

## SOCIAL AND EDUCATIONAL CONTRIBUTION OF MAHATMA JYOTIRAO PHULE

□ Dadasaheb B. Suryawanshi\*

### ABSTRACT

Jyotirao Govindrao Phule (1827-1890) from Maharashtra is also known as Mahatma Jyotiba Phule in the history of India. He was a social reformer, thinker and social activist of the 19th century in India. His remarkable movement against prevailing caste discrimination in Indian society was an impetus in making the new laws of modern Indian society. He led the revolution against the domination of the Brahmins and stood for the rights of lower caste people and for the peasants. Jyotiba Phule was the first who encouraged girl's education and fought for this cause throughout his life. Mahatma Phule was a pioneer in the field of women's education and established first school for women in Pune (Maharashtra). This prominent social activist is also believed to be the first to start an infanticide prevention centre, where pregnant women could safely give birth and care for infants. Today our nation is celebrating 192nd birth anniversary of Mahatma Phule. Let's take a look at his social and girls education work, which has made him Mahatma in Indian history.

**Keywords:** Mahatma Jyotiba Phule, Reformer, Women's education

#### Introduction

Mahatma Jyotiba Phule laid the foundation of the mass movement for justice, equality and liberation of the people of lower strata in modern India. He was the first person to create a strong ideological and social movement for the total independence of peasants, laborers and untouchables the Shudras, Ati-shudras and women in the country. His solutions to the problems facing Indian society were comprehensive and revolutionary. Addressing social, cultural, religious and economic issues and emphasizing the spread of education, he sought to bring about a fundamental change in society. The main obstacle to his transformation, he concluded, was the Brahminical (caste) system.

Unlike many of his contemporaries who were content with tweaking the Brahminical system, Phule's approach was direct, as he attacked Brahmins and other upper castes, terming them as hypocrites. His goal was holistic change in the system. He propagated the transformational ideology and had the courage to practice it.

No other social reformer or a leader in 19th and 20th century could match Phule in practicing what he preached. That is why Dr. Babasaheb Ambedkar considered Phule as his Guru in addition to Kabir and Buddha. Dr. Ambedkar, in one of the speeches, remarked about the importance of Mahatma Phule's thoughts and said, "Let's others go where they will. We will follow the path of Jyotiba. We may or may not take Marx with us, but we will certainly not abandon Jyotiba's philosophy."

Jyotirao Phule established the first girl's school in August 1848. Later, he also opened the two more schools for girls and lower castes, *Mahars* and *Mangs*. He worked hard to eradicate untouchability and the caste system and also put major efforts to educate women and people from lower castes. In September 1873, he formed the Satyashodhak Samaj for equal rights of peasants and lower castes. He supported widow remarriage and opposed child marriage. According to him, social inequalities can only be eradicated through education of women and lower castes. He introduced the word „Dalit“ for the depiction of oppressed masses, particularly people of lower castes, often placed outside the traditional

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Varna system.

He is remembered as the champion of women's education in India. He, along with his wife Savitribai Phule, opened the first school for girls in 1848, where his wife herself started teaching students. He dedicated his life for the upliftment of downtrodden, eradication of untouchability and strived for the equal rights for all. He extensively worked towards the causes of women and campaigned for widow re-marriage and opposed child marriages. He also worked for the abolishment of untouchability and caste system. On the occasion of celebrating Phule-Ambedkar anniversary week, here are some lesser known facts about the activist, thinker, social reformer and theologian from Maharashtra.

- Jyotirao Phule was born on April 11, 1827 in the village Katgun, Taluka Khatav of Satara District, Maharashtra. His mother Chimmabai died when he was just nine months old.
- Born in the cast, *Mali* i.e. gardeners and vegetables farmers family and since his family business was of florists, he was taken out of school after primary education to work in the family business. However, he later resumed his studies and finished education through Scottish Missionary School (Pune) in 1847.
- He was married at the age of 13 to Savitribai. The couple together opened a school for girls education in 1848. Later, they also started schools for children from Dalit castes of *Mahar* and *Mang*.
- The turning point in his life came when he attended the wedding of one of his upper caste friend. There he was insulted by relatives of the bridegroom over his social background. He left the wedding hurt, vowing to challenge the ills of the caste system.
- In 1873, he formed Satyashodhak Samaj with the aim of liberating *Bahujanas* and *Shudras* (Lower castes) protecting them from exploitation and atrocities and achieving equal status for them in the society.



Jyotirao Phule dedicated his book „*Gulamgiri*(Slavery)“ to the African-American movement to end slavery. He is credited with introducing the Marathi word „Dalit“ for depicting those people who were outside the traditional caste system.

### Conclusion:

Jyotirao Phule was a social reformer, thinker and social activist of the 19th century India. Hailing from Mali i.e. gardeners' community, his movement against the caste discrimination in Indian society was a push in making new laws in modern India. He was the person who led revolution against domination of Brahmins. He was a pioneer in Women's education and established first school for women in Pune in 1848. Not only that, he encouraged his wife, Savitribai Phule for education and also encouraged her to teach at the school that he established for women. He later also opened the two more schools for girls and lower castes, *Mahars* and *Mangs*. He is remembered as the champion of women's education in India.

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## BHOODAN MOVEMENT IN WARDHA DISTRICT OF MAHARASHTRA

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### ABSTRACT

There were many problems in independent India such as poverty, unemployment, social and economic disparity. Removing this disparity was the only way to give the complete benefit of freedom to people of India. This could be achieved through the distribution of wealth and land equally among people. Instead of distributing this land under force, in a violent communist way, Vinoba Bhave, who hailed from Wardha district, started Bhoodan Movement during the period 1951 to 1970, which was a non-violent revolution. It was envisaged in this movement that the persons having more land could spare some of their land and donate the same to marginal and landless persons. This movement was a success in Wardha district and could secure 14,369 from 3,860 persons as donation. However, the second phase affected this movement due to emergence of Gramdan Movement around the same time.

**Keywords:** Independent India, Vinoba Bhave, Non-violent revolution

#### Introduction

Bhoodan Movement in Wardha District of Maharashtra, People of India, fought against the British Rule under the leadership of Mahatma Gandhi, through non-violence and non-cooperation and as a result, India secured freedom from the British Rule on 15th August, 1947. Pandit Jawaharlal Nehru became the First Prime Minister of Independent India. At the time of his taking charge as the Prime Minister, there were many problems before Independent India, such as poverty, unemployment, social and economic disparity among the people of India. It was a big challenge for Pandit Nehru and the Government of India to overcome them. Removing this social and economical disparity and bring equality among the people of India was the only solution whereby the complete benefit of freedom could be extended to the people of India. But for this purpose, distributing wealth and land equally among the people was the only solution? The Communist Movement prevailing then in India was trying to do this. But they were attempting that through violence and aggressiveness.

But this Communist way was a great shock to the idea of Non-Violence propagated by Mahatma Gandhi. However, the Communist Movement also later accepted the Bhoodan Movement started by Acharya Vinoba Bhave as an effective solution, which was a non-violent process to bring equality and was further reformed as the movement progressed.

There have been many movements in the history of India which were religious, social, economic and so on and some of them were of specific purpose. But in modern India, post-independence, the Bhoodan Movement was only the movement that aimed at bringing social and economic change. Hence it has a special importance and its impact was clearly seen on politics and also on socio-economic field.

Acharya Vinoba Bhave tried successfully to solve this dotting and important issue through his Bhoodan Movement. The response to his Bhoodan Movement from the people of India came from all levels. His Bhoodan Movement was a step towards land revolution i.e. getting the land for landless and

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marginal people and brought a change at social, economic and religious level. This movement started effectively from his Karmabhoomi i.e. Wardha district of Maharashtra and the inspiration behind this movement was the universal upliftment or Sarvodaya.

Inspired by the Bhoodan Movement of Acharya Vinoba Bhave in Wardha district during the period from 1951 to 1970, this research work was undertaken. Due to establishment of Sevagram Ashram by Mahatma Gandhi, the Wardha district had become a sacred place i.e. Non Violent capital of India. During the period of independence movement, many important decisions about the freedom movement were taken in this sacred place. Wardha district being the centre of the national movement of Bhoodan, also shows the respect to the father of the nation, Mahatma Gandhi and also the work of Acharya Vinoba Bhave. The concept of Sarvodaya or universal upliftment emerged in Wardha district was based on the life of Mahatma Gandhi. Sarvodaya gives an impression that upliftment of all without exploitation of anyone. Economic and social disparity was the primary reason of social violence. So, it can be eradicated by educating people and changing their opinion. This thought of social equality was undertaken through Sarvodaya program. In Sarvodaya Program, Bhoodan will be the solution to the problem of landlessness. That is the reason Acharya Vinoba Bhave began the Bhoodan Movement. Vinoba's concept behind this Bhoodan Movement was if a landowners give some portion of their land to landless people for their livelihood, then there will be no dispute between landowners and landless persons. This could lead to Non Violent revolution in India by defeating violent Samyavad.

Since Wardha district was the Karmabhoomi of Acharya Vinoba Bhave, the Bhoodan Movement received tremendous response from the people in the district and the movement progressed smoothly. During the period 1951 to 1970, under the Bhoodan Movement in Wardha district, 19, 655 acres of land was received through Bhoodan. Considering the progress of Bhoodan Movement throughout Maharashtra, among the district-wise percentage of the land received, Yavatmal district was the first and Wardha was second. Hence it can be

observed, the Bhoodan Movement spread on a large scale in Wardha district. This was also due to the large scale influence of the leaders working for the movement.

#### **Conclusion:**

During the first phase of the Bhoodan Movement, in Wardha district, 3860 persons had donated 14,369 acres of land. Out of this, 1,230 acres of land out of 7,436 acres was distributed to landless persons. Wardha was the second largest district in Maharashtra state, as per the data available then. At the same time, 4,058 persons participated in Sangatyatra. They had also donated Rs. 25,000/-. Not only that, as many as 15 persons had announced to dedicate their lives for the Bhoodan Movement. In terms of wealth and standard of life, Wardha was the number one district in Maharashtra.

However, during the first phase, there was a slight decrease in the agricultural land. Further, even after active participation of Vinoba Bhave, till 1969, there were not 100/200 acres land available for Bhoodan. During this period, Gramdan Movement had also started and was successful in Wardha district. That impacted Bhoodan Movement and it failed to some extent.

Thus, it appears that during this period, the Bhoodan activists had concentrated on the distribution of land received in Bhoodan, instead of securing land in Bhoodan. It could be concluded, Wardha district, during second phase of the Bhoodan movement, was a period of failure for land donation.

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## PAIKA REBELLION: FIRST WAR OF INDEPENDENCE

□ Dadasaheb B. Suryawanshi\*

### ABSTRACT

Paika rebellion of 1817 is an armed revolt against the British by the Paika of Khurda in Odisha. The rebellion took form and shape under the leadership of Buxi Jagabandhu Bidyadhara. Lord Jagnatha was portrayed as a symbol of Odia unity during the revolt. Despite the fact that it was a brutal insurrection prior to the renowned Revolt of 1857, which challenged British supremacy in India, it did not garner widespread support. The Prime minister Narendra Modi honoured and congratulated the descendants of families connected with the revolt on the 200 anniversary of the rebellion.

**Keyword:** British, Paika rebellion, Leadership

#### Introduction:

When the British started thinking with the revenue system in 1803, the farming community of Odisha rose in rebellion. At that critical juncture, Bakshi Jagabandhu Bidyadhara, the military chief of the king of Khurda led his motley army of Paikas forcing the British East India Company force to retreat. The rebellion came to be known as Paika Bidroh (Paika Rebellion).

“Paika” literally translates to warrior/fightee in Odiya. “Paika Akhada”, their style of fighting can be traced back to ancient Kalinga and was patronized by king Kharwela, Paikas of Odisha were the landed militia who were involved in performing policing functions for the Gajapati rulers. They also acted as warriors to help the king during wars. They are divided into:

1. Praharis - experts in fighting with swords.
2. Banuas - excellent marksmen using matchlocks.
3. Dhenkias – the archers in the battlefield.

The kingdom of Khurda had granted them rent-free land for the military services that they offered to the kingdom.

#### Paika Rebellion-Reasons of Paika Revolt

Soon after taking over Odisha from the Marathas in 1803, the British started to introduce a system of administration that angered the King of Khurda, Mukunda Deva II. His planned revolt in collaboration with the Paikas was soon discovered by the British and he was torn apart. They then usurped all the land from the Paikas under the deposed King's estate. Besides, many other activities of the British like the introduction of a new currency system, oppression of the Paikas in the hands of the officials of the company, ban on making salt from seawater gave rise to widespread dissatisfaction and hatred against the British. In 1817, a strong group of 400 Khonds from Ghumusar marched to Khorda and declared their intentions to free Khorda and Ghumusar from the British rule. The group was joined by the Paikas of Khurda as well.

#### The Narrative of Paika Rebellion, 1817:

Paikas were traditional militia under Gajapati rulers of Odisha. They used to perform policing functions and owned rent-free land that was given them for their military service to Kingdom of Khurda. However, they were forcefully usurped their land rendering them landless by the policies of British East

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India Company. They were also subjected to repressive land revenue polices and humiliations by the British. At the critical juncture, Bakshi Jagabandhu Bidyadhar, the military chief of King of Khurda led army of Paiks forcing the East India Company (British) forces to retreat in 1817. During the rebellion, Paiks had attacked British symbols of power, setting ablaze police stations, administrative offices and treasury during their march towards Khurda, from where British fled. They were supported by local Rajas of Kujang, Kanika, Nayagarh and Ghumusar and Zamindars, village heads and ordinary peasants. The British were initially taken aback and then tried to regain lost ground from the rebelling Paikas.

Many a battle ensued with some victories to the rebellion Paikas but the British finally managed to defeat them within three months' widespread suppression followed with killing and imprisonment of many Paiks. Some Paik rebels fought a guerilla war till 1819 but were captured and killed Baxi Jagbandhu was finally arrested in 1825 and died in captivity in 1829.

### Paika Rebellion – Implications and Consequences

The result of the Pika Rebellion was disheartening as the rebels involved were awarded sentences of death, long-term imprisonment. A commission was appointed by the British officials to enquire into the rebellion. There were severe uprisings post this Paika rebellion initiated by people from Kandha & Koi region. The major issue that prevailed post the Paika rebellion was the revenue policy which

didn't undergo any change.

The rebellion projected Lord Jagannath as the symbol of Odiya unity. Though this was a bloody rebellion prior to the famous Revolt of 1857 that challenged British Supremacy in India, it did not gain much popularity. On the event of the 200th anniversary of the rebellion, the descendants of families associated with the rebellion were recognized and felicitated by the Prime Minister.

### Conclusion:

The Paika revolt of 1817 was a remarkable chapter not only in the history of modern Odisha but also in the history of the anti-colonial struggle in India. It occurred soon after the British occupation of the province in 1803 and projected the great tradition of defiance and resistance to the colonial rule in India. If the great revolt of 1857 was the culmination of a Century-long tradition of Civil revolts, the Paika revolt of 1817 was a precursor to the revolt of 1857. It could be seen as a miniscule of Revolt of 1857. At present, Paika Bidroh (Rebellion) enjoys a cult status in Odisha but unfortunately it has received less attention at the national level.

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**Keywords:** Mahatma Jyotiba Phule, Reformer, Women's education

#### Introduction

Mahatma Jyotiba Phule laid the foundation of the mass movement for justice, equality and liberation of the people of lower strata in modern India. He was the first person to create a strong ideological and social movement for the total independence of peasants, laborers and untouchables the Shudras, Ati-shudras and women in the country. His solutions to the problems facing Indian society were comprehensive and revolutionary. Addressing social, cultural, religious and economic issues and emphasizing the spread of education, he sought to bring about a fundamental change in society. The main obstacle to his transformation, he concluded, was the Brahminical (caste) system.

Unlike many of his contemporaries who were content with tweaking the Brahminical system, Phule's approach was direct, as he attacked Brahmins and other upper castes, terming them as hypocrites. His goal was holistic change in the system. He propagated the transformational ideology and had the courage to practice it.

No other social reformer or a leader in 19th and 20th century could match Phule in practicing what he preached. That is why Dr. Babasaheb Ambedkar considered Phule as his Guru in addition to Kabir and Buddha. Dr. Ambedkar, in one of the speeches, remarked about the importance of Mahatma Phule's thoughts and said, "Let's others go where they will. We will follow the path of Jyotiba. We may or may not take Marx with us, but we will certainly not abandon Jyotiba's philosophy."

Jyotirao Phule established the first girl's school in August 1848. Later, he also opened the two more schools for girls and lower castes, *Mahars* and *Mangs*. He worked hard to eradicate untouchability and the caste system and also put major efforts to educate women and people from lower castes. In September 1873, he formed the Satyashodhak Samaj for equal rights of peasants and lower castes. He supported widow remarriage and opposed child marriage. According to him, social inequalities can only be eradicated through education of women and lower castes. He introduced the word „Dalit“ for the depiction of oppressed masses, particularly people of lower castes, often placed outside the traditional

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He is remembered as the champion of women's education in India. He, along with his wife Savitribai Phule, opened the first school for girls in 1848, where his wife herself started teaching students. He dedicated his life for the upliftment of downtrodden, eradication of untouchability and strived for the equal rights for all. He extensively worked towards the causes of women and campaigned for widow remarriage and opposed child marriages. He also worked for the abolishment of untouchability and caste system. On the occasion of celebrating Phule-Ambedkar anniversary week, here are some lesser known facts about the activist, thinker, social reformer and theologian from Maharashtra.

- Jyotirao Phule was born on April 11, 1827 in the village Katgun, Taluka Khatav of Satara District, Maharashtra. His mother Chinnabai died when he was just nine months old.
- Born in the cast, *Mali* i.e. gardeners and vegetables farmers family and since his family business was of florists, he was taken out of school after primary education to work in the family business. However, he later resumed his studies and finished education through Scottish Missionary School (Pune) in 1847.
- He was married at the age of 13 to Savitribai. The couple together opened a school for girls education in 1848. Later, they also started schools for children from Dalit castes of *Mahar* and *Mang*.
- The turning point in his life came when he attended the wedding of one of his upper caste friend. There he was insulted by relatives of the bridegroom over his social background. He left the wedding hurt, vowing to challenge the ills of the caste system.
- In 1873, he formed Satyashodhak Samaj with the aim of liberating *Bahujanas* and *Shudras* (Lower castes) protecting them from exploitation and atrocities and achieving equal status for them in the society.



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## Dr. Babasaheb Ambedkar's Concept of Political Democracy and Political Ideology

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**Abstract** :- Dr. Ambedkar was a major philosopher, a thorough democrat who chaired the committee of drafting Indian Constitution. He contended that democracy is of no value, and rather would a misfit, if there was no social democracy, that involves attitude of mind, attitude of respect and equality toward their fellows. He asserted that Democracy was not a form of a government, but a form of social organization. Dr. Ambedkar's political philosophy was based on mediating between liberal and communication tradition of the West. He proposed the democratic, humanistic and rationalistic religion such as Buddhism. He propagated ideal moral community based on equality.

**Introduction** :- Dr. Babasaheb Ambedkar had emerged as a major political philosopher with the rise of Dalit movement in contemporary period. There have been several attempts to understand Ambedkar and his philosophy, yet confusion prevails due to diverse, and sometimes, contradictory theoretical assessment by the thinkers, who played major role in the assessment of Ambedkar. The social perception of scholars and their subjective view played a major role in the assessment and quite often the opinions of scholars evoke an extreme reaction, which either elevates or demeans Ambedkar. Though Ambedkar had a great influence on Indian politics from the national movements he participated or led, till eighties, there has not been much academic debate on Ambedkar. The knowledgeable communities and centres of power either ignored him or deliberately marginalized him as a thinker and social scientist. Ambedkar is hardly mentioned in the contemporary philosophy discourses of India. This exclusion of Ambedkar has to be understood with the implicit politics of

the contemporary writers on Indian philosophy. However, very interestingly, the masses or underprivileged communities of Indian society bring him into the forefront. It may not be an exaggeration to state that there is not a single major village in the country without the statue of Ambedkar. He is the most celebrated symbol of the contemporary period. Due to Dalit communities' symbolic association with Ambedkar on a mass scale, political parties and academics, right from conservationist to radicals are forced to look at Ambedkar. The celebration of Ambedkar has the undercurrent of failure of Indian democracy to reach the majority people of this nation and his assertion to these ignored communities. In other words, Ambedkar's philosophy, his political ideology is a search towards the theories of social reconstruction of Indian society.

**A Thorough Democrat** :- Though Ambedkar headed the committee that drafted the Constitution of democratic republic of India, he was never satisfied with the democracy which came to be established in India. In his opinion, "A democratic form of government presupposes a democratic form of society. The formal framework of democracy is of no value and would indeed be a misfit, if there was no social democracy. It may not be necessary for a democratic society to be marked by unity, by community of purpose, by loyalty to public ends and by mutuality of sympathy. But it does unmistakably involve two things. The first is an attitude of mind and attitude of respect and equality towards their fellows. The second is social organization free from rigid social barriers. Democracy is incompatible and inconsistent with isolation and exclusiveness resulting in the distinction between the privileged and the unprivileged." "Democracy is not a form of

government but a form social organization," he asserted.

He further elaborated, "what we must do is not to content ourselves with a mere political democracy. We must make but our political democracy, a social democracy as well, as political democracy cannot be lost unless there is at a base of it, a social democracy." Ambedkar underlined the limitation of formal law and the Constitution. The prevalent view is that once the rights are enacted in law, then they are safeguarded. This again is an unwarranted assumption. As experience proves, a right is protected not by law, but by social and moral conscience. This conscience is such that when it is prepared to recognize the rights which law proposes to enact, rights will be safe and secure. But if the fundamental rights are opposed by the community, no law, no parliament, no judiciary can guarantee them in the real sense of the world. What is the use of fundamental rights to the untouchables in India? If I find the Constitution being misused, I shall be the first to burn it," he declared.

Ambedkar also had certain premonitions about the rise of authoritative forces in India, which is coming true before our eyes. "On the 26<sup>th</sup> January, 1950, we are going to enter into a life of contradictions. In politics, we will have equality. In social and economic life, we will have inequality. In politics, we will be recognizing the principle of one-man-one vote and one vote –one value. In our social and economic life, we shall, by reason of our social and economic structure, continue to deny the principle of one-man-one-value. How long we shall continue to live this life of contradictions? How long shall we continue to deny equality in our social and economic life? If we continue to deny it for long, we will do so only by putting our political democracy in peril".

In his last days, Ambedkar raised a note of warning. "The point is that India once lost independence she had. Will she lose it a second time? It is this thought which makes me most anxious for the future. What perturbs me greatly is

that fact that not only India has once before lost her independence, but she lost it by infidelity and treachery of some of her own people.....will history repeat itself? It is this thought which brings me anxiety. Will Indians place the country above their creed or creed above their country? I do not know."

**Conclusion :-** Though Ambedkar was nurtured in the liberal tradition, he makes a difference from it. On many issues, he differs from the liberal thinkers like Nehru. While embracing Buddhist religion, he seems to be conservative, but it is clearly evidenced that he is not conservative by his attack on Gandhi and the Hindu social order. At certain points, he seems to be radical (Marxist). But throughout his life, he maintains his differences with Marxist thought, particularly in understanding Indian society. However, the primary concern for Ambedkar is liberation of Dalits, the people of the lower strata of Indian society. He approached any political tradition from this point only. This has implications in providing the principles of reconstruction of Indian society. In other words, one feels that Ambedkar's political demands have a whole new language and the existing political language falls short in assessing or understanding his philosophy.

Moreover, Ambedkar's political ideology(philosophy) has a great potential in mediating between liberal and communication tradition of the west. He connects the individuals and the community based on morality. He proposes the democratic, humanistic and rationalistic religion, such as Buddhism, which is a source for morality and associate living. When Ambedkar criticizes Hindu community for its oppressive nature, he does with the standard of individual liberty and freedom. When he is talking about suffering of individual members of Dalit community, he is projecting an ideal moral community based on equality, liberty and fraternity. So it is not correct to call Ambedkar as either fierce individualist or a strong communitarian.



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## Crypto Currency Revolution: It's Impact as well as Legal Status in India and Worldwide

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**Abstract:-** From traditional times, financial assets have always gained importance in people's personal as well as professional lives. However, due to the industrialization and advancement of technology, digital currencies have gained the upper hand over financial assets. Among various options, cryptocurrency is the one that has become tremendous popular in altering the financial status of both individuals and corporates. As on May 2021, cryptocurrency market has grown from \$ 923 million to \$ 6.6 billion. That itself speaks the volume and clout of cryptocurrency.

Cryptocurrency falls under the umbrella term called DeFi i.e. decentralised finance and is a form of decentralised digital currency that trusts cryptography for secure financial transactions and control of new unit creation. It operates through Blockchain technology system that is decentralised and transparent, where all the transactions are recorded in a transparent ledger.

**Keywords:-** Government, legality, RBI, Crypto currency, Global, decentralized, block chain.

**Introduction:-** The concept of cryptocurrency was invented and shared with the world by Satoshi Nakamoto, a pseudonym in the year 2008 through a white paper titled, "Bitcoin: A Peer to Peer Electronic Cash System" on the internet. The first cryptocurrency called Bitcoin came into existence in 2009. The concept was born out of desire for decentralised and secure financial transactions. The primary idea behind introducing this cryptocurrency or digital currency was to eliminate third party from electronic transaction and let the sender and receiver to have control over these transactions. Due to its decentralization, transparency, cheaper transaction fees, faster transactions, and global accessibility, it is a desired alternative to traditional currencies.

As mentioned above, Bitcoin is the most popular

cryptocurrency around the world. However, currently there are around 9,000 different cryptocurrencies floating around the world and few of them are Ethereum, Tether, Dogecoin, Solana etc. etc.

Cryptocurrency is a type of digital currency that is encrypted and operates on a decentralized network system through blockchain technology. The blockchain technology works as a distributed ledger system that has all the records of every user stored in code. The mode of operation distinguishes cryptocurrencies from other types of online transactions.

At present, cryptocurrencies are legal financial assets, but they are not yet recognised as legal tender, with the exception of El Salvador.

Understanding and considering cryptocurrencies is critical with a growing reliance on the virtual interface that is an ever-increasing phenomenon. The debate over cryptocurrency as the future currency has already gained traction and that emphasizes its significance.

Block chain technology, a public ledger that monitors all transactions that have ever occurred within the network and is accessible to all the users. As a result, everyone on the network has access to every account's balance. Every transaction is a file that contains the sender's and recipients' public keys (wallet addresses) and the number of coins transferred. The sender must also sign the transaction with their private key, which is unique to every user. All of this is just basic cryptography. Finally, the transaction is broadcasted inside the community; however, it needs be confirmed.

Cryptocurrencies, such as bitcoins, can and are used in various ways, including purchasing goods, investing, mining, conducting business transactions, and so on. Because of the industry's rapid growth, governments and other stakeholders worldwide are paying closer attention.

Cryptocurrencies are becoming increasingly popular. Worldwide, law enforcement agencies, tax authorities, and legal regulators are attempting to comprehend the concept of cryptocurrencies and where they fit within existing regulations and legal frameworks.

**Scepticism revolving around cryptocurrency:-** Cryptocurrency has been a controversial topic ever since its invention. It has been widely criticised for its volatility, and its impact on the environment and is even referred to as a 'Ponzi scheme' by top economists. It is also feared for the role it can play that will enable money laundering since it has no government control over it. It may also facilitate funding of terrorist activities around the world. Increasing cybercrimes is also a reason for this scepticism. Though cryptocurrency transactions are secure, the cyber space is not immune to exploitation of cryptocurrency.

However, there are benefits of this cryptocurrency. Recently world has observed the utility of cryptocurrency in the midst of Russia-Ukraine war and the people from around the world have given support to Ukraine by way donations in cryptocurrency. Ukraine's Deputy Digital Transformation Minister have confirmed that Ukraine has received around \$100 million in donation through cryptocurrency.

The concern about cryptocurrency revolve around two main issues. 1) Regulatory environment: How this cryptocurrency could be regulated for the purpose of accepting it as a legal tender and also for tax purposes. 2) Potential adoptions: How the people and organisation in each of the countries around the world will accept cryptocurrency and its accessibility to public in general.

**Crypto Currency: Legal Status in India as well as Worldwide :-** Except for El Salvador, where cryptocurrency has been legalised for everyday transactions, no other country in the world has officially legalised cryptocurrency as a legal tender. Listed below are the various countries as regards the cryptocurrency scenarios in each of them.

**Algeria:-** In 2018, Algeria passed a financial law

making all crypto transactions illegal. This includes holding and trading any digital assets. Any violation of the law is subjected to an offence and is punishable.

**Bolivia :-** In 2014, Bolivia made crypto illegal. The Bolivian Central Bank issued a direction that banned crypto, instead of rug pull cases and scams which cost investors a fortune. According to the Bolivian government, cryptocurrencies should not be trusted as an investment.

**China :-** China's central bank in September 2021, made all cryptocurrency-related transactions illegal and put a blanket ban, sending the strongest signal yet of its determination to crack down on the industry.

All cryptocurrencies, including Bitcoin and Tether, are not fiat currency and cannot be circulated on the market, the People's Bank of China said on its website. "All crypto-related transactions, including services provided by offshore exchanges to domestic residents, are illicit financial activities," the PBOC said in the statement.

**Cuba :-** Cuba is the latest country to authorise and regulate cryptocurrencies like Bitcoin.

**Egypt :-** Egypt has classified cryptocurrencies such as Bitcoin as prohibited under Islamic law. Dar al-Ifta, the country's primary Islamic advisory body, issued a religious decree in 2018. The country tightened banking laws in September 2020 to prevent trading or promoting crypto without a Central Bank licence.

**European Union :-** The European Union has not made the usage of crypto legal or illegal. It recognises Bitcoin and other digital assets as 'crypto-assets'.

Meanwhile, European Union (EU) lawmakers are tightening rules on cryptocurrency transfer, in the view of the rising use of crypto-assets for money laundering. According to Reuters, the new proposal will make it mandatory for cryptocurrency companies such as exchanges operating across the EU to obtain, hold, and

submit information on any of their users involved in any transfers. The proposals aim to extend the anti-money laundering requirement (AML), a rule already applicable in the conventional payment space. This would make it necessary for crypto exchanges to report to the authorities if any transaction above EUR 1,000 (\$1100) takes place.

**Indonesia :-** In 2018, Indonesia's central bank issued new regulations banning the use of cryptocurrencies, including Bitcoin, as a means of payment.

**Iran :-** The crypto industry in Iran is not regulated, the Central Bank of Iran (CBI) in April 2021 authorized domestic banks and money exchangers to use locally and licensed mined cryptocurrencies to pay for imports to the sanctioned nation. The country has a very 'love-hate' relationship with crypto. Iran announced a four-month ban on the energy-consuming mining of cryptocurrencies such as Bitcoin after cities suffered unplanned outages due to massive crypto-mining operations held in the country. Notably, around 4.5 per cent of the world's Bitcoin mining takes place in Iran, which, according to blockchain analytics firm Elliptic.

**Russia :-** In January 2022, Russia's central bank proposed banning the use and mining of cryptocurrencies on Russian territory, citing threats to financial stability, citizens' well-being and its monetary policy sovereignty. The move is the latest in a global cryptocurrency crackdown as governments from Asia to the United States worry that privately operated and highly volatile digital currencies could undermine their control of financial and monetary systems. Russia has argued for years against cryptocurrencies, saying they could be used in money laundering or to finance terrorism. However, Russia's leaders are using cryptocurrency to bypass the sanctions imposed by the US and its allies after Russia's invasion of Ukraine, said Blockchain analytics firm Elliptic. The research firm has tracked down a Russian crypto wallet which has 'significant asset holdings'.

**Turkey :-** In April 2021, the Central Bank of the Republic of Turkey issued a regulation banning the

use of cryptocurrencies in every form— directly or indirectly.

Lately cryptocurrency has also been adopted at the institutional level and it is reported that Tesla Corporation is purchasing Bitcoin for its treasury. Not only that there is a craze for NFT or Non Fungible Tokens and it has become a significant trend in crypto space enabling artists, musicians and creators to tokenize and sell their digital works and has fetched millions of dollars for them.

While there are various contentious issues in this new form of digital currency, the popularity gained by cryptocurrency during the past few years have compelled the governments around the world to take cognisance of the cryptocurrency as to how to bring it into main financial system.

India has also decided to introduce a digital currency as declared in the budget 2022-2023. However, things are still in nascent stage.

The author in this paper is attempting to highlight various aspects surrounding the cryptocurrency and what the future lies ahead for cryptocurrency in India.

**India :-** As per the 2021 Global Crypto Adoption index issued by Chainalysis, which is a company specializing in block chain analysis, the world has witnessed an 880% jump in crypto adoption since its invention. The Indian crypto market also has seen a growth of 641% in a year. Clearly, the crypto market world over is showing great potential and is emerging rapidly. It seems to be a promising industry for India too.

In India, in April 2018, India's central bank, Reserve Bank of India banned crypto assets and directed banks to stop any transaction related to virtual currency i.e. cryptocurrency. This ban was challenged in Supreme Court by The Internet and Mobile Association of India (IAMAI). Supreme Court declared the said ban as unconstitutional, terming it as in interference with article 19(1)(g) of the Constitution, that guarantees every citizen of India the freedom to practice any legitimate profession for a living.

It is inarguable that the era of information and communication technology has produced several promising potentials. The financial and

commercial sectors are among those that benefit from the growing online ecosystem. The rise in internet users has inspired the creation of virtual world concepts, resulting in new commercial phenomena. As a result, new trading models, transaction systems, and currency alternatives have emerged.

Out of these, one of the most divisive fiscal mediums to emerge is crypto currency. Cryptocurrency refers to any non-fiat currency that can be used in a variety of financial transactions, virtual or physical. Cryptocurrencies are intangible assets that are purportedly used in a variety of applications and networks, including peer-to-peer networks, virtual worlds, online social networks, and online games.

Though India's conservative stance on crypto currency remains firm, the Indian Finance Minister, while presenting the budget for year financial year 2022-2023 have announced the introduction of Digital Rupee, also known as Central Bank Digital Currency (CBDC) during the said financial year. However, no such introduction has taken place till date, but it could come sooner or later.

This step on the part of Indian Government underlines the importance of Cryptocurrency. With its vast population and growing economy, India is set to play a significant role in shaping the future of cryptocurrency. However, the regulatory scenario has been uncertain and fluid at this time and that has caused both, excitement and apprehension among cryptocurrency enthusiasts.

During a recent interview, the Indian Finance Minister, Mrs. Nirmala Sitharaman clarified that since the cryptocurrency is not issued by a centralised authority, it does not have an intrinsic value that makes currency acceptable as a medium of exchange. That makes cryptocurrency an asset and not a currency.

In the meantime, the finance minister also stated that the tax rate on revenue from virtual digital assets will be a flat 30%, with a 1% tax deduction at the source.

The Ministry of Corporate Affairs also amended Schedule III of the Companies Act. It

specifies how businesses must prepare their balance sheets and income statements for submission to the government. It demands that Indian enterprises record the profit or loss on crypto currency transactions, the amount of currency on hand at the time of reporting, and any deposits or advances received from third parties for trading or investing in cryptocurrencies. The Indian government has made it clear these are not signs that crypto is legitimate.

As such, there are no clear regulations as on date governing cryptocurrencies in India. For now, crypto currency use is neither forbidden nor regulated. Individuals and businesses can own, invest in, and use crypto currencies as long as they follow all applicable regulations. India's stance on cryptocurrencies will become clear once the contents of the draft bill "The Cryptocurrency and Regulation of Official Digital Currency Bill, 2021" are made public.

Before the measure becomes public, four legal and regulatory concerns exist in the current paradigm. They are as follows:

- Taxation Scenarios
- Anti-Money Laundering Concerns
- Cross-Border Transactions
- Securities & Exchange Board of India ["SEBI"] Regulations

**Taxation Scenarios :-** Until now, crypto currencies have not been classified as either goods or asset classes. Profits and earnings from the sale of cryptocurrencies, on the other hand, are subject to income tax, because software is considered a "good" and can be taxed as such under Indian law. Similarly, the sale of any capital asset, in this case, cryptocurrency, would result in capital gains tax. This is determined by looking at the holding duration, trading frequency, holding size, and accounting treatment.

Although there is a category for residual commodities in the Tariff Schedule for Goods, there is currently no category for virtual currencies. As a result, virtual currencies may fall within the category of residuals. Goods supplied in the course or furtherance of business are taxed under the Goods & Services Tax ["GST"] system.

Due to the multiplicity of virtual currencies and the unique nature of each transaction, decisions about the application of GST must be made on an individual basis. Those who sell items in the course of their business and are required to register for GST must add GST on invoices.

Furthermore, GST is levied on services offered in connection with the sale and purchase of virtual currency. When someone sells virtual currency for enjoyment without discrimination, there should be no GST consequences. The sale of previously held virtual money as an investment should not result in GST liability.

There is also the issue of international bitcoin transactions and the connection between withholding tax and double taxation treaties. Unresolved legal difficulties include how to efficiently tax the sale of cryptocurrencies globally due to the movement of cryptocurrency tokens between wallets, exchanges, and across international borders.

**Anti-Money Laundering Concerns :-** Regulators frequently struggle to track virtual currency transactions due to their anonymity. Although wallet IDs are stored on the blockchain system, they are impossible to correlate with specific individuals. Since regulators are unable to track the flow of money that could be used for money laundering, the concept of sending anything valuable over the internet, while avoiding the conventional framework for financial surveillance is a cause of worry. This money laundering could also be directed to funding of terrorist activities unknown to Government authorities

Know Your Customer ["KYC"] and Anti-Money Laundering ["AML"] regulations are currently established in several distinct legislations and RBI guidelines. These restrictions, however, do not specifically apply to businesses that use virtual currency.

**Cross-Border Transactions :-** If Indian nationals send virtual money outside of India in exchange for services or goods provided by a non-resident business, the Foreign Exchange Management Regulations 2015 and the Master Directions on Export of Goods and Services are likely to apply.

These export restrictions, among other things, provide that only authorized banking channels may be utilized to receive the entire number of exports and that only an authorized bank may be used to offset import payments against export receivables. As a result, a cross-border exchange would be disallowed.

As a result, Indian nationals who carry virtual currencies across borders – without first receiving fiat cash through recognized banking channels – may be in breach of the Export Regulations.

**SEBI Regulations :-** The SEBI Investment Advisers Regulation 2013 and the SEBI Portfolio Managers Regulation 2019 govern investment advisors and fund managers in India.

Despite the absence of a specific ban on managing and advising on crypto assets in the aforementioned regulations, SEBI has made public the list of commodities in which managers and advisers are entitled to trade. As a result, any investment counsellors or fund managers providing virtual currency services in India do so in their capacity rather than as SEBI-authorized managers or advisers.

However, beginning with the current fiscal year, the Companies Act Amendment will require Indian investment advising firms and wealth management firms to disclose their holdings and ownership of cryptocurrencies and venture capital firms to the Indian government. Individual advisers and fund managers may be unaffected.

**Impact of Crypto Currency :-**

**Tax Regime :-** Another reason that has attracted the eye of regulators is the monetary elements of cryptocurrencies. Legal characterization of cryptocurrencies is essential to figure out their tax consequences. The critical difference is whether or not cryptocurrency is a commodity (capital asset including stock) or foreign money. Cryptocurrency transactions are difficult to tax like another asset or foreign money. Cryptocurrency transactions may also attract capital gains tax, profits tax, transaction tax, and wealth tax. Even if cryptocurrency transactions are void and illegal,

the tax regulation is empowered to recover taxes on such transactions. In March 2014, the Internal Revenue Service of the United States ruled that Bitcoin may be treated as a property for tax purposes. India may be guided by this ruling. Rather than foreign money, Bitcoin functions as a medium of exchange, a unit of account, and a store of value and operates in some environments like actual foreign money. This way, Bitcoin may have difficulty with capital gains tax.

**Consumer Protection :-** Cryptocurrency transactions are based on confidence in equal equality, promoters, and system transactions. In addition to this, other laws that may be relevant are consumer protection law, contract law, money laundering laws, intellectual property law, and banking laws. Various estimates show that cryptocurrency-related crime is rising, keeping pace with the rapidly growing market. It forces investigators to focus on high-profile cases, says security professionals and officials, leaving small investors to fend for themselves.

**Conclusion :-** Based on the inferences that can derive from this research paper, the current reality revolving around cryptocurrency is clear that there is a lack of clarity in India concerning cryptocurrency legislation. A well-structured cryptocurrency regulation about crypto trading exchanges, blockchain technology, investors, and those engaged in such a sector is urgently needed, and enacting such law requires increased attention. Banning global virtual money, which has impacted many countries, is not the ideal choice for our country's development. To maintain investors', trust and the general public in the emerging nation, the government must take meaningful steps toward regulating cryptocurrencies.

Considering all the recent developments in virtual currencies and the involvement of a large number of people in all such transactions, it definitely makes way for a lot of uncertainty and ambiguity relating to the laws of cryptocurrency. The only way through which the procedure can be regulated is by passing strong legislation that can monitor all the matters regarding the purchase

and sale of virtual currencies, especially cryptocurrency. The legislation will certainly take time to frame the laws and set it up efficiently, but it will definitely be worth it.

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