INTRODUCTION
CHAPTER I

INTRODUCTION

India’s rural population is estimated to be 740.2 million is the second largest in the world. With a rapid increase in the population the country finds that bulk of it is added in the rural area. A consequence of it is the continuing expansion of labour force. Inadequate growth of employment opportunities leaves the major part of the labour force with agriculture for their livelihood and most of them remain under-employed. Growing unemployment and under-employment has emerged as one of the major and disconcerting economic and social problems of the country.

A way out is transfer a part of the labour force dependent on agriculture— with a very low—if not zero or negative — marginal — productivity out of agriculture. However, the problem is not that simple because growth of employment opportunities in the secondary and tertiary sectors is inadequate and the cost of transfer of the uneducated and unskilled workers is very large. Therefore, the traditional outlet for the surplus labour in agriculture

has been khadi, village and cottage industries\(^3\). They are labour-intensive requiring small addition to the skill of the workers and small investments. Among the cottage industries, hand loom and beedi-making are the major sources of rural employment.

Beedi rolling is one of the relatively most well researched industry in terms of the conditions of work and health condition of its direct and indirect work force\(^4\). Beedi manufacture in India employs more than 2.5 million workers, 90 percent of them being women. About half a million of these workers work collectively in sheds and the rest in their own homes. The women's earnings from beedi-making constitute roughly 40 percent of the total income of most of the household. Indeed, for windows and women headed families, beedi-making provides a convenient means of survival\(^5\).

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5. Ibid,p.21
1.2 Unorganised Sector

Unorganised sector has always formed a major part not only of the national economy but also presumably organised urban settlements. The informal sector is capable of generating higher employment and more equitable process of economic growth than formal or organised sector\(^6\).

Informed sector is an effective instrument of equitable growth of income and employment. It refers to the form of economic activity where the organisation is characterized by absence of a formal structure. The unorganised sector may be defined as one of the many economic and productive activities, which is contractual, unorganised and diverse as well as informal nature. It is primarily labour intensive and less rewarding to workers in comparison to their efforts put in production.

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Unorganised sector as very small scale units producing and distributing goods and services, and consisting largely of independent, self employed producers, and consisting largely of independent, self employed producers, employ family or a for hired workers, which operate with little capital or none at all which operate at a low level of productivity, utilize a low level of technology and skills and which provide very low and irregular incomes and highly unstable employment to those who work in it. They are unregistered, unrecorded in official statistics, they tend to have little access to organised markets.

1.3 Types of Unorganised Sector

The vast majority of the work force including agricultural labourers, construction laboures and labourers in traditional industries including leather tanning. Handloom, fishing, forestry, salt making and village artisans, who fall under the general categories of the unorganised sector. The National Commission on Self Employment Women and Women in these Informal Sector use the following categories of home based workers like had loom, handicrafts garments, venders and hawkers, beedi workers, construction workers, domestic workers and factory piece rate workers.

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1.4 Growth and Structure of Unorganised Workers

Informal sector plays a vital role in a developing country like India. Inspite of vigorous efforts taken by the planners to modernise the economy, much of the growth is only on the Informal Sector. Table 1.1 gives an idea of the growth and structure of unorganised and percentage share of unorganised sector over a period.

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</thead>
<tbody>
<tr>
<td>1. Agriculture and allied activities</td>
<td>1.39</td>
<td>236.11</td>
<td>237.61</td>
<td>99.42</td>
</tr>
<tr>
<td>2. Mining and quarrying</td>
<td>1.01</td>
<td>1.25</td>
<td>2.25</td>
<td>55.31</td>
</tr>
<tr>
<td>3. Manufacturing including repair services</td>
<td>6.79</td>
<td>37.27</td>
<td>44.02</td>
<td>84.67</td>
</tr>
<tr>
<td>4. Electricity, gas and water</td>
<td>1.00</td>
<td>0.05</td>
<td>1.05</td>
<td>4.76</td>
</tr>
<tr>
<td>6. Trade, Hotels and restaurants</td>
<td>1.18</td>
<td>16.41</td>
<td>17.59</td>
<td>93.29</td>
</tr>
<tr>
<td>7. Transport, Storage and Communication</td>
<td>0.49</td>
<td>40.77</td>
<td>41.26</td>
<td>98.81</td>
</tr>
<tr>
<td>8. Financial Services</td>
<td>3.15</td>
<td>11.59</td>
<td>14.74</td>
<td>78.63</td>
</tr>
<tr>
<td>9. Community, Social and Personal Services</td>
<td>11.49</td>
<td>21.95</td>
<td>33.44</td>
<td>65.64</td>
</tr>
<tr>
<td>10. All Sectors (Total)</td>
<td>28.11</td>
<td>368.89</td>
<td>397.00</td>
<td>92.92</td>
</tr>
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Table 1.1 gives data on the number of workers and the shares of unorganised workers by sectors on an all India basis. Around 93 percent of the workers belonged to the unorganised sector in the year 1999-2000. It is clear that even in the manufacturing sector, more than 80 percent of the total workers, belonged to the unorganised sector. Similarly the services sector also has a high share of unorganised workers.

1.5 Women and Unorganised Sector

During the period of acceleration in industrialisation and urbanisation the most expensive economic opportunities for women were in service employment. Despite the increasing significance of women professionals among all service workers, the women working in low paying and lower productivity jobs remained for more numerous. According to an estimate of the National Commission on Self-employment of Women, 96 percent of the total female work force operate in the unorganised sector. Table 1.2 gives the picture of female employment in the unorganized sector.
### Table 1.2

*Estimated Female Employment in Unorganised Sector* 1981-2001 (in millions)

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Male</td>
<td>159.2</td>
<td>203.4</td>
<td>252.5</td>
</tr>
<tr>
<td></td>
<td>(88.88)</td>
<td>(89.8)</td>
<td>(91.7)</td>
</tr>
<tr>
<td>Female</td>
<td>59.9</td>
<td>85.8</td>
<td>122.1</td>
</tr>
<tr>
<td></td>
<td>(95.6)</td>
<td>(95.8)</td>
<td>(96.1)</td>
</tr>
<tr>
<td>Total</td>
<td>219.1</td>
<td>290.2</td>
<td>374.6</td>
</tr>
<tr>
<td></td>
<td>(90.6)</td>
<td>(91.5)</td>
<td>(93.5)</td>
</tr>
</tbody>
</table>

*Source: Economic Survey, 2001-2002*

Recent surveys reveal increasing share of women workers in Unorganised Labour Market. The rapid increase in the share of unorganised women continued due to consolidation as revealed by the increasing size of the sector. During 1981-2001 the number of women workers has grown faster than that of men. In India more women are found in unorganised sector.

The two broad categories in the unorganised sector in which women workers are concentrated are

2. Self-employed
The first category covers a wider range of activities in which construction work, beedi making and domestic services are prominent. Women employed in self-employment occupations are varied in nature. These women are found in retail trade of various products ranging from natural produced product and undertaking self – employment.

1.6 Beedi Workers in India

Beedi manufacturing is one of the traditional and largely home-based industries in India. It is highly labour intensive and engaged about 4.4 million workers. Of them, nearly two-thirds are women and 1 percent children. If those engaged in tendu leaf collection were included, the number of workers dependent on beedi industry would be much higher. Beedi rolling began in the organized sector during the early 20th century but gradually shifted to the unorganised sector consisting of households small unincorporated units and work sheds. At present, hardly 10 percent of beedi manufacturing takes place in the organized sector. Moreover, the bulk of the production takes place through sub contracting system.

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The wage rates for rolling 1000 beedies in the leading States like kerala, Karnataka, Ahdhra Pradesh and Tamil Nadu in the beedi industries is Rs.36, Rs.49, Rs.32 and Rs.30 respectively. With their small income they become bread winners. Most beedi workers were paid much below this minimum wage rate fixed by the Government. Some times even less than half the rate.

The Government of India has appointed many Commissions and Committees since the early years of this century to study the problems of beedi workers in 1931, 1944, 1954 and 1965-66. Regarding this the Government of India enacted a number of legislative measures to regulate the working conditions and to provide welfare schemes to the beedi workers and their families.

In 1996, the Beedi and Cigar Workers Act was passed by the Central Government. The Act decrees that 89% of the wages to be paid to the Beedi workers as leave wages. Moreover, the act makes the provisions of the Payment of Bonus Act applicable to beedi workers. Apart from that, maintenance of registers and log books, provisions of provident fund were also enforced by this Act 1966\textsuperscript{11}.

\textsuperscript{11} George Gomez, "of Beedi workers and Big Business", Fronties, Vol.28, No.43, 1996, p.13
After which, there were a number of welfare schemes introduced by the Government of India through beedi companies for upliftment of Beedi Workers Community. But all of them have not been materialised so far by beedi companies.

1.7 Beedi Industry in Tamil Nadu

The beedi industry in Tamil Nadu remains largely concentrated in the districts of Chennai, Chengalpattu, North Arcot, Tiruchirapalli and Tirunelveli and in relatively small numbers in Dharmapuri, Chidambaranar and Kanyakumari districts. In Tirunelveli district, Melappalayam area of Tirunelveli town and Mukkudal in the rural Ambasamudram Taluk are the oldest centers of the beedi industry. In the district today, the system of making beedis in the factories or workshops is totally non-existent instead, the system of manufacturing beedis through contractors and subcontractors employing home-based workers is the one prevalent. Unlike many other States such as Kerala or even Madhya Pradesh and Maharashtra, in Tirunelveli there is no co-existence of the workshop system and the system of subcontracting out to home-based workers. Apart from this, Tirunelveli was considered conductive by entrepreneurs from neighbouring countries. The beedi manufacturing companies possess the trademark to manufacture and sell beedis. At present
there carry out their production through contractors and subcontractors. At present there are more than 40 such trade mark holding companies and around 1,100 contractors and subcontractors operating in Tirunelveli.

By employing a system of production using contractors, the beedi companies are able to gain tremendous profits with very little inputs in terms of infrastructure and comprehensive benefits to labour. These profit making features of the beedi manufacturers are hardly evident in the interface between the contractors and subcontractors, and the workers. It is at this latter level that manipulation by the employers becomes visible.

In the system of contracting out the production, there are essentially two stains. One, where the trade mark holding company provides raw material to contractors, who in turn issue the tobacco and thedu leaves to the workers at the village level and collect the finished product and deliver it to the company. The shops managed by the contractors at the village are known as ‘company Shops’ in the second from, the company provides the raw material to a main contractor, who in turn hands over the raw material to the numerous subcontractors who maintain links with the workers issuing them raw material and collecting the finished product from them. In this from the trade mark
holding company is also called the principal manufacturing, while the subcontractors are also referred to as commission agents.\(^\text{12}\)

**1.8 Women Beedi Workers in Kanyakumari District.**

Kanyakumari District is small in terms of geographical area. Moreover, it is one of the agricultural based district as 35% of people of the district are doing farming. However, there is no agro-based industrial unit so ever, due to thus. There is no major resources in respect of occupation in the district. It is needless to say that most of the people in the district are highly educated. Inspite of this, they are forced to do some or other irrelevant jobs to their education in the district to alleviate poverty in their home.

There are so many occupations being taken up by people of the district. Among them are rolling of beedi, weaving of dolls, mats, baskets, coir making, etc. Women in Kanyakumari district play an important role in beedi making among other occupations. It is observed in the district that the beedi workers are only women community.

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As far as Beedi workers in Kanyakumari District are concerned there is no existence of beedi manufacturing company in it. But it all depends on the beedi manufacturing companies located in the nearest Tirunelveli District. These companies carry out their production through contractors and subcontractors fixed by the trade mark holding companies of Tirunelveli District who collect beedies rolled in the allotted centers in Kanyakumari District.

1.9 Beedi-making in Agasteeswaram Blcok

Agasteeswaram block is one of the blocks of Agreeswaram taluk. Beedi making is an important occupation of most of the family in this block. Even though there are no manufacturing centres, beedi-making is being done at homes. The agents are fixed by the principal employer of beedi-manufacturing industry. The agents in turn, supply the raw materials to the workers who return the finished beedies to the concerned agents.

The agents do their business of issuing raw materials like beedi leaves (or tendu leaves), beedi tobacco dust (particle) and bundling materials and of getting the finished beedies back once or twice a week. This business is done in rented houses by the agents coming from in and around Agasteeswaram Block.
There are several places where the rolled beedies are being collected by contractors or subcontractors.

Here in Agasteeswaram block, beedi collecting centers are found in different important places like Pooviyur, Vellaiyan thoppu, Karumpattur, Agasteeswaram, Chithan Kudiyiruppu, Samy Thoppu, and Palkulam. In the centers, the agents of Beedi companies like Seyadu, Mohan, Rokini, Chokalal and No.10. The agents collect the beedi rolled and make an entry of total number of beedies rolled in their register books and in workers handbooks as well. The payment for beedi-making is given to the workers once in two weeks only according to the number of beedies rolled by them. Bonus is also provided with the workers who have pass books, during festival seasons especially Deepavali in order to encourage beedi-making.

1.10 Problems faced by Beedi Workers in Agasteeswaram Block

Beedi workers in the Block especially women aged between 25 and 50 suffer a lot due to bad health conditions. Generally, back pain is common among the women beedi workers, who also face swelling of fingers and legs.

During the 1980s, Several Acts were passed to protect the beedi workers from different form of exploitation. In addition, the Government has
implemented several schemes such as pension, bonus, scholarships for the children, maternity benefits over the period. But only a very low proportion of beedi workers have availed the benefit of bonus and scholarship for their children. As per the survey, 99% of women were unaware of other various welfare schemes in the block. As per the study, many respondents get bonus benefit on Deepavali festival only. Very few respondents conformed that they received scholarship for their children. The beedi workers are exploited by supplying with damaged or low quality of raw materials and expecting high quality of finished product from Beedi workers.

As far as the wage for Beedi workers are concerned, the wage for rolling 1000 beedies is Rs.58. but in the year 2000 the Government fixed the minimum wage at Rs.64.20 for 1000 beedies. However there is no heavy loss in terms of wage fixation. But in the aspect of welfare schemes, the Beedi workers suffer a lot devoid of all welfare schemes offered by companies to Beedi workers.

1.11 Importance of Beedi Industry

As a poor man’s substitute for cigarette, beedi is widely sold in both urban and rural areas. Though the industry is predominantly a cottage industry, there is a wide network of big industries which clandestinely control the entire
production. other industry which employs so many workers and demands so little of resources as beedi manufacture\textsuperscript{13}.

The significant features of the beedi industry are employment of large number of women and children, requirement of only simple skills. Even children can learn the skills by simple observation, adoption of labour intensive processes with little use of machinery and tools and a little infrastructure requirement. There is perhaps no Some of the rural industries (spinning, weaving and flouring mills) have encountered strong competition from technologically more advanced urban intervention; Beedi making, on the other hand, is not subject to competition from modern urban industry and has been no marked tendency for it to move into either small or large towns. It is, therefore an industry which not only exists in rural areas but does so in urban areas without any outside support\textsuperscript{14}.

Raw materials are procured locally and the beedi industry does not require import of machinery or technology from outside. There are export possibilities resulting from growing interest in beedi smoking in some western countries (perhaps due partly to some medical findings that beedies are less harmful than cigarettes). Above all, the industry helps to a large extent in:

a) supplementing the income of rural household in the regions in which it is concentrated;

b) providing employment to women who would otherwise be restricted to their household duties and

c) raising their economic and social status.

The process of beedi-making is highly labour-intensive and it is a skilled job. The tools used are a pair of common scissors to cut tendu leaves, a card board cut-out for giving the beedies the right shape and size, and a simple wooden fork for folding in the two ends of the rolled beidis\(^\text{15}\).

Beedi making is one of the growing industries in India especially in the states. Tirunelveli kattabomman district is one of the important centers of beedi manufacturing in India.

\(^{15}\) Ibid, P. 157
1.12 Working Conditions

About 90 percent of beedi workers are women working in factories or homes, and their vulnerability for exploitation resulting from the way the industry is organised is a subject much debated. Most of the work is carried out in homes, or in premises that cannot be described as factories, and there is no formal employer-employee relationship between the manufacturing firms and the workers. Informal organization has both advantages and problems. A majority of the beedi workers belong to a lower socio-economic group. The occupational stresses associated with long hours of work, continuous sitting work posture, exposure to tobacco and poor physical working conditions, are superimposed on the handicaps of poor socio-economic and nutritional status\(^{16}\).

A survey by the International Labour Organisation, estimated that, about $450 million (Rs.340 crores) worth of beedies are produced annually, but only about $160 million go to the beedi workers as wages. Nevertheless, beedi-making is an important source of income for the poorer households, because.

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women's earnings from beedi-making constitute on an average, as much as 45.5 percent of the total income of the sample households. This indicates the levels of poverty\textsuperscript{17}.

Taking the poverty line for the rural population as Rs.5/- per capital per month, 75 percent of the workers interviewed in the Allahabad district in Uttar pradesh, were below the poverty line. This is a high percentage compared with the prevailing estimates for the country as a whole which vary between 40 and 60 percent. The difference is large enough to infer that those engaged in beedi making belong, on the whole, to the poorer segments of the rural population\textsuperscript{18}.

Beedi work was home-based and a subsidiary or the main business of many women in the lower income group. The majority of the female workers were earning for their own living from the beedi industry. The standard of living from the beedi industry. The standard of living of female workers was low and they did not get any welfare facilities\textsuperscript{19}.

\textsuperscript{17} The Stateman, News Item, November 11. 1980
\textsuperscript{18} Zarina Bhatti, "The Invisible work that Feeds the Family" Manushi, No.27, March-April-1984, p.25
\textsuperscript{19} Koil. p.p. "socio-economic conditions of Female Beedi workers in Solapur Districts" Social Change, XX (2) 78, June 1990, p.18
The condition of work of all types of workers in the unorganised sector is to extract physical labour. There is little scope for development of skills to improve the quality of their work. This sector, by its very nature does not offer any new avenues for skill improvement. Thus, most of the work discharged by them is routine in nature, involving heavy physical work and causing monotony.

As the earning of the workers is proportional to the hours spent in the work beedi workers do not observe fixed working hours or day of operation. The workers begin their work as early as 4 am and continue to work till late in the night. There is no fixed place to do the work either. The work is semi-permanent and allows shifting of location. Full-time involvement of women and children in beedi making, prevalence of a high rate of illiteracy among beedi workers and a high rate of incidence of tuberculosis is among them indicates their low economic status and their dire need to be wage earners.

1.13 Industry Status

The beedi industry has been classified as unorganised falling under the small scale and cottage industry sector. However, the Labour Bureau, for the purpose of identification of the unorganised industries, follows the general guidelines. "The unorganised labour cannot be identified by definition but
could be described as those workers who have not been able to organise in pursuit of a common objective because of constraints such as:

a) casual nature of employment;
b) ignorance and illiteracy;
c) small size of establishments with low capital investments per person employed;
d) scattered nature of establishments and
e) superior strength of the employer singly or in combination\(^{20}\).

Though the above characterisation of the unorganised sector is more concealing than revealing nevertheless, it points out that unorganised workers are not able to organise in pursuit of a common objective and so have poor bargaining power.

Unorganised sector characterised by low pay, long hours of work, low productivity, low skill, lack of job security, provides a fertile ground for exploitation of its workers. 94 percent of the total female work-force operates within this highly exploitative system\(^{21}\). Their work is home-based and as such is not covered by the labour laws. Their wage is paid on piece rate basis, yet it is low because workers are weak bargainers because they remain unorganised\(^{22}\).


\(^{21}\) Maritrayee Mukhopadhyay, “women and Development in India” Oxfam Publishing House, Delhi, 1984, p.49

\(^{22}\) Prabha Raj, “Unorganised Labour Force” Social Welfare XXII (6-7), 17, 1975, p.19
1.14 Government Effort

In order to protect the interests of workers the Government of India has, from time to time gone for suitable legislation, but adequate attention was not given to the beedi which appointed a Court of Enquiry in 1947 to enquire into the labour conditions in beedi industries. A separate act known as the Madras Non-power Factories Act was passed in 1957. In 1958, the Government of Madras also passed the “Madras Beedi Industrial Premises (Regulation of Conditions of Work) Act 1958, under which the rules were framed and enforced in 1959. During the same period, other states such as Kerala and Mysore also passed the legislations relating to beedi factories. But still the state of condition of beedi workers was highly unsatisfactory.

In yet another attempt, the Government of India introduced special legislation. The Beedi and Cigar Workers (Conditions of Employment) Act 1966, brought in comprehensive provisions covering daily hours of work, weekly holidays, paid leave, maternity leave benefits and welfare facilities such as the provisions of drinking water, toilets, and canteens.

This act also provides for a working period of 48 hours a week. The workers are entitled to a paid weekly holiday and leave at the rate of one day
for every 20 days of work in the preceding year, as also three months Maternity of the middlemen who distribute the raw material to home workers, and the tactical move of the contractors to engage less than the statutory number of workers to escape from the application of law virtually makes this Act a paper statute for the impoverished women. The Act was challenged in the Law Courts and no earnest attempt was made to enforce it until 1974.

Subsequently, a supplementary Act known as the Beedi Workers Welfare Fund Act, 1976, was enacted calling for a levy of up to 1 Rupee per kg of tobacco raised was to be earmarked for improving health care, housing and recreational facilities for beedi workers.

The Supreme Court found that about 95 percent of the beedies is actually rolled outside the real factory.

The Laws to regulate the working conditions of such workers are not effectively implemented. The court directed the Union and State Governments to put up schemes for suggesting remedial measures to meet the evils set out in the judgement23.

23 Curr'ent Labour Reports, Yearly Labour Digest, Bombay, May 1992, p.27
However, in practice, the contract system has survived almost everywhere with hardly any change. While statistical evidence is lacking, it is commonly believed that the effect of the Act has been the opposite of its intention, it has discouraged the factory system and encouraged the contract system.

1.15 Chapter Scheme

The study is proposed to be undertaken in the following chapters.


The second chapter deals with review of literature in the study.

The third chapter explains the objectives and methodology of the study. It includes significance of the study, choice of the study area, objectives of the study, selection of sample units, collection of data, tools and analysis and limitations of the study.
The fourth chapter deals with a brief explanation of the profile of the study area. This chapter has been classified into two sections viz. profile of the Kanyakumari District and the profile of the Agastesswaram Block.

The fifth chapter deals with the analysis of data relating to the socio-economic conditions of the beedi workers in Kanyakumari District.

The sixth chapter briefly sums up the various findings, suggestions and major conclusions from the study.