Chapter V
Problems and challenges

Introduction

There are certain specific problems to beedi industry in general and beedi rollers in particular. They are specific to the extent that they are not found in any other industrial sector and also the problems of the beedi rollers can not be generalized. But there are number of interrelated issues that can be understood not just as a specific but as a general problem, for instance, the market and its impact on the annual sale of finished beedi. However, this chapter focuses upon the problems faced by the beedi industry in general and beedi rollers in particular and the major challenges ahead of them. From the day one, people outside the beedi industry has been taking against it on the health reasons saying that it causes serious health disorders to both rollers as well as the consumers. Besides, under the influence of the modern, scientific and sophisticated manufacturing culture, the beedi industry was taken for charge at different levels. Indeed, their problems can be divided into two major categories. First, the internal problems and second the external problems. On the one side, this industry involves certain internal problems like occupational and health, exploitation of rollers and the tremendous opposition to its survival. Even though it has the potentiality of providing employment to the vulnerable section, it faces challenges to
be saved from the propaganda about the social evils such as the use of child labour for its success. The beedi rollers rely upon this work besides the criticism as it provides them not only the living base but also confidence to life as they come across with the problems of unemployment particularly in the rural areas.

Over the last few years, the problems of beedi workers has been discussed and debated against its survival\(^1\). Every time after a debate it was proved that the biggest challenge is to survive against these problems. It was further suggested that the beedi rollers have more problems than the advantages. Since major portion of work has been carried out at home by the poor, it is quite natural to have certain problems because of lack of direct supervision as in factories. There are different arguments about the problems of the beedi industry in Dakshina Kannada. Often it is seen that the owners have raised their voice saying that they have more problems as the owners in the industry. There are also different perspectives from the middle men that they face more problems than anybody else. As far as this study is concerned the majority of the people in the industry—the beedi rollers are facing comparatively more problems than the other categories involved in the

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\(^1\) Reduction in the availability of work has caused laborers under uncertainty as they are not sure regarding their future. Insecurity of work has put them under stress. But as usual the problem of the beedi rollers has been highlighted in such a way the very question of its survival is under doubt due to which large number of people depending upon beedi for their livelihood would loose the opportunity.
industry. Since this work has paid more emphasis on beedi rollers their problems are being focused for the analysis. However, this study has taken liberty in classifying and identifying the problem separately even though they are closely related to each other. As mentioned above the problems of beedi rollers are classified into two categories as internal and external problems.

Internal Problems: The internal problems are those problems that are found in and around the beedi rollers. Indeed, the internal problems of the industry can be further classified as follows. Firstly, the decline in the work availability has a great impact upon the beedi rollers as they are able to get only 2-3 days work in a week and earn only Rs.100-150 per week. As perceived, the beedi work would come down during the rainy season mainly due to the scarcity of raw materials. This situation of non availablity of work as well as scarcity of raw materials is existing due to the following reasons. There are increase in the number of beedi workers, emergence of unorganised sectors and companies etc. The owner’s perception is that the decrease in the demand for beedi in the market and to avoid paying the tax by the registered company, has reduced the production of the beedies which resulted into non availability of full work particularly in the registered company. Contrary

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to this situation, the unregistered companies provide full time employment to their workers. The argument behind this is on the one hand the registered companies to avoid paying the tax provide limited work and on the other hand tax exemption provided to the manufacturers below twenty lakh beedies annually has helped the unregistered companies to provide full work. However, the work availability differed from company to company based on their internal economic practices. As a result, some beedi rollers in this industry work for both registered as well as non registered companies as a solace to their problem and manage to get full work. This complexity has put the working system of beedi industry into anarchy and confusion. While, only some workers getting full work does not solve the prevailing problem of non availability of work. The effect of this, has been experienced not only by labourers but also by the manufacturers, contractors and businessmen as well as to certain extent the total economy of the district also³.

The problem of scarcity of raw materials, the substandard quality of raw materials distributed and uneven distribution of raw materials as generally argued, have together multiplied the problem of the workers. Obviously, the beedi rollers are not satisfied by the service provided by

the agencies involved. The scarcity of raw materials such as tendu leaves and tobacco, acts as an important factor in the whole process of beedi industry. Even after nationalisation of tendu leaves by various state governments the problem of its scarcity has not been solved. But the state intermediation in the purchase and sale has not helped for the process of smooth availability of leaves to match the demands of leaves in the state. Besides this, the registered companies have been forced to reduce the sale of production because, the more they produce more taxes they have to pay to the government. This has resulted in the reduction of supply of raw materials by the registered companies providing only two or three days work causing uncertainty. The unregistered companies provide materials sufficient for the week as they enjoy tax exemption. To overcome this problem, the workers have adopted the strategy of contracting the work, from more than one company.

Substandard raw material issued to them by the agencies not only affects the quality of the beedies rolled but also the rollers fail to roll the expected number of beedies from the raw materials they obtained. The rollers are obliged to confront with substandard raw material and face such problems at their own level. Their continuance in this work is necessary for them for their livelihood. Instead of resisting such exploitation they adjust to the existing problem. Beedi industry is
always abused for the exploitation of labourers in varied ways. The prevailing contracting system itself contributes to a great extent to such a menace. It has been perceived that under this system there is a large scale of violation of the legal provisions. Indeed, the best illustration is the non possession of passbook and Identity Card by non registered workers itself which would not entitle them to access the benefits under the Act. Majority of them have put on hardships by the contractors who at times have become the decision makers. Besides this, many workers do not have membership with Trade Unions because of which large number of workers remains unorganized. The workers become eligible for the benefits only if they put in minimum amount of work weekly. Because of scanty supply of raw materials for full week from the registered companies, rollers find it difficult to fulfill this condition. By denying sufficient work to the rollers the contractors also contribute to this problem.

Secondly, it is argued that the good relation between the employer and employee plays an important role as it is a fundamental and important feature of the beedi industry. Since the workers get work and wages by the employer that is the contractor or the agent, the women rollers have to maintain good working relationship with him. In this study, about 80% workers live in rural/village areas. They do not bother
much about the outside world because of their busy domestic work as well as beedi work\textsuperscript{4}. They maintain contact only with the contractor. All information regarding the industry, the facilities available, strikes, ups and downs of work etc they would come to know only through their contractors. Even to some extent the contractor’s role is found in determining their participation in strikes and in election. They show great faith, loyalty and also due to fear of loosing job, they do not question him for whatever wages they get or work distribution etc. In case the workers do not maintain good relation with the contractor or the employer then they would face all the complications like rejection of beedies, less beedi leaves and tobacco, substandard beedi leaves etc.\textsuperscript{5}

Thirdly, there is a dissatisfaction over the measurement techniques adopted to weigh the beedies. Generally it is complained that the contractors have not been maintaining the procedures of weight and measures and provide poor quality of leaves and tobacco. Because of the proportion of leaves to tobacco given to them was less than stipulated by the companies and due to low quality of raw materials, actual numbers of beedies rolled are less than the target. The workers even after obtaining poor quality and less raw materials, they are

\textsuperscript{4} The beedi rollers belong to economically poor class and their poverty itself does not permit them to bother much about the outside world and their limited social contact is another reason for keeping themselves away from the outside world.

expected to return quality beedies and the same number of beedies as per the target from the less quantum of raw materials which happens to be harder to the workers. The harassment of the workers continued by the contractors, in terms of rejection of beedies on the ground of poor quality affects the income of the workers. In some of the places where only one company operates, in such places the problem of rejection exists more. The rejection of beedies is used as a principal weapon by the management and their agents to subjugate the workers\(^6\). But it is attributed that the sequences of rejection is less in Dakshina Kannada when compared to other states or places. The contractor or checkers while checking the beedies; finds one or two beedies in the bundle is not up to the specification then he rejects the whole bundle and the contractor do not return it back\(^7\). The worker not only bears the loss but also would be required to pay for the loss\(^8\). There are also incidents narrated; as some contractors purposely rejecting the quality beedies and cheat the rollers by remarking it as ‘chaak’\(^9\) or poor standard but uses again without returning it. This helps them in managing to get bonus and wages under a fictitious name. But the roller has to replace defective


\(^8\) The beedi roller not only loose wage for the work done, but also has to purchase the raw materials from outside to replace the number of rejected beedies. Generally as complained the contractors do not return the rejected beedies. Even workers face the problem of under weighing of tobacco and leaves.

\(^9\) Local terminology used for the substandard quality beedies.
beedies. The rejection of beedies and providing less than the required amount of raw materials shows the exploitation by the contractors.

Fourthly, the contractors manipulate the workers in different ways. Some contractors may own provisional shop in the villages next to their beedi shops. Beedi rollers working under such contractors would be forced to purchase groceries, vegetables and their day today requirements from his shop. Generally, the things available in such shops are not worthy buying and also expensive. Beedi rollers have no other option but to buy from his shop as it is the only shop close to their residence and they can buy things on credit too and the contractor generally manages to adjust the wage to the credit\(^\text{10}\). Beedi rollers under the fear of loosing the work are tended to purchase the things from their contractors shop. Hence, the contractor has his own way to manipulate the workers and make profit.

Though the Karnataka State has fixed the minimum wage for the beedi rollers and also revises it from time to time, the rollers on the other hand do not get the wage equally and accurately. The wages of the rollers is varied from region to region, company to company, contractor to contractor, registered and unregistered unit as well as roller to roller. The contractors by knowing the fact that the workers would not resist,\[^{10}\]

\[^{10}\] This opinion was expressed by Vishwanath Shetty – President BMS, interviewed on 24/06/2006, at 4:30 PM.
he will violate the Act and pays as he likes. Besides this, the unclear information with the beedi rollers regarding the wage rate and the want of work has benefited the contractors.

Another problem connected with availing benefits is that the workers need to apply for benefits through the contractor in a prescribed form. The contractors would not take interest to send the application but delay the forwarding of application. It is said that they would purposely delay it to help their relatives or members of the household to get the benefit. Some workers did not obtain the benefits. In the recent years the system has been changed and at present the scholarship application for beedi rollers will be provided in the respective school. It will be forwarded by the head of the institution instead of the contractor. Though the scholarship fund has been released, some students were not able to get this benefit. The problem related to this was the applications for scholarship, reach the Head Office later than the prescribed last date [Last date generally is July 31] from the head of the Schools and colleges. As a result, the welfare department rejected nearly 40,000 applications in 2004 as the applications were received late and also because of deficiency of money. From Dakshina Kannada nearly 65,000 applications were sent out of which only 25,000 students obtained this benefit for which, as stated by the welfare commissioner,
altogether two crores fifty three lakh rupees was released. As reported, from Karnataka more than one lakh thirty thousand applications have been reached which required thirteen crores for disbursement. The central government has released only six crores money\textsuperscript{11}. It’s been felt as injustice to the beedi rollers of Dakshina Kannada in terms of disbursement of scholarship amount. According to the Beedi Workers Welfare Fund Commissioner, in 2007 the central government released 7.14 crores for scholarship. This amount has been released for 61,163 pending applications for the year 2005-2006. Accordingly for the year 2006-2007 the department has received 1.60 lakh applications and requirement of money is Twenty nine crores against the released amount of twenty crores by the central government\textsuperscript{12}. Some beedi rollers do not apply for scholarships as they have lost hopes of getting it because of discrepancies and delay. Their grievance is that they do not receive the amount in the same year but they have to wait till the next year\textsuperscript{13}. Besides this, the beedi rollers have to get health benefits as per the Act. However, those rollers who require it either do not know the location of the dispensaries or find inconvenient to go there as it has been established in distant places\textsuperscript{14}. Besides this lack of knowledge to access

\textsuperscript{11} Babu Pilar, Tokkottu, “Beedi Karmikara Makkala Scholarship application mahiti” Vartha Bharathi , Kannada Daily Tuesday July 12, 2005, p.2


\textsuperscript{13} As expressed by the beedi rollers during the field survey.

\textsuperscript{14} Few respondents during the field survey enquired about the location of the hospitals.
such benefits and effective mechanism to implement is another drawback. The scholarship or health facilities designed for the workers have not reached the beedi rollers properly as it has been failed in implementation ground. Even the other facilities like house facility and social security benefits for the beedi rollers have not been provided to all the needy. On the one hand, registration and Identity Card are required to access it and on the other hand even to those registered rollers these facilities have not reached properly. The contractors are interested to increase their own welfare, but not helping the workers to get it. The non availability of raw materials or work affects the rollers eligibility to get benefits as the workers may not reach the target of rolling 4,800 per week or as the company determines. Besides this, the workers will also loose the eligibility to get bonus of Rs.700/- as they can not reach the target of one lakh beedies in a year.15

Frequent changes of contractors for one or the other reason by the workers or working under multiple contractors are found to be a common factor in this industry. This may be because of unavailability of work or raw material for full week and to show dissatisfaction with one contractor, and even as a means to avoid harassment from certain contractor the workers have adopted this. Even insufficient work in the

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15 As per; the data gathered through the of field survey the target of number of beedies varies from one contractor to the other.
registered companies has forced the workers to contract with both registered and unregistered companies. All this has produced confusion regarding the workforce as well as the work pattern.

Fifthly, illiteracy of the women beedi rollers has been pointed as the problem in effective coverage of beedi workers under various welfare schemes and provisions\textsuperscript{16}. But looking into the changes taken place among today’s rollers when it is compared with their elders they exhibit more awareness. Thanks to the literary campaigns and continued education system in rural areas that helped them to have few important knowledge if not fully, at least to go with the industry. They rely upon the contractor for any information. The contractor may or may not take interest to help the rollers in accessing the benefits. It is not the illiteracy but may be non information and lack of proper knowledge that has contributed to the non effective coverage of beedi rollers under various welfare schemes and legal provisions. Non implementation of these Acts and welfare benefits has contributed to the vulnerability of the workers as they lack bargaining power. As discussed generally, there is no uniformity of wage to the beedi rollers throughout the country. The wages given in some of the states is very low and the statutory benefits are not implemented comprehensively. When compared to other works

the wage fixed for the beedi rollers is low. The wage fixed and existing is comparatively higher in Karnataka in general and Dakshina Kannada in particular than the other states. Due to this situation and decline in market for beedis many unscrupulous beedi companies have migrated to other states in search of higher profits or shifted or willing to shift to other business.

Another beedi manufacturer Sadhu Beedies has closed down production and started Sadhu Biscuits and plans to start sandal wood products. Besides, Bharath Beedies was heading towards selling out or starting new business. Whatever the case in such places where the workers are organized and had succeeded in getting better wages and other benefits, the managements provide them work for only two or three days per week. This has led the companies to migrate to the places where wages are low. Perhaps this is also another factor for decline in the availability of raw material.

The role of Trade Unions, is also a considerable factor in minimising the problems of the workers. As it has been revealed out by the workers and the Trade Unionists during the field survey, in some places the Trade Unions or Non Governmental Organizations are strong

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18 Resolutions on the problems of beedi industries and the workers adopted by the 4th All India conference, All India Beedi workers federation (CITU), Souvenir, November, 2004, p.25.
to support the cause of the workers. In such places the harassment or exploitation over the workers recorded less than in some places where the Trade Unions or Non Governmental Organizations are not very active. Again in interior places the women workers lack proper knowledge about the welfare benefits and it has been said that in such places the workers can be easily duped by the contractors. Besides this, the workers keep themselves away from the industry in which they work because of their own house work as well as the beedi work. The busy life of the workers make them remain ignorant of many matters related to their own work like the relations between their shop and headquarters, markets to their beedies, reasons for varied wages, the existing dynamics and several aspects of the beedi industry in which they work. This kind of lack of interest and ignorance is also responsible for their continued problem.

Sixthly, the registration of the workers through the Pass Book and Identity Card even Log Book are an important document the contractor should maintain to every worker, working under him. He should provide all the details relating to the work like the total account of beedies rolled, wages paid, bonus, Provident Fund etc. Though some contractors maintain it, they show wrong entries of beedies rolled

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19 Meena, Gopal, "Disempowered despite wage work: women workers in beedi industry" EPW Vol. XXXIV No 16, April 17.24, 1999 p w.s 17.
wherein the contractors exploits economically. Some contactors do not take trouble to maintain Log Book and the rollers show no interest in it as they have not known about Log Book accurately. Lack of knowledge about such documents or benefits provide ample opportunity for the contactors or manufacturers to exploit them. The unorganized nature and the contract or subcontracting system itself are the hurdles in identification of beedi rollers and the same puts the workers in difficulty in accessing benefits.

Seventhly, the problem of child labour\textsuperscript{20} is interwoven in the industry. Over the year's one of the most crucial issues debated as social evil is the child labour and beedi industry has been always charged due to the utilization and prevalence of child labour in it. Article 24 of the Indian Constitution specifies the abolition of child labour and in support of that, the legal provisions prohibit the employment of children in beedi industry. But the poor economic condition of the majority of the beedi workers forces the use of children to assist them in beedi work. The child labour problem still continues with all the efforts of the government to stop drop outs in the schools and provide compulsory education in the elementary level. According to 1981 census, the

\textsuperscript{20} As defined under the child labour (P & R) Act 1986, Department of labour "Child" means a person who has not completed his fourteenth year of age. The 'child' who has not completed fourteenth years of age and working either for wage or otherwise is called 'child' labour, taken from study material on "Successful prosecution of child labour cases" department of labour 2001, pp.4,5,48.
estimated figure of working children was 13.6 million; in 1987-1988 it went upto 17.02 million. The census 1991 shows about 11.28 million\textsuperscript{21}. In Karnataka as per 1971 census it was 8,08,719, in 1981 it was 11,31,530 and in 1991 it was 9,76,247\textsuperscript{22}. Beedi industry accounts for the largest employment of children. Neera Burra quotes "of all the industries employing children, the beedi industry and the carpet industry in India are the most notorious\textsuperscript{23}. Though not directly employed by the employer the children of the beedi workers help them in one or the other way in the beedi work.

The presence of child labour may not be visible particularly in beedi work. These children are being initiated indirectly by their parents or elders to learn this work. Due to poverty it becomes inevitable for the children to assist their parents in beedi rolling. Some children are made to work at the early age of 6-12 years. The children are involved in beedi work because of economic compulsion. Hence, in the rural households the parents seek the help of their school going children in the manufacturing process after school hours. The children particularly girls are made to join their hand in beedi rolling work. Though the children both boys and girls are introduced to beedi work at an early age,

\textsuperscript{21} Fazal, Ahamad, \textit{Labour in informal sector}; Manak publication, New Delhi, 1999, p.47.
\textsuperscript{22} Ibid. p.50.
\textsuperscript{23} Neera Burra, \textit{Born to work: child workers in India}, Oxford University Press New Delhi, 1995, pp.16-17.
generally boys are encouraged to attend school while girls discontinue their school life after primary education or middle school. Later, on such children help their mothers. The children particularly girls are forced to take up this work due to their parents poor economic conditions. The poor parents encourage their children to learn the process of manufacture of beedi making at an early age. The children in the age group of 5-14 invariably assist in threading and other finishing process. Children drop out from the school as the parents urge the children to assist in their work and the children lose their interest which reduces the performance in their studies.

The study on beedi workers in Vellore has shown that the child is bonded to the employer till the principal amount of the loan is paid by his parents and that child was forced to work for very low wages and for long hours of work under the contractor. Another study in Tamil Nadu about beedi industry also draws attention regarding child labour as common practice at commission shops in which girls aged 11 or 12 were given raw materials on the chittari. They did not get any benefits as they were not given the Pass Book and were paid low wages but the

contractor will be benefited\textsuperscript{26}. These incidents reveal the truth that children are used and exploited in this way. This is not only in beedi work alone, but even found in other industries too. The problem of child labour could be ended by bringing awareness among the beedi rollers regarding the importance of education, health awareness etc along with the proper implementation of the Acts. Children are banned from working in beedi industry irrespective of the nature of its process under the Child Labour (prohibition and regulation) Act 1986. Even the parents at present show more interest to send their children to school and get educated till they are interested. Some children at present not only attend school but also be a helping hand in this task, on the other hand, their parents expect them to be educated and join any other job\textsuperscript{27}.

The next internal problem is the non recognition of beedi rollers contribution. Since years, the beedi rollers did not find a place where they are recognized properly as it happens with the case of other workers. Their existence is not properly defined at times. There are hardly any records of their existence, their conditions and their contribution to the national economy. Not finding a place in the list of working class is another major internal problem of beedi rollers. Beedi industry which has spread all over India and employs more women of

\textsuperscript{26} Meena Gopal, op.cit., 1999, p.16.

\textsuperscript{27} As found in the field survey majority parents wanted their children to take up some job rather than continue as beedi rollers. They want their children to study and take up some job.
rural areas and to certain extent the urban, but has not succeeded in attracting the attention of the economists, administrators, policy makers to any significant extent. Beedi industry though utilizes sufficient human resources through employment generation, has not been identified as useful or reputed work. Large number of workers has not been covered by the Identity Cards due to which large group of workers cannot be identified as workers\(^28\). This affects the beedi workers in a big way. As estimated only 50% of workers have been issued Identity Card. This is mainly due to the informal way of recruitment of workers, in which the employer-employee relationship has never been established. As per the Act employers are required to issue a photo Identity Card failing to which the employer would be punished. Unfortunately, still many workers do not possess Pass Book or Identity Card. The government considered the Identity Cards issued by the local authorities. Welfare commissioners or other officers implementing the Beedi workers welfare fund would be valid for eligibility to welfare schemes. Still this is a total lapse because of which there is no clear cut figure of beedi workers found as gap between the official figure and the real number of beedi workers continues\(^29\). Besides this, the workers with Provident


\(^{29}\) The figures contained in the official document and the figures generally estimated by the Trade Unions, NGOs and activists shows a big gap Accordingly nearly about 50% workers are uncovered under the process of issuing Identity Cards. Thus, a significant portion of the workers did not access the benefits.
Fund card get provident fund and bonus as per the Act. The worker with Identity Card without Provident fund card would not get benefits as per the Act. This shows, state sponsored benefits reaches to a partial number of workers and above 70% can not access for the same\textsuperscript{30}. The non coverage of the real number of workers employed in the beedi making results in their invisibility to the policy makers in the allocation of resources and as such, contributes directly to their vulnerability\textsuperscript{31}.

The ninth problem and the most often taken for debates is the health problems of the beedi rollers. The continuous and longer period of involvement in beedi rolling exposes the beedi rollers to occupational health hazards. The incidence of women reporting to health problems was relatively less in the case of younger women\textsuperscript{32}. The workers are continuously exposed to inhalation of tobacco fumes and this is a great threat to health. Generally because of the poor socio-economic conditions these workers do not have separate room to do this work. Even small children are affected by the direct inhalation of tobacco fumes. Besides this, the unhygienic atmosphere in which they live, also contributes to their poor health conditions. Beedi rolling may cause two types of occupational diseases. Diseases like Tuberculosis, asthma,

\textsuperscript{30} ISEC report, op. cit 2005, p.154.
\textsuperscript{32} ISSEC report, op, cit 2005, p.127.
allergy and continuous cold pneumonia bronchial and the chest pain are the effect of inhaling tobacco fume is one category. On the other hand, another category of diseases are backache, bodyache, stomachache, gastritis, piles, rheumatic pain etc due to long hours of sitting in an unhealthy and unhygienic atmosphere. Generally due to the constant exposure to tobacco, beedi rollers complain regarding bronchial, chest and wheezing problems. Besides, they also suffer from giddiness, headaches and eye problems like watering, burning and poor vision. Sitting on the floor with crossed legs or legs extended is a common scene while undertaking the beedi activities starting with cutting, rolling and threading etc. Due to long hours of sitting in a similar position on the floor causes backache, severe joint pain, muscle catch, leg pain etc. The beedi rollers mainly middle aged and aged report such diseases quite often. Some rollers even reported about skin problem like skin rashes or skin allergy due to handling of tobacco. The beedi rollers most commonly experience the problem of backache, bodyache, headache, and even stomachache, gastric or gynecological problems. Therefore, beedi work may cause all such above said problems related to health. They are not ready to give up this work for health problems because, for many workers beedi rolling is a major support of their livelihood. Lack of health awareness of workers due to their poor economic conditions also contributes to their health problem. Rolling beedi at home has
greater affect not only on the beedi rollers but even on other family members as the work is done openly. Even the workers lack awareness about the working posture, hygienic atmosphere etc. Since women beedi rollers are supposed to manage house affairs and duties besides beedi work, they do not get enough rest or leisure required for the body.

A study conducted in Kerala showed that about 36% of the workers reported suffering from one or more diseases and 95% of them claimed that the diseases were occupational33. Though there has been long standing demand for coverage by the Employee’s State Insurance scheme but so far they have not been covered under that34. There was an attempt to bring beedi rollers within the ambit of the Employees’ State Insurance Act as per the suggestion by the minimum wages committee to know whether the diseases are occupational by a specialist35. Though, beedi making is considered as most injurious to health they do not get Employees’ State Insurance benefits. The state sponsored health benefits are available for the beedi rollers but majority workers did not benefit much due to cumbersome procedures and non eligibility. The government has established separate hospitals for beedi rollers. The beedi rollers in the village areas hardly visit the dispensaries

as they are located at a far away distance. Out of them some workers have no proper knowledge about the health facilities as well as hospital facilities. Besides this, the complaint is often regarding lack of infrastructure, medical staff, insufficient medicines and poor treatment in these hospitals\textsuperscript{36}.

A Socio-economic condition of the workers is another major internal problem that results in the beedi production. The poor socio-economic conditions and vulnerability of the workers over the years have said to be negatively influencing the industry. The poor socio-economic conditions, no separate room to roll the beedies, lack of ventilation are those factors responsible for the above said occupational diseases. The presence of nicotine in tobacco causes various health problems for both tobacco users and to those who work with tobacco. A survey of health conditions on women beedi workers conducted in Jabalpur reported that, almost all the women beedi workers complain of backache and joint pain\textsuperscript{37}. Majority of women beedi rollers do not make use of a table and chair or a small table to keep the raw materials for better posture. This is mainly because of poverty, ignorance, work pressure or lack of health concern which causes posture related problems like joint pain, rheumatic pain etc. Self attention and care by

\textsuperscript{36} ISEC Report, 2005, op.cit, p.128.
the workers is required regarding common diseases like headache, giddiness, chest pain and gynecological problems. Such diseases which are ignored in the initial stage itself may ultimately result as a permanent problem. The workers find it difficult and also are not interested in getting the health benefits due to the varied conditions as well as the cumbersome method\textsuperscript{38}. Besides this, these workers ignore personal health problems because they cannot bear the huge expenses and hence ignore their own health and they do not take it seriously as long as they can earn and manage family affairs. But when the question of the health of their children or family members arises, they need to take care. Hence, the poor socio economic condition itself caused as a main factor for their occupational diseases. The facilities provided by the government should be affordable to the workers by simplifying certain procedures and rules. Such action is required because the dependents of the beedi work perceive beedi rolling work is the only skill they know and they do not think about alternative jobs. The existing internal problems experienced by these women rollers will continue unless their socio-economic and working conditions are improved. Their continuance in the beedi work seems inevitable to fulfill the necessary needs of the household especially to live like human beings. Sorting out

\textsuperscript{38} If the worker likes to access it, he is required to produce the certificate of the medical officer besides the permission and sanctioning of the Welfare Commissioner. To get all these benefits, the worker requires visiting the office in the city and the hospital or clinic located in far away distance from his house.
these problems may take them to the position of living a life, if not with all facilities at least with the basics.

External Problems:-

Above said problems are internal problems of the beedi workers which they have been experiencing over the years. Still they perceive that beedi work helps them by providing them source of income and employment. Beedi rollers also come across with external problems affecting their working conditions of which they may or may not aware of. External problems are decrease in demand for beedi, competition from other tobacco products, public policy, anti tobacco policy and so on.

Firstly, the non application and non implementation of public policies is one problem the beedi rollers come across with. The labour laws and Factory Act 1948 do not cover the beedi labourers comprehensively, as the beedi rolling work is home based and the rollers get piece rate wage. Even though the Beedi and Cigar Workers Act 1966 have been enacted specifically to protect the beedi workers, it lacks wide coverage of home based beedi rollers as the Act is meant for the workers of the factory premises. The Beedi Workers Welfare Fund 1976, Minimum wage legislation, Provident Fund etc has not been implemented equally or comprehensively in order to benefit all the
workers. As said earlier the welfare benefits specifically meant for the beedi workers do not reach all the workers due to its cumbersome procedure. Lack of Identity Card which has not issued by the concerned authority or the workers do not possess as they have surrendered, makes them ineligible to obtain all the benefits.

Secondly, the anti-tobacco consumption legislation enacted and passed also has its impact on the beedi industry. Ban on smoking in public places though a good measure from the health context as well as pollution dimensions, it will make people to shift their taste from beedi and cigar to gutkha and other chewing tobacco products as it could be chewed anywhere. Though, the government rebuked the order to print skull and the pictorial warning, these were the forcible strategies adopted by the government to stop the consumption of beedi. One can not deny the health problem arising out of smoking but by closing down the beedi industry the increased unemployment problem among the women rollers may affect badly. This would affect more those beedi rollers who know only the skill of beedi work and also the part time rollers who assume this work as very helpful from the point of supplementary income.

Thirdly, the competition from other tobacco products such as gutkha, pan masala, jarda etc is also affecting the beedi as an external
pressure. These products are as harmful as smoking for the health of anybody consuming it. Its consumption has been increasing as smoking in public places has been restricted, while such restriction is not laid on chewing gutkha, pan etc. Gutkha as well as pan masala is more acceptable socially than smoking and preferred by men, women and children. Prohibition on smoking can be implemented easily as it could be detected whereas the ban on chewing tobacco can not be laid easily as it could not be detected easily because of its invisibility. Besides, beedi also has to compete with mini-cigarettes. Since 1994 onwards after the exemption of excise duty on small cigarettes given, it became cheaper than the beedi, and the demand for such cigarettes increased according to the industry estimates. This has adverse effect upon the sale of beedi. Moreover the entry of Multi National Companies into Indian tobacco market is bound to affect the beedi market. Though it is argued that the beedi is preferred by the poorer section and people in rural areas, these mini cigarettes may not cause harm in a bigger way. There is another assumption that with the changing style and availability of cheaper cigarette these people will also slowly shift over to mini cigarettes or gutkha.

Fourthly, the decrease in the demand for beedies in the market is said to be a major problem. The manufacturers and contractors deferred
this by saying because of less demand for beedies the production has to be reduced resulting in non availability of work and raw materials. Decline in demand for beedis is caused by varied factors such as health awareness, changed life style, environmentalist warning against pollution, shift towards gutkha and pan masala, availability of cheaper small cigarettes etc. Trade Unionists and Non Governmental Organizations argue that there is an attempt to spread rumours that the demand for beedies has been declined and will get perished soon. The activists admit that there is marginal decline. In the future if the demand for beedi completely comes down the current beedi rollers will be in trouble. The present younger generation may not be affected as they are not attracted to this work. But as per the present rollers in the time of acute unemployment, beedi work is the only work which saves them.

Finally, the migration of the companies to other states in search of cheaper laborers is another major problem causing the local social base a threat of existence. These companies move to such places where the wage is very low. The workers of our state generally and our district particularly will be affected. As said earlier, there is no direct relationship between the manufacturers as employee. But whenever the government's policy or decision directly affected the manufacturers,

then the companies have threatened to close the production. As it would create much apprehension among contractors, beedi rollers, drivers, casual labourers etc, as a protest against this the Trade Unions, Non Governmental Organizations, contractors, will mobilize the workers and organize protest and put pressure on the government. This makes the government to take back its orders against the manufactures or companies\(^{40}\). Whenever the owners or companies are in trouble the workers support them as they believe that such action will affect the whole industry as it is not the problem of owners alone. These problems are problems of the whole industry and since it affects the interest of the labourers all the concerned people should, along with the owners fight together to save the industry. But the same manufacturers ignore the interest of the workers and behave differently, as there is no direct employer employee relationship mainly when the question of disbursement of minimum wages or payment of Dearness Allowance arrears arises. The owners appeal that all should protect the interest of the industry whenever they face the problem. But the same owners deprive the workers from many benefits and behave as they have no

\(^{40}\) On 16.11.2006 the Trade Unions and NGO organised a protest meeting in Mangalore by mobilising the beedi workers from different taluks of Dakshina Kannada. The labour welfare committee of Trade Unions under the slogan of 'save beedi industry and protect labourers' protested against the companies decision to close the production indefinitely in protest against governments order to include beedi under VAT and also against the direction to print pictures of a human corpse, skull and cross bones and two text message as statutory warning. Again from May 5 to 11-2007 the owners decided to stop production. Workers of beedi industry and labourers welfare committee held protest against central government orders. Later it was withdrawn and decided to resume production after the government agreed to look into the issue.
relation with their employees since their contractors have appointed the workers. Owners mislead everybody in order to avoid any kind of burden on them. Manufacturers to avoid paying tax to the government want to show less production by creating uncertainty and purposely give less work to the workers. Unregistered workers show less than 20 lakhs annual production and get advantage of tax exemption even though their production is more. But easily they escape from providing benefit to the labourers though they provide full week work. Manufacturers do not take any direct responsibility for the interest and welfare of the workers. There is a general perception that the manufacturers have reached to their present wealthy position mainly because of beedi industry. But at present, looking to the recent consequences the owners want to shift to new business in the name of decline in demand for beedi. The menace of contract system and exploitation of the beedi workers continues still by the contractors, who perform the work for the owners. Therefore, as the owners play indirect role in the life of beedi workers, the workers assume the contractors as their employer.

However, the beedi rollers do not give much importance to the problems both internal and external because the income which comes from it seems more important as it has helped them in their regular life. Indeed, they have chosen it voluntarily and nobody has forced them to
do it. They prefer to do this work as they are not qualified to go for other work or do not have other skill and can avoid humiliation and torture while working in others house or land. They consider beedi work is much better work as it can be carried out at home and do it with self respect. Vigneshwara Bhat states that the problems of beedi industry have been highlighted more than its merits and advantages mainly because of absence of expected publicity to it. Apart from this no proper study and publicity has taken place about the development in the field of social, economic and political prosperity taken place because of beedi industry in the life of the rural workers. Beedi work is performed openly before our sight and its problems could be widely visible whereas the nature of other work is different and majority of its labourers are educated and its organizations are strong\(^41\). Thus, in beedi industry problems are highlighted more than the advantages and less importance has been given to improve the socio economic and working condition of the beedi rollers. Problems are common in all the work but provision of social security and protection as well no tension regarding work uncertainty keeps other workers more secured than the beedi rollers.

\(^41\) This opinion has been expressed by Vigneshwara Bhat Dept of Economics, Vivekananda College, Puttur D.K, during his interview on 29-05-2006, at 9.30 A.M.
Challenges to the beedi industry:-

Beedi industry which carries a century’s history of providing employment to the workers and helping the owners as well as contractors to establish their business besides its significant contribution towards national economy today it faces unequal challenges at the cost of its survival. These challenges are varied which pursue its collapse based on the arguments of the social evil and health hazardous factors. The substantial fact it carries out is that the sudden collapse of this industry would not bring any effects upon the manufacturers or policy makers. This may bring immediate effect on the economy of those poor beedi labourers, relying upon this industry for their livelihood. Uncertainty and unavailability of sufficient work cause scary situation among the rollers related to their regular expenditure and to fulfill the day today requirement. Looking at the uncertainty and fluctuations prevailing in beedi work makes crucial to draw immediate attention upon certain challenges around this industry. The following are some of the identified challenges to be reckoned with.

a) Challenges from the Government:

Manufacture and marketing of beedies is a legal commercial activity and it has not been outlawed so far. Its contribution on the national economy along with other tobacco products is enormous. On
the other hand, in the recent years beedi industry generally and the beedi roller particularly are under great stress for becoming jobless, as the Government may be under pressure and different banners seeks its collapse. The Government both central and the state instead of attempting to support and uplift the conditions of the beedi rollers through effective mechanisms they have remained insensitive. Though, the government has enforced a number of Rules and Acts for the development of beedi rollers, the fact is that it has failed to implement them comprehensively. It has failed to employ uniform wages across the country. Existing varied wage rate from state to state makes the industry as exploitative. The state governments have not taken uniform action to raise the wage as per the present condition. Compared to other state government, Kerala and Karnataka have fixed high rate, but the labourers in Dakshina Kannada gets varied wages under different contractors and companies. Further, the workers cannot afford to the facilities provided to them under Beedi Workers Welfare Fund Act 1976 as it consists stringent method. Health services should be extended to the labourers by establishing more hospitals with proper infrastructure in every village where beedi workers are concentrated. Procedures and conditions should be simplified for availing housing facilities. Government has not taken initiative to bring all the labourers under provident fund, insurance scheme etc. Government has failed to issue
Identity Cards to all the beedi rollers due to which majority rollers are deprived to obtain facilities as well as security in life.

The government keeps silent and does not take any action against the manufacturers or employers for not issuing the Identity Card as per the Beedi Workers Welfare Fund Rules 1978. As per this rules, the owners need to issue Identity Card to every employee otherwise he could be punished. But the owners are reluctant to do that. Though the workers work for their company, the owners do not accept that they have the direct employer-employee relationship as their contractors appoint the workers. This helps them to escape from providing various kinds of benefits to the workers. The out work system or contract system was intentionally began to avoid providing facilities after the enactment of Factory Act. The Act of 1966 was challenged by the beedi barons but was upheld by the Supreme Court in January 1974\textsuperscript{42}. The factory system was shifted to home based by the owners to avoid of regularization of the conditions of work, payment of minimum wages and benefits as per law. Besides, this was also helped them to keep the workers disorganized as well as to reduce the production cost by cutting expenditure on factory site and maintenance. Everyone knows that in the contract system, there is large scale violation of legal provisions.

\textsuperscript{42} K.Srinivasulu, 1997, op.cit., p.516.
For both the work and wages, the worker should depend upon the contractor or agent. The working conditions of the workers are insecure and the real owner is not at all responsible for the exploitation taking place by the contractor over the workers, though he enjoys the profit out of the work performed by the workers. Generally any action by the manufacturers violating the laws is ignored. The policy makers are very co-operative to the manufacturers. The Government does not make any such law which would bring harm to the manufactures. Even if the Government enacts such rules or policies against their interest, the manufacturers are capable to lobby over it and put pressure, not to be implemented. On the other hand, even if such laws are implemented, they will cleverly use the workers to protest on their behalf against the Government decision over the industry by threatening to close down the production and industry. Obviously the workers cooperate and the Government has to withdraw its order.

Besides this, the regional welfare commissioner is also responsible for looking into the functions and smooth conduct of the welfare of the beedi workers. The various benefits provided under the welfare scheme have to be applied through specific forms of application. The application form shall be properly filled and sent to the Regional Welfare Commissioner or may be forwarded through the physician of
the local government hospitals or mobile dispensaries to the director office for health benefit. With regard to educational benefit the regional welfare commissioner should send proper information regarding the last date for sending application of scholarship consolidated by the head of the institution. But the allegation is that the labour office creates confusion regarding the last date because of which the applications reach after the scheduled date and the applications could be rejected. Even workers are subjected to different types of harassment by the departments of the Regional Welfare Commissioner. Due to the discrepancies many students’ applications are rejected and they do not get scholarship and even other facilities also do not reach the workers because of such imperfection or fallacy. This department should work accurately and sincerely to provide these facilities to the workers.

b) Challenges from the legislation and policies:

Generally speaking laws are enacted to provide protection to the labourers as they are vulnerable section and it should enhance the life of the dependents. Labourers working in other industries except beedi industry get security and protection under Factory Act. As the Factory Act does not cover the labourers of beedi industry, they are not provided with the security and protection under the Act. The Factories Act of 1948 was implemented with the similar intention to protect the
industrial labourers. This Act does not include the beedi workers as the nature of the work has been changed from factory system to contract system and the work today is purely home based. The manufacturers are able to avoid extending provisions to the labourers by successfully converting the existing factory system contract system. Under this contract system, the number of women rollers increased whereas male workers number decreased because today this work has been perceived as female oriented work, as this work is considered as low standard, less dignified, low skilled work. Even after realizing the menace of the contract system or the Trade Unions voicing against it, the system continues till-today and the women rollers like to carryout this work under contract system for convenience.

Attempt was made by the Government to eradicate the menace of the contract system by enacting and implementing 1966 Beedi and Cigar Conditions Act. This Act inspite of its objectives to help the beedi workers, did not benefit the workers to a great extent as it covered only the works of the factory premises. Obviously as this Act did not fulfill the conditions, Beedi Workers Welfare Fund Act 1976 was enacted and implemented inorder to provide welfare benefits and facilities to the beedi rollers. This act is specifically meant for all the categories of beedi rollers. Since it is not affordable due to certain conditions all the beedi
rollers do not attain it. If it is made affordable by releasing some conditions and methods, majority would get the benefit. Apart from this, as discussed in the second chapter, beedi industry has dual nature in the present. It is hard to locate its identity, specifically due to the nature of the beedi industry. Its dual feature obviously may not help the workers. The workers are appointed by the contractors on behalf of the owner. As a result there is no relationship between the employer and the employee. Consequently, though the workers are appointed to work for any particular company, they cannot claim any benefits under the Factory Act since there is no direct relationship between the company and the worker. Hence, the dual characteristics of the Beedi industry as Small Scale industry as well as cottage industry have posed a problem to the workers.

Besides this, because of the anti tobacco policies at present, the condition has deteriorated along with the implementation of prohibition on smoking in the public places by the state government. Propaganda against smoking through governmental and non governmental means has increased a sense of insecurity and uncertainty in the industry. Government of India as well as different State Governments including Karnataka state, with active support of the judiciary, have brought out tobacco free initiative in the form of the legislations, notifications and
administrative orders. Government orders of banning on smoking and imposing punishment to smokers has been done through the enactment of the “cigarettes and tobacco products” [Prohibition of Advertisement and Regulation of Trade and Commerce, Production, Supply and Distribution] Act 2003. This was implemented from May 1st 2004. This law enacted by Parliament was in compliance of the resolution passed by the 39th world health Assembly in its 14th meeting held on May 15, 1986. Once again in May 17, 1990 the 43rd World Health Assembly in its 14th session urged its member states to enact necessary legislations to prevent the hazards of tobacco smoking. The cigarettes and tobacco products prohibition Act 2003 is also applied to the beedi industry though the nature and manufacturing process is home based. In beedi industry the rolling and other processes involved in the manufacture of beedies are not carried out with the aid of machines. The delegation of Centre for Indian Trade Unions is concerned about the Act as it contains harsh measures which declined 20% turnover of beedies and tobacco sales. It met Prime minister to submit a memorandum specifying the grievances and to seek the remedy. Their another concern is that it affects nearly the livelihood of one crore people dependent on beedi industry, out of which around 60 lakh are directly employed in the

rolling of beedies in the country. The main objects and reasons to enact this law was that tobacco is regarded as health hazardous, causing immense death.

This Act need to be amended to save the beedi workers from sufferings otherwise it would lead to the situation of large scale joblessness in the industry. For this, beedi manufacturing and beedi industry should be separated under the Act.

The enactment and implementation of this Act, does not have much affect on the owners as it affects the labourers. The reason is that the owners in the present situation are not interested to continue the business as they perceive it faces vivid problems such as child labour, health, exploitation because of which beedi industry has been opposed internationally. Besides this, even International Organizations like World Health Organization or International Labor Organization also put pressure for health reasons and the presence of exploitation in the beedi industry. Above all, beedi industry is not recognized as prestigious business. These situations discourage the owners to continue the business and aspire to shift to new business. As one illustration, the Sadhoo beedi company has been presently shifted to Sadhoo biscuit.

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Manufacturers grown out of beedi industry to the present wealthy position are threatening to close down the production and the company, whenever the industry is under pressure. The manufacturers always work at the top level by lobbying as well as putting pressure on the policy makers to safeguard their own interest. On the other hand, the workers are always mobilized and guided by the Trade Unions and Non Governmental Organizations who organize protests, strikes etc to bring to the notice of the government their turmoil. Such a move of the workers not only helps them but also help the manufactures to fulfill their demands. Therefore, such Legislative Acts brought against the industry would obviously affect the livelihood of approximately one crore people depending upon this industry. Such laws basically never stop the people from giving up the habit of smoking, but it would reduce the consumption of beedies and affect the work of beedi rollers. The impact of anti-tobacco legislation on consumption of tobacco will affect the beedi workers. It has been presumed that the effective implementation of the legislation tends to affect the demand for beedies than the cigarettes.

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47 ISEC Report, 2005, op.cit., p.239.
The Government defends this law by claiming that this law was enacted in conformity with Article-47 of the Indian constitution and also factors as highlighted in the preamble. The reality is that the treatments of tobacco related diseases required approximately the amount of Rs.13,500 crore annually, more than the revenue from the tobacco industry⁴⁸. One should think over such a statement because it is not only the beedi industry but the Multi National cigarette companies responsible for the above said situation. But such laws will affect the beedi labourers. The Government has not even been hesitant to bring out such an 'anti labour' action over a product of home industries which is totally labour intensive. Another such action of the government was its order on the cigarettes and other Tobacco Products (Packing and labeling) Rules 2006 has been notified which came into effect from June 1, 2007. The central law makes it mandatory that all beedi packs must carry the picture of skull and bones, a human corpse and two text messages in bold letter which denotes danger to life⁴⁹. Wherever the beedi work has been concentrated in such places this move of the Government was protested by the workers along with left party unions. As a result of the protests by the workers, the central government withdrew this notification with the Prime Ministers decision to form a three members committee to analyze over this matter. Based on this

⁴⁸ http/pd cpim.org/2004, p.2
assurance, the protest has been withdrawn. In this case also as soon as the order was passed the manufactures stopped the production indefinitely and also threatened permanent closure. This brought problems to the workers who had to protest against the government’s notification and against the manufactures decision.

Taxation of tobacco products has been debated over the years. Usually cigarettes were highly taxed products as it is machine made product and luxurious item. Whereas the beedi was given exemption as it is hand made and consumed by poor and people in the rural areas. When all the tobacco products were brought under the purview of Value Added Tax with the possible exception of beedies, the Karnataka State government decided to levy 12.5% Value Added Tax on all the tobacco products including beedi by withdrawing the exemption provided to it before. It came into effect from 1st April 2007. Immediate reaction by the manufactures was to shut down the production indefinitely, which affected the regular life of the rollers. Hence, the temporary uncertainty created turmoil among the workers as they were denied of the work. The manufacturers resented the levy of Value Added Tax on beedies as they felt it as big burden on them. The beedi labourers as organized by

the Trade Unions protested against this and ultimately the Value Added Tax on beedi was decided to be removed.

Attempts have been made not only to discourage smoking generally, but also to discourage young people from smoking. The measures taken are ban on smoking in public, ban on advertisement, ban to sell tobacco products to minors etc. Besides this, in 2002 as an attempt to discourage youngsters from smoking, National Democratic Alliance government in its ‘India Shines’, it was made obligatory to all the beedi and cigarette buyers to buy a condom. The young smoker would feel embarrassed as he has to buy a condom with cigarette or beedi would definitely discourage him from buying cigarettes and beedi. With whatever intention the government enacted this rules, this would have definitely compelled the smoker to give up his smoking habit. But this rule was not at all implemented.

c) Hindrance to beedi from Entry tax and central excise duty:

The Karnataka Government has brought about the Karnataka Tax on entry of goods into local areas for consumption, use of sale Act 1979 and levied entry tax on certain items including tobacco and its products. The government promulgated the Entry Tax since 1980 and it contributed to the revenue of the State government. Accordingly the entry tax of 2% was levied for the entry of beedi leaves, raw beedies
(after they were collected by the contractors) into the local areas and raw materials like yarn, fuel, labels, wrappers, packing materials, on the selling price and on raw materials. But it excluded tobacco in order to give benefit to the cultivator. This Act was amended in 1983 in which entry tax was introduced on tobacco products including beedies. Again in 1985 the Act was amended and excluded beedi from entry tax. During 1999-2000 as beedi leaves was shifted from the list of agricultural product to industrial product, against the demand for exemption from the payment of entry tax on leaves, the entry tax was levied on the beedi leaves. Besides this, in the 2001-2002 budget, the beedies which was excluded from entry tax, proposed to introduce entry tax at the rate of 2% on beedies. The manufactures emphasize that the entry tax touches all the raw materials of beedies, raw beedies at the contractor level and sale of beedies in our state because of which the manufactures feel they have to venture with competition. Their plight is that such burden definitely put the industry under danger. Till recently the manufactures of Karnataka has to pay entry tax, whereas entry tax have not levied on beedi industry in some of the states. At present since April 2008, the Value Added Tax has been withdrawn. Even the entry tax levied on beedi industry has been cancelled since 2006\(^{51}\).

\(^{51}\) Information was provided by Rajaram Natekar, Manager P.V.S beedies Mangalore, 15-11-2008.
The central excise duty on beedies has been levied from 1975. In the beginning it was fixed as Rs.1 per thousand which was later increased to Rs.4.20 per thousand. During 1996-2000 it was increased from Rs. 5.50 to Rs. 7. The present structure of excise duty has been changed. Since April 2008 the central exercise duty has been increased at the rate of Rs.8/-, cess Rs. 5/-. National calamity fund Rs.1/-, education cess as a) higher education 2% (28paisa) and b) secondary education 1% (14 paisa). Thus the total is Rs. 14.42 paisa\textsuperscript{52}. Central government has given the benefit of exemption of central excise duty to the small beedi manufacturers in the unorganized sector whose total production is 20 lakh beedies per annum. This benefit has resulted to the mushroom growth of small manufacturers. They throw a challenge to the established industry by offering their products to the smokers for low rates. It has created competition and also confusion between the registered and unregistered companies. The demand to withdraw the exemption given to the small scale manufacturers by Trade Unions, Non Governmental Organizations, manufacturers of organized sector and workers has gone in vain. It has given rise to production of spurious beedies and a number of different brands of beedies, causing the registered manufacturers to loose the market. Apart from this, the government looses its revenue as a result of extending exemption. Tax

\textsuperscript{52} Ibid.
structure always provides revenue to the national exchequer and it could be used for the welfare of the workers. But the tax or excise duty levied upon the leaves or beedies, brings extra burden upon the manufacturers. Beedi being profitable industry till the late 1990's had higher market and the manufacturers had opportunity to grab profits. If the tax structure applied to the industry are not integrated and are unequal, it establishes a kind of dissentment among the manufacturers which they show over the labourers by threatening to close the business.

d) Challenges from the market:

Beedies are mostly preferred in rural areas by the poor and working class people and also middle as well as old generation. Any product will have market until it has its customers. As stated even beedi will not be marketless until it has its own customers. It is difficult to imagine a situation where beedi becoming out of demand as long as it has its social base. So regular smokers of beedi cannot stop it or they will start some other habits. In this competitive and complex world of varied problems, saving beedi industry for saving the poor sector from starvation is necessary. But it is now time to think to save beedi industry and make beedi more attractive and stronger inorder to compete with other products. Besides, the future of beedis is under ambiguity. It all depends upon, whether the younger generation desires to go for beedi or
not and also rural sector continues their habits of smoking beedies\textsuperscript{53}. This statement is viewed from the perspective of decline of market for beedies in the recent years.

The economic liberalization, privatization and globalization policies adopted in 1991 opened door for the multinational companies to enter India, resulting geographic shift in the beedi industry and the market for beedis has been declining. Impact of mini cigarettes manufactured by the big industries was that it posed threat to the livelihood of the beedi workers. The workers now shift this strategy from waging protest or fight against the owner to demand wages, Dearness Allowance, welfare facilities to fight against the government and mini cigarettes. The giant Multi National Companies captured the overseas market strategy, the United States of America imposed trade sanctions on Indian beedi industry banning beedi imports on the grounds of child labour in beedi industry. Due to availability of mini cigarettes for cheaper rate has impact on the beedi industry. As beedi industry is an employment generating industry, as a measure of safeguarding it, in every budget high tax on the cigarette has been put in order to help the beedi industry to withstand the unequal competition from the organized cigarette industries. As the central excise duty for 60mm was reduced,

\textsuperscript{53} Shree Lakshmeesh Tolpady expressed his opinion when he was interviewed on 16-06-2006 at 4 P.M in Puttur.
most of the cigarette companies began to produce 60 mm length non-filter mini cigarettes on a large scale and around a dozen low priced mini cigarette brands were soon released into the market. With this the income based segmentation of consumers preference that higher income groups going for cigarettes and the lower middle and labouring classes for beedies changed because of availability of cheap cigarettes. Beedi rollers protested on the ground of adverse affect upon the market for beedies. As a result, in 1997-98 union budget, the excise duty for mini cigarette was hiked.54.

Cigarette is popular among the rich, youths and dwellers of towns and cities. But when looked into the volumes of the mini cigars produced it raised few questions. In 1993-94 the production was 6 billion it was increased to 14.60 billion in 1995-96 which was increased to 19.5 billion in 1996-97 and in 1997-98 once again it reached to an increase of 21.9 crores. As per the 1995-96 estimation while mini cigarette production was 14.6 billion the beedi production was 418.5 billion. This shows beedi production was higher than the mini cigarettes. But in the later years due to different factors along with the popularity of mini cigarettes the market for beedi has been affected marginally.

54 ISEC Report, (2005), op.cit., p.70.
Most popular in the recent years are smokeless tobacco products like the pan, zarda, gutkha, tambaku, misri. In the late 1980s and 1990s gutka and panmasala which were cheap, tasty and readily available in small sachets were considered as acceptable by the society for all ages. They are more popular in the urban areas among the middle class people and both sexes. At present, it has become popular in the working class and rural area people. These smokeless tobacco products have become acceptable by women, youths etc because of its invisibility and it can be chewed in public places unlike beedi as it has been prohibited publicly. It has been strongly perceived that the growth of production of chewing tobacco has out placed beedi. The shift from smoking to chewing is a biggest challenge, the beedi is facing since 1993-94. The political, social and economic changes are altering the needs of the people. The Indian market for panmasala in 1990 was worth 20 billion rupees, in 1998 as estimated nearly 500 crores revenue was collected by the revenue department from the panmasala industry\textsuperscript{55}. There was an increase of household expenditure on tobacco and tobacco products from 1.5 percent in 1995 to 2.9 percent in 1998-99. As reported there was a significant increase in the production of chewing tobacco from 88.4 million kg in 1987-1988 to 188.8 million kg in 1997-98\textsuperscript{56}. At


\textsuperscript{56} ISEC Report, 2005, pp.69-71.
present it is very popular among the smokers since smoking cigarettes and beedies are prohibited in public. The growing production of chewing tobacco particularly gutka and panparag reflects the threat from tobacco products to the consumption of beedies. Besides this, one more factor which helps in enhancing gutkha production is the relaxation of entry tax given to the gutkha producers. Gutkha producers have to pay only sales tax, but beedi makers have to pay central excise duty\textsuperscript{57}. This is how beedi has to compete with mini cigarette as well as non smoking tobacco products and all these might owe threat to the market of beedi resulting into decline.

e) Challenges from the issue of health hazards:

The beedi industry is also under pressure due to health concerns against tobacco use across the country. While beedi rollers are exposed to occupational health hazards because of long involvement in this work like beedi smokers are also exposed to different health ailments because of long years of smoking. The health organisations, environmentalists, non smokers and the pressurized government are determined to suppress the industry in one way or the other. But the question related to the problem of rehabilitation of lakhs of beedi workers, tobacco growers and all others involved in the tobacco industry has put them under

\textsuperscript{57} D.Rajasekhar, G.Sreedhar. 2002, op.cit., p.4023.
dilemma. One cannot dispute the health harm caused by beedi, both rolling and smoking. On the other hand, the whole matter should be looked from the socio-economic aspects of the poor working people.

Attention should be paid to the harmful affects of smoking. From that perspective if seen, tobacco smoking including beedi contains a large portion of carcinogenic or toxic agents like nicotine, tar, etc. As per the findings of World Health Organization about 10 million will die annually from tobacco related diseases by 2030 and 70% of these will belong to the third world. The Indian council of Medical Research's study in 1999 shows about 1.63 lakh people suffered from cancer due to tobacco use in India. In the Framework convention on Tobacco control held in 1999 at Delhi, the Director General of World Health Organization stated that the cost of tobacco-related diseases in India was estimated around Rs.27, 700 crores\textsuperscript{58}. It has been estimated in 1990s that there were four lakh cases of cancers, 13 lakhs persons with heart ailments and at least 70 lakh people suffering from chronic lung diseases and half of all cancers in men and quarter of all cancers in women were directly attributed to tobacco use\textsuperscript{59}. Smoking is the cause for 82% of the chronic obstructive pulmonary disease cases. Over 12 million are suffering from this disease in the country and four lakh people die out of

\textsuperscript{58} Report of the general secretary, All India beedi workers Federation, Fourth All India conference, Mangalore, November, 2004, p.5
\textsuperscript{59} Svathi Chakravarthy Bhatkal, (1998), op.cit., p.2506.
tobacco related cancer every year. Hence, extensive scientific research has revealed that tobacco contains various gases and particles. It contains carbon monoxide gas and nicotine in relation to heart related ill effects and also blood pressure. The total figure of cost of cancer treatment was increased from Rs. 1,34,449 in 1990 to Rs. 3.5 lakhs in 1999 and at present it costs higher. Thus smoking has high risk factor.

On the other hand, beedi rollers are exposed to occupational health hazards like numb fingers, eye problem, backache, headache, piles and rheumatism because of long years of involvement in the work. Besides this, because of inhalation of tobacco fumes as the workers are continuously exposed, they suffer from tuberculosis, asthma, allergy, diabetes and continuous cold. Because of the far away distance of the hospitals all the workers cannot get the service of hospitals specially built for them. Therefore beedi workers are also exposed to health exploitation.

While discussing about various diseases resulted from tobacco smoking, the abuse cannot be attributed directly towards the beedi industry. The various studies on effects of smoking and the diseases shows, cigarette smoking and consuming of non smoking products such

60 Special correspondent, "Anti tobacco cell essential to the city "The Hindu, Tuesday August 2, 2005, p. 6
as gutkha, pan masala, zardha, tambaku, misri is more harmful. Many cigarettes contain more percentage of nicotine and some of the exported quality has been found to have higher content of nicotine and tar. Besides this, the scourge of gutkha, panmasala is also well known. Gutkha, Pan masala with or without tobacco (harmless non tobacco variety) also cause oral cancer. Therefore, any tobacco products are harmful to health. Considering the health factor the government as well as other organisations has been ventured to the task of tobacco control through various measures. The growing health concerns and anti smoking campaigns have been affected the beedi market. Besides this, due to the changing style and other factors the consumers have been shifted from the consumption of beedi to cigarette or non smoking products. The health hazard aspect has proved challenge to the existence of beedi industry. But from the point of the livelihood of its labourers beedi work has to be viewed beyond its harm. Above all malnutrition, poverty, use of unhygienic water, food habit, unhygienic environment also bring diseases.

f) Challenges from the ban on advertisement:

The legislation governing the tobacco production manufacture sale and advertising was non existent in India. The cigarette Act 1975
only made provision for the use of the statutory warning. This required package of all tobacco products excluding beedies should carry a prescribed health warning like cigarette smoking is injurious to health in letters not less than 3mms in height. Such legal restriction is non-existent even on gutkha and pan masala too. Besides displaying ‘no Smoking’ boards in various places including transports, public theaters, shops and other public places are made compulsory. In several restaurants separate smoking and non-smoking zones are established. But all these efforts did not put an end to smoking habit. The countries including India on the ground that advertising leads to higher consumption and attracts youth to initiate smoking determined to reduce its consumption not only among seniors and as a move against smoking amongst minors’ enacted ban on advertisement Act 2003.

Unlike cigarettes and chewing tobacco products impact of ban on tobacco advertisement might not affect the beedi as it is preferred largely among the rural people, poor and working class on whom advertisement do not make much influence as they are the marginal users of television, news papers and popular magazines. Even in towns and cities, it is preferred by low income group people and working class people. In countries like United Arab Emirates, South Africa, Kuwait,

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Switzerland, United State and Malaysia beedi were preferred\textsuperscript{63}. Beedi smokers in these countries are largely those who have gone from India and are regular customers of a particular brand. However, beedi advertisement was used in a limited sense before and after, compared to cigarettes and chewing tobaccos. Till late 90s tobacco consumption pattern was unique as the data of the total consumption of beedies was 53.5\%, cigarettes 18.8\% and that balance 27.7\% consumption of chewing tobacco products, snuff and other traditional forms of tobacco production\textsuperscript{64}. Besides this, The Indian Tobacco institution says that about 65\% of smokers prefer beedi and the total consumption of beedies is worth Rs.5,325 crores in India\textsuperscript{65}. All these statistics shows that in India the consumption of beedi was more than cigarette and chewing tobaccos, atleast till recently. On the other hand, today the beedi industry is under crisis. But it is stated that as per the available data there is hardly any collapse of the internal market\textsuperscript{66}. As per an official report on tobacco control shows that there were an estimated 240 million tobacco users aged 15 years and-above [195 million male users and 45 million female users] in India\textsuperscript{67}. Among the tobacco

\begin{thebibliography}{9}
\bibitem{Tobacco Institute of India New Delhi, 1999} “Sharp upswing in Tobacco exports” \textit{Monthly Public opinion surveys}, Vol. XLIV, No.4, Jan 1999, P.26.
\bibitem{ISEC Report, 2005} (2005), p.75.
\bibitem{Deccan Herald News Service} “Panel to monitor tobacco ads” Deccan Hearald, Tuesday, Nov. 2006. p.7.
\end{thebibliography}

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consuming population in India 45% smoked beedies, 40% chewing tobacco and the remaining go for branded cigarettes. In the background of these above figures, the report further says that the total death caused by tobacco every year is seven lakhs\(^{68}\). This shows the decline of beedi is marginal and the consumption of chewing tobacco has increased, whereas cigarette demand has come down. Therefore ban on advertisement may not have excessively affected the demand for the beedi. It is so because in the advertisement business, though tobacco products bagged the major portion of the business here, it was not beedi but mainly cigarette and gutkha and pan masala conquered the glamorous world, the minds of the people through small screen, film, newspaper, posters and also by sponsoring cricket or film fare festivals. On advertisement different cigarette company was spending the amount annually, as Gold flake Rs.50 crores, 555 brand Rs.10 crores, Benson and Hedges Rs. 10 crores, Indian tobacco 40 crores to promote their respective products\(^ {69} \). Even gutkha companies like pan parag, Manikchand were not behind than cigarettes in spending over advertisement. But such advertisement competition has not entered the world of beedi, except its competition is found locally and between other beedies. So the beedi market was not declined abruptly by ban on advertisement but was affected because of varied factors.

\(^{68}\) Ibid. p.7.
g) Challenges from economic policy or market economy:

The Government of India's economic reforms in 1991 embraced globalization and integration of the Indian economy into the global economy. Globalization led to informalization of workforce. In the informal economy working conditions of the workforce include invisibility, poor working and living condition and the absence of social protection. Besides it also blamed for insecurity, long hours of work, and lack of access to productive assets, resources, land credit, marketing technological assistance, education and training. There is an increase in employment of women in informal sector because the organized sector use female labour through home based contract work in the informal sector finds without providing labour security or other benefits, except wage. This sector offers the possibility of combining paid work with house work and do not conflict with the dominant patriarchal forces. Beedi work is an informal sector, and globalization impact has even interfered in beedi affairs and played its role in worsening the situation of the workers.

An economic liberalization policy has its impact both on beedi industry and the beedi work. This is seen as the most powerful policy that went to the extent of destroying the beedi industry from its base.

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However, Due to the liberal market, the tobacco multinationals entered the market and affected the entire activities including the consumption of beedies. The beedi rollers are the worst affected, because of the changes taken place after the adoption of new economic and industrial policy, unequal and adverse competition by the multinational cigarette companies and also because of the excise reduction provided to the mini cigarettes. Now as an opportunity to expand production and export cigarettes different cigarette companies started to produce 60 mm non filter cigarettes on a large scale. Thus the long term policy of protection provided to the beedi industry was shattered. With the entry of such cigarettes income based demarcation among consumers began to be weakened. This change led to the reduction of the work. The companies were reluctant to continue the production on the same scale as a result of the fall in the demand for beedies. But to what extent the uncertainty or reduction in work occurred due to the mini cigarette is difficult to conclude. Impact of the globalised economy in the Beedi industry was clearly experienced with the role of United States of Amercia. Her giant companies have managed to curb the Indian Beedi exports as USA imposed trade sanctions on Indian Beedi Industry banning beedi imports on the ground of child labour used in the industry.

71 K.Srinivasalu (1997), op.cit., pp.515-517
h) Challenge from tobacco free or smoke free campaigns:

Several laws have been enacted as part of efforts to bring down tobacco use and the government has spent crores of rupees on awareness campaigns. World Health Organization sponsored work convention on Tobacco control which was adopted in May 2003. Its main objective was to ban the use of descriptor terms and end tobacco sponsorship and advertising and help the anti-smoking campaign to spread to all the countries by guiding individual national Tobacco control policies. World Health organization has taken steps to publicize the effects of consumption of tobacco. Recently in Mangalore anti tobacco cell was felt essential to educate the public on the risks of smoking and chewing tobacco. The centre for multidisciplinary development Research made efforts to advise for tobacco control programme and policies in the country.

Besides these even the civil societies, environmentalists warn against the bare effects over the environment. Anything which affects health and environment should be opposed. While opposing any product it should be tested on the basis of its potentiality. Beedi industry as argued earlier is a potential cottage industry that provides livelihood to

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73 “India leads anti-tobacco initiative” The Hindu, Thursday, 11-9-2008, p.11.
millions of people throughout the country. There are number of other products harmful to the environment and for the health also. Beedi on the other hand, is potential to provide employment to a large number of people. If this industry gets collapsed, those who are involved in beedi rolling work will be affected. Then the government has the challenge to rehabilitate or should provide them any other job to the beedi rollers. Besides, along with so many developments beedi industry which exists since long years is not the only product which affects the environment. But beedi is exclusively targeted as more dangerous to environment and health. International Labour Organization also since 2000 with the help of Non Governmental Organization has pilot projects and programmes for promoting alternative employment opportunities for women beedi workers. But rehabilitating more than four lakh beedi rollers is not a simple task.

i). Challenges from changes in life style:

Another area of challenges to be mentioned here are societal challenges which also put serious pressure upon the existence of this industry. The nature of social and economic changes in the society due to the influence of modernity and the education, conflict of interest among people in rural areas has caused changes in thinking and style particularly among youngsters. Today everybody thinks in terms of
earning more and accumulating wealth in order to push up the social status. Social status today is not measured mainly through the good deed and by inheritance. People look for any such means to achieve them which could be done by increasing their wealth. Youngsters particularly those educated boys, who belong to beedi rolling family never believe that it helps to enhance the social status. Unless inevitable, they do not prefer to continue in their parents work, that is beedi rolling. The educated youngsters are not attracted as they consider it as below social status and are ready to work in any companies for low salary but not as beedi rollers. The changes which have occurred in the economic context have influenced them to a greater extent. Besides this, the existing working conditions in the tobacco industry also have made them to take this decision. Even the parents are not willing their children to take up this work as they think it as tedious work, uncertain, lacks security etc.

On the other hand, due to several changes in life style the number of beedi smokers is gradually decreasing as appealed by the Trade Union leaders, manufacturers. Growth of higher income among the youngsters in the urban area makes them to shift to cigarettes or chewing tobacco. As a matter of social status, the influence of modernity, changed life style have decreased the total number of beedi smokers has been decreased.
j). Challenges from the smokers and non smokers:

'Smoking is injurious to health'; ‘cigarette kills you’ and ‘smoking is bad’ are some of the captions that have influenced the smokers. The smoker as some of our respondents felt, have the mind set that allow them to take such captions and instructions without seriousness. Various kinds of legislations controlling tobacco have been enacted and implemented in this direction. But people with the habit of smoking can smoke in their privacy. Different factors influence the decision to start smoking by people including minors. Factors like income, environment, availability, attitude, worries influence the person to smoke as suggested by the respondents. Generally, the minors are influenced by parental smoking habits, peer group influence, personal disposition or rebelliousness and curiosity. People out of stress, depression, frustration cultivate some habit in order to get relief. They seek relief through some means like alcohol or smoking. But health awareness, social awareness may cause to give up such habits. Otherwise such people may start the habit of chewing tobacco or eating beetle etc. Beedi smokers may shift their habit to smoke cigarettes. All these will lead to decrease in the number of beedi smokers. Besides, cheaper, non cigarette tobacco products are attracting minors and the economically weaker sections of the population which are equally harmful. Such factors have adverse effect on the market for beedi.
On the other hand, the non smokers pose a big threat to the tobacco use. The issue of banning or controlling smoking has legal, social, economic and medical implications which can not be ignored in the larger interests of the country. The non smokers mainly welcome such a move. No one can deny that the non smoker should be protected from the environmental tobacco smoke from the health perspective. Smoking is harmful not only to the main smokers but even the passive smokers. Of more than 3800 different chemical constituents of tobacco smoke, a large number are toxic or carcinogenic. Most of these compounds are found in both mainstream smoke and side stream smoke. Mainstream Smoke is the smoke drawn through the mouth piece of the tobacco smoking product during puffing. Side stream Smoke arises mainly from the passive burning of the tobacco burning in between puffs and is a major contributor to environmental tobacco smoke. Chronic exposure to Environmental Tobacco Smoke pollutants would cause bronchitis, pneumonia and other diseases of lower respiratory tract in children and also lung cancer induction in non smokers. Besides this, as health factor, passive smoking is always opposed for the smell and sense of inhaling something disagreeable. Some people do not like tobacco smoke and thus non smokers has to tolerate the smokers both in living and working places. The tobacco

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Institute of India was set up in 1992 to look after the interests of the cigarette manufactures, traders and tobacco growers. This institution took care of the rising public concerns against smoking amongst minors. In the selling places care was taken not to sell tobacco products to minors. Against smoking, before the enactment of banning publicly smoking writ petitions had been filed in many high courts. Here these petitions mainly filed infavour of protecting non smokers from the smokers.

Indeed, the present trend at different walks of life discourages smoking, its business etc. Smoking is a well entrenched habit of millions of people and subject to others rights which should get some consideration. Besides this, the exchequer accumulates enormous income from tobacco products. Again displacement of the labour engaged in cultivating tobacco, curing, rolling, transporting manufacturing, selling the tobacco products cannot be taken lightly. Since this industry involves millions of workers, this problem can not be viewed purely on legal, health or medical, social and environmental point. It should be viewed from the affects it produces to several lakh labourers, if this industry gets closed. Public education and guidance should be the strategy to stop public smoking rather than dismantling the industry deliberately out of different pressures from outside.
Challenges from environmentalists and social as well as health awareness campaign:

Smoking and problems related to it were not taken for larger debate until the awareness was spread by anti-smokers. As we know, such activities were initiated in the developed countries in the early 80's. Awareness about the dangers of smoking was not realised much in India. India remained a safe place for smokers even after the spread of anti-smoking lobby. Until the implementation of ban on smoking by the Government irrespective of being rich or poor all being indulged in it. At present, everywhere awareness to the dangers of smoking and the anti-smoking campaigns are gaining ground. In India, only a masked awareness developed, among those who remained as smokers. A majority of Indians smoke despite the risks to their health. Some individuals and Non Governmental Organization's sought ban on advertising and public smoking, sponsorship, use of logo as was inspired by in the west and the literature provided by the World Health Organization and the media.

An institution named Sangeeta Darvekar Charitable Trust conducted survey to bring awareness among people related to the evils of tobacco use and resultant oral cancer. Dr Surendra Shastri at Tata Memorial hospital reports that there are 7,00,000 new cases of cancers
every year in India out of which tobacco related cancers are about 3,00,000. Cost of treatment for oral cancers was estimated about 3.5 lakh, showing the danger involved in it. Besides, "world anti Tobacco day" is being celebrated on May 31 every year and effort is made to create awareness on dangers of "tobacco consumption". World Health Organization or other health organizations across the country has taken steps to bring awareness of the evil effects of the tobacco smoking and also chewing. These figures and their presentations have in total worked as negative impact on the industry, especially in reducing the number of consumers of beedi.

The social awareness regarding the ban on advertisement and also regarding ban on smoking in public places has been widely spread recently among the people of Dakshina Kannada. Standard restaurants have demarcated smoke and non smoke zone clearly to send the message that such categories are required. Various training and awareness camps have been conducted by Health institutions, Non Governmental Organizations, Legal department to spread legal awareness against smoking. Such camps attempted to bring back the beedi consumers in a big way.

Environmental activists also campaign widely for clean environment, clean water etc. They assume that problem concerning the environment is not only lack of awareness but also the idea of cleanliness. Many have felt that a culture of clean is imposed on the rural poor that does not mean anything to their life. Protection of environment at present is the highest concern of the environmentalists who think smoking is one factor which pollutes the environment. They also conduct campaigns in different parts of the country to create awareness on protecting the environment through smoke free campaigns. All these factors may directly or indirectly influence the smokers and as a result of this, the market for beedi has drastically reduced. Every time when this issue was raised, the mainstream environmentalists have very strongly argued against smoking either beedi or cigarette. Between these two, the beedi is charged more because it is unscientifically made without taking the necessary precautions including the absence of wearing hand gloves.

This is being treated as one of the external crises as the environmentalists, social activists and health workers have been constantly talking against beedi industry as a whole despite the fact that it involves large number of poor families. However, these crises have in
toto considerably discouraged the beedi industry as a whole at all levels and at all time.

The above mentioned problems and challenges can not be over looked or ignored. Any criticism against the beedi industry or beedi rolling work should be made basically keeping in view the labourers. Government should evaluate the beedi industry from workers perspective and the steps should be taken for the protection of the labourers. It should not take any such action against the labourers. Further the action or any programme should not affect the livelihood of the rollers.