating bank accounts with Direct Benefit Transfer (DBT) has proven to be a significant advantage for low-income households, ensuring efficient delivery of subsidies and reducing leakages.¹⁴ Furthermore, the scheme has the potential to catalyze the growth of the micro-insurance sector, which currently reaches only 2% of the country's poor, representing a vast untapped market. Despite these benefits, PMJDY faces several challenges that must be addressed to ensure its long-term success.

Key Challenges of PMJDY

1. Issue of Multiple Accounts

One of the primary challenges of PMJDY is the problem of multiple accounts. Under the scheme, each account holder is entitled to an insurance cover of ₹1 lakh, with a maximum of ₹2 lakh per family. Additionally, an overdraft facility of ₹5,000 is provided after six months of satisfactory account operation. However, this has led to individuals opening multiple accounts across different banks using various identification documents, such as Aadhaar cards, PAN cards, and voter IDs. This practice undermines the scheme's objectives and creates administrative burdens for banks and the government as they struggle to manage and verify these accounts.

2. **Pressure on Cooperative (Sakaari) Banks-** Another significant challenge is the undue pressure on cooperative banks, particularly Sakaari banks, to meet enrollment targets. As the government is the majority stakeholder in these banks, chairpersons and board members often face political and administrative pressure to maximize account openings. This trickles down to bank employees, who must enroll as many accounts as possible, often at the cost of due diligence. Such practices can lead to inefficiencies, increased operational costs, and a rise in non-performing assets (NPAs) due to inadequate monitoring of account usage.

3. **Limited Financial Literacy-** While PMJDY has successfully brought millions of unbanked individuals into the formal financial system, the lack of financial literacy among beneficiaries remains a critical issue. Many account holders are unaware of the benefits and responsibilities associated with banking service underutilization or misuse of services, ultimately hindering the scheme's effectiveness, such as overdraft facilities and insurance coverage. This lack of awareness can result in

4. **Infrastructure and Accessibility Issues-** The lack of adequate banking infrastructure and internet connectivity poses a significant challenge in rural and remote areas. Many beneficiaries face difficulties accessing their accounts or utilizing digital banking services, which is essential for implementing PMJDY. This digital divide exacerbates existing inequalities and limits the scheme's reach.

5. Risk of Money Laundering and Hawala Operations

One of the most pressing concerns surrounding PMJDY is the potential misuse of accounts for illegal activities such as money laundering and Hawala transactions. Experts warn that Hawala operators could exploit the scheme by dividing large sums of money into smaller amounts and depositing them into multiple Jan-Dhan accounts. This would allow them to transfer funds internationally without attracting the attention of regulatory bodies like the Reserve Bank of India (RBI) or the Enforcement Directorate (ED). Such misuse undermines the financial system's integrity and poses a significant risk to national security.¹⁵

6. Tight Timelines and Operational Pressure on Banks

The ambitious timeline of PMJDY has placed immense pressure on banks to deliver results quickly. For instance, the target of opening 150 million bank accounts for an estimated 75 million unbanked households is a monumental task. Additionally, banks are expected to provide overdraft facilities of up to ₹75,000 crore within four years, which further strains their resources. Meeting these targets while maintaining service quality and ensuring due diligence is a significant challenge for the banking sector.

7. Issues with Business Correspondents (BCs)

PMJDY relies heavily on Business Correspondents (BCs) to extend banking services to remote areas. However, the BC model has faced criticism due to its financial non-viability. Currently, BCs receive a 2% transaction fee for their services, which many argue is insufficient to sustain their operations. Various committees have recommended increasing this fee to 5% to make the model more viable. Without addressing these concerns, the effectiveness of BCs in driving financial inclusion remains questionable.

8. Lack of Emphasis on Financial Literacy- While PMJDY has successfully opened millions of bank accounts, the lack of financial literacy among beneficiaries remains a significant hurdle. According to the 2011 Census, 144.8 million households had access to banking services, yet many lacked the knowledge to utilize these services effectively. Financial inclusion is not just about opening accounts but also about empowering individuals to make informed financial decisions. Without proper education on savings, credit, and insurance, the scheme risks creating dormant accounts that fail to improve the economic well-being of beneficiaries.

9. Inadequate Expansion of Bank Branches- To achieve universal financial inclusion, the RBI identified 490,000 unbanked villages and assigned them to various banks for coverage within three years (2013–2016). However, by 2013, only 7,459 new branches had been opened, far short of the estimated requirement of 80,000 additional rural branches (RBI, 2013). This slow pace of expansion highlights the challenges banks face in scaling their operations to meet the demands of PMJDY.

10. Infrastructural Challenges- The successful implementation of PMJDY depends heavily on the availability of robust infrastructure, including bank branches, broadband connectivity, and reliable electricity supply in rural areas. Banks must recruit and train many rural cadres staff and BCs to serve these regions effectively. Additionally, integrating BC outlets with base bank branches and ensuring seamless ICT-based transactions require significant investment in infrastructure. The scheme's reach and impact will remain limited without addressing these gaps.

The Pradhan Mantri Jan-Dhan Yojana is a visionary initiative with the potential to transform India's financial landscape. However, its success hinges on addressing critical challenges such as the risk of misuse, operational pressures on banks, the viability of BCs, and the need for financial literacy and infrastructure development. By adopting a holistic approach that prioritizes education, transparency, and infrastructure, the government can ensure that PMJDY fulfills its promise of inclusive growth.

Conclusion

The Pradhan Mantri Jan-Dhan Yojana (PMJDY) stands as a monumental initiative in India's quest for universal financial inclusion, embodying the principles of Integral Humanism and Antyodaya championed by Pandit Deendayal Upadhyay. The scheme has empowered millions of marginalized individuals by providing access to formal banking services, reducing their reliance on informal money lenders, and fostering a culture of savings and financial independence. Direct Benefit Transfers (DBT) integration has further streamlined the delivery of subsidies, minimized leakages, and ensured that welfare benefits reach their intended recipients. Moreover, PMJDY has catalyzed the growth of the micro-insurance sector, offering financial protection to vulnerable populations and creating a robust foundation for inclusive economic growth.

However, the journey toward achieving the full potential of PMJDY is fraught with challenges. The risk of misuse, such as money laundering and Hawala operations, poses a significant threat to the financial system's integrity. The ambitious timelines and operational pressures on banks, particularly cooperative and rural banks, have strained resources and compromised due diligence. The reliance on Business Correspondents (BCs) remains a double-edged sword, as their financial viability and effectiveness are hindered by inadequate transaction fees and infrastructural limitations. Furthermore, beneficiaries' lack of financial literacy undermines the scheme's objectives, as many account holders remain unaware of the benefits and responsibilities associated with formal banking services.

Infrastructural gaps, including the slow expansion of bank branches and inadequate connectivity in rural areas, further exacerbate these challenges. The digital divide, coupled with the absence of reliable electricity and broadband services, limits the reach and effectiveness of PMJDY in remote regions. Addressing these issues requires a multifaceted approach that prioritizes financial education, transparency, and investment in infrastructure. Enhancing the viability of BCs, expanding rural banking networks, and leveraging technology to bridge the digital divide are critical steps toward ensuring the scheme's long-term success.

In conclusion, PMJDY represents a transformative vision for financial inclusion in India, rooted in empowerment, equity, and self-reliance. While the scheme has made significant strides in integrating marginalized populations into the formal financial system, its success hinges on addressing the systemic challenges that hinder its full potential. By adopting a holistic approach that combines policy innovation, infrastructural development, and financial literacy, the government can ensure that PMJDY fulfills its promise of inclusive growth and becomes a cornerstone of India's socio-economic transformation. As Pandit Deendayal

Upadhyay envisioned, actual development lies in uplifting the last person in the queue, and PMJDY is a vital step toward realizing that vision.

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