

History and Struggles of Beedi Workers in India



Dr. Yash Chauhan

AITUC PUBLICATION

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of
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Foreword

Beedi industry (the tobacco in leaf) is an old industry in India. About 75 lakh workers are engaged in this industry, though government has issued only about 40 lakh identity cards.

The Trade union movement in the Beedi industry commenced in 1920 in some states and picked up later. In areas like Calcutta, Kerala etc. the beedi workers also played a role in the freedom movement. In Calcutta Com. Ismail the leader of Tremsway workers, was also a popular leader of Beedi workers in the early forties.

The author has collected a lot of material from the records of AITUC and also records of prominent leaders like Dr. Kannabiren and Com. Ratnakar. He has also included the experiences of other trade union centres and also SEWA.

The beedi industry is facing competition from the mini-cigarettes and also danger of extinction with the WHO campaign against use of tobacco.

He has dealt with various modes of employment in beedi industry but it is preeminently a homebased industry. The minimum wages are fixed by the state govts and there is danger of industry shifting from one state to another if the wages are higher. He has also dealt with the experience of Dinesh Beedi Co-operative Society in Kerala.

Women comprise the main workforce as it is homebased industry.

The welfare scheme for beedi workers is there but not all are benefited as the identity cards are not issued to all.

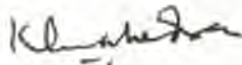
After agricultural workers the beedi workers are numerous and comparatively better organised from amongst the workers in the unorganised sector.

The publication gives details of various aspects of the beedi workers movement and provides a good basis for further stud-

ies. It will be useful to Trade Union activists and scholars who are working in the unorganised sector.

The problems of the beedi workers can also be considered by the government which now has to pay attention to the workers in the unorganised sector.

The study is done by Dr. Yash Chauhan, on behalf of AITUC on the project supported by ILO. Thanks are due to the Regional Director Ms. Mary Johnson for the assistance provided.



K.L. Mahendra
General Secretary
(AITUC)

Chapter One

Introduction

India's unorganised sector comprises nearly 90 percent of its workforce and contributes about 60 percent of its GNP. Despite its enormous size and importance this sector remains neglected by the policy makers, planners and implementing agencies. Even the Indian trade union movement with a glorious history of nearly one century has not been able to make effective inroads into this sector. A large chunk of the workforce in the unorganised sector is still deprived of the benefits of government's welfare schemes and legislative protections. The Beedi industry forms a vital part of this sector coming next only to the agriculture and handloom sectors in terms of employment. Today, this industry provides both full time and part-time employment to nearly 75 lakh people of whom approximately 90 percent are women.

The Beedi industry emerged in the late 19th century and spread to most parts of the country in 1930s and 1940s. It is one of the few industries of the unorganised sector where the trade union movement took its roots as early as 1930s. The industry witnessed fierce trade union struggles during 1930s, 1940s and 1950s. During this period no other industry in the unorganised sector enjoyed so much of unionisation as this industry did. This was the period when the Indian trade union movement was united under the leadership of the All India Trade Union Congress (AITUC) and the struggles in Beedi industry were integral part of the overall movement of industrial workers at the national level.

It goes much to the credit of the trade union movement that legislative protection and welfare coverage are being provided to Beedi workers today. Apart from especially targeted legislations like Beedi and Cigar Workers (conditions of Employment) Act, 1966; Beedi Workers Welfare Fund Act, 1976

and the Beedi Workers Welfare Cess Act, 1976, legislations like the Minimum Wages Act, 1948, the Employee Provident Fund and Miscellaneous Provisions Act, 1952; and the Employee State Insurance Act, 1948 extend their coverage to beedi workers. But despite these legislations and the efforts made by the government, trade unions and other civil society organisations to provide a safety net to the beedi workers, only a small part of the work force in the industry has been benefited. The beedi manufacturers have found several lacunae in the legislations as means of escaping from the implementation of these legislations and the ruthless exploitation of beedi workers continues. The situation has worsened particularly after the 90s when the government introduced the liberalisation policy and free market economy and the state withdrew its traditional role of protecting the unorganised sector. Liberal Government policies of allowing the production of mini cigarettes, invitation to multinational cigarette companies to enter the Indian market on liberal terms and the shrinking market of beedis are the major factors which threaten the very existence of the beedi industry and consequently the livelihood of millions of beedi workers today. This has compelled the unions to focus more on the issue of protection to beedi industry than on other issues of immediate concern to save workers from unemployment and starvation. This has further led to a marked weakening in the bargaining power of the beedi workers Unions.

Of late a consensus seems to have emerged among the various concerned actors including the trade unions, NGOs and the international agencies like ILO, that beedi industry is on the verge of extinction and that there is a need for immediate action. This situation has put the beedi workers unions in a great dilemma i.e. whether to give priority to the fight for the protection of beedi industry for saving the employment of workers or focus on struggle against the beedi barons who are ruthlessly exploiting beedi workers by escaping enforcement of legislations. When they take up the former cause they are accused of fighting for the cause of their class opponents and "entering into an understanding with their immediate oppressors" (*EPW, March 15, 1997*). Such an accusation may not hold true but the dilemma being faced by the unions in the present context has certainly led to a shift in the focus of their struggles giving a set back to the articulation of minimum demands of the beedi workers.

Present study

The present study should be treated as a modest attempt to trace the history of the trade union movement in beedi industry and the problems faced by it in today's context. In this process the study tries to analyse the problems of the beedi industry and the beedi workers, and also deals with a few related issues mainly from the perspective of trade union movement. As no attempts prior to this were made to document the emergence and expansion of the trade union movement in this industry, this study may perhaps be treated as an initial effort in this direction. It is hoped that it will provide a broad framework for a more comprehensive exercise of documenting the history of trade union movement in the beedi industry.

Much has been written and said about the socio-economic and working and living conditions of beedi workers. To deal with this aspect in detail would have resulted in mere repetitions of what has already been said. Issues such as impact of legislations on beedi workers have been dealt in lesser details, and an effort has been made to focus on what precisely is more significant and relevant from the viewpoint of beedi workers unions.

Major objectives

The major objectives of this study are:

- i) To document and analyse the emergence and consolidation of trade union movement in the beedi industry.
- ii) To document major interventions made by the trade unions.
- iii) To understand the problems and constraints of the trade unions in the present-day context.
- iv) To develop a framework and reference base for promoting a comprehensive exercise to document and analyse the role of trade unions in beedi industry from a historical perspective.

Methodology

Keeping the above objectives in view following methodology has been adopted:

- ◆ **Interviews:** Leaders of central trade unions, and beedi workers federations were interviewed extensively to know their views on various aspects covered in the

study. Issues discussed during these interviews include problems and demands of beedi workers trade unions; threats to beedi industry; liberalisation and its impact on beedi industry; child labour; workers co-operatives; impact of legislations on the condition of beedi workers; and history of trade union movement in the industry. These interviews were held in Delhi, Ahemadnagar (Maharashtra), Ahemedabad (Gujrat), Gudiuttam (Tamilnadu) and Mangalore (Karnataka).

- ◆ **Interactive Sessions:** Interactive sessions and group discussions were held with beedi workers, trade union activists and beedi employers in order to get the inputs on local history of beedi industry and trade union movement, socio-economic and working and living conditions of workers; incidence of child labour in beedi industry, major demands at the local level; level of unionisation of workers, level of general consciousness of workers, and the measures taken up for the welfare of beedi workers.
- ◆ **Questionnaire:** An uncoded questionnaire was prepared and sent to 80 trade union leaders / activists of state / district level beedi workers unions to generate data on aspects such as struggles and demands of beedi workers unions, minimum wages, living and working condition of workers, threats to beedi industry; implementation of legislations specifically targeted to beedi workers; child labour, problems of local unions, etc. As the questionnaire was uncoded, the data received was not tabulated, but individual responses have been quoted extensively in the study. Though the response to questionnaire was poor and of the 80 questionnaires sent only 18 responses were received, the data obtained through these was quite significant and useful for the study.
- ◆ **Field Visits:** Field visits were made to Gudiuttam, Vellor (Tamilnadu), Ahemadnagar (Maharashtra), Mangalore (Karnataka), and Ahemedabad (Gujarat) to visit the beedi factories, work places, residential areas of beedi workers, and to meet trade union leaders and activists. Data obtained from the observations made during these visits was correlated with the data received from the interviews and interactive sessions. The major inputs received through field visits relate to aspects

such as functioning of unions, impact of struggles, working and living conditions of workers etc.

- ◆ **Secondary Sources:** Secondary sources used in this study helped in obtaining data mainly about the history of beedi workers movement, major demands raised by the unions in the past and present, emergence of beedi industry, major struggles fought by the trade unions, profiles of the beedi workers federations and impact of legislations etc. These sources include Inquiry Reports, Acts, Annual Reports of unions, files of correspondence from the trade union and individual archives; books, parliamentary proceedings, journal and newspapers. Most helpful of these sources were the records available with AITUC headquarters at New Delhi; and the files, papers obtained from G. Kannabiren's and R. Ratnakar's personal collections. G. Kannabiren and R. Ratnakar are the two veteran leaders of the beedi workers movement. The material available with them was found to be of immense help for this study. They both have valuable literature with them. The reference of the material available with them is mentioned as 'Kannabiren Records' and 'Ratnakar Records'.

The material on beedi workers struggles available with AITUC office, New Delhi was the major source of information on the history of beedi workers struggles. As the material in AITUC office is not fully classified yet (they are in the process of developing a system of documentation) only some references have the file numbers and most are mentioned as 'AITUC Records'.

- **Chapterisation:**

The text of this study is organised into six chapters including this introductory chapter.

Chapter Two – traces the origins of the beedi industry in India and provides an overview of various aspects of industry such as the process of beedi making, systems of production, and the size of the workforce.

Chapter Three – is a historical review of the trade union struggles in beedi industry. It deals with concerns, demands and struggles of trade unions and a gradual shift with the changing times, in the focus of trade union move-

ment. Constraints and limitations of beedi workers unions are also covered in this chapter. Most importantly it looks at the impact of trade union struggles and the changing role of beedi workers unions.

Chapter Four – Traces the genesis of legislations and welfare provisions for beedi workers dealing in more detail with Beedi and Cigar Workers (Conditions of Employment) Act, 1966 and Beedi Workers Welfare Fund Act, 1976; and also analyses the impact made by these legislations.

Chapter Five – deals with the threats to beedi industry and employment of beedi workers situating the concerns of trade unions in the contemporary context of globalization and liberalisation. While analysing the impact of the globalized economy on the employment in beedi industry effort, has been made to bring in the open the dilemma faced by the trade unions today while fighting for the protection of beedi industry.

Chapter Six – Deals with two auxiliary issues of child labour and workers cooperatives. It critically analyses the hype created around the issue of child labour, and ponders over the meaningfulness of having workers cooperatives in beedi industry.

The researcher also hopes that this work will help in filling a gap in the writing of labour history of the unorganised sector. It is expected that in future more competent, better-equipped and more resourceful researchers would use this study to write a comprehensive history of labour movement in beedi industry, which remains so far a neglected subject for the labour historians.

Chapter Two

Beedi Industry: A General Profile

Origin

The earliest evidence of beedi smoking in India is the *Bombay Gazette, 1879* which mentions that the inhabitants of Kheda and Panchmahal districts of Gujrat used to consume tobacco in astra leaves (*Ratnakar records*). It is often stated that the Rajasthani families started the process of beedi making in the nineteenth century, and named their product as beedi. Though we do not have any other evidence to suggest beedi consumption before this period, but one can safely assume that the practice of smoking tobacco rolled in leaves might have been in practice much before 1879. This assumption can be made on the basis of the fact that the British rulers had introduced tobacco cultivation in India during the seventeenth century. Moreover, to confirm this fact we have ample evidence of the prevalence of hukka smoking by the nobility in the Northern parts of India during the eighteenth century.

This also indicates that initially any leaves, including the astra leaves were used for making beedis and it might be that after much experimentation tendu leaves were found to be most suitable for beedi making.

Considering the fact that beedi is a common man's smoke for which raw material was easily available in the rural areas, one can assume that after the invention of the art of beedi rolling, beedi production spread very fast as a local activity. Probably, people knowing this art first started producing beedis for their own consumption and then for others who did not have the required skill but could afford to buy them. We can say that with more and more people taking to beedi smoking, a permanent demand for beedis was created in the rural market. This growing demand for beedis paved the way for its production on a much larger scale.

Thus, the beedi-manufacturing units towards the end of the nineteenth century gradually replaced beedi making as a local activity in the rural areas. "An intensive survey of beedi manufacture in all important centers of beedi making showed that the oldest beedi making firm was established as early as 1887" (*Court of Inquiry, 1946*). As far as this textual evidence goes, we can say that the formal manufacturing of beedi in India was started in 1887, and not in 1902 as mentioned in most of the literature available on beedi industry in India.

Beginning of the twentieth century witnessed emergence of a number of beedi firms and beedi manufacturers some of whom became later the barons of beedi industry. One such firm was P.V.S. Beedis (P) Limited, Mangalore established by Puttu Vainkut Shet in 1904 as a small beedi producing unit (*Indian Express, March 10, 1983*). But Mohanlal Patel and Hargovinddas Patel, the two brothers who started beedi manufacturing in Jabalpur (M. P.) are considered to be the pioneers of beedi industry in India. It is said that they were the first to discover that tendu leaves found in the forests of Madhya Pradesh were better suited for beedi making than astra leaves. Another pioneering beedi manufacturer was Haribhai Desai. Uptill 1901 there were no identification marks on beedis. Messer Haribhai Desai were first to register their brand in 1901 and Messer Mohanlal Hargovinddas registered their brand in 1902. This was the beginning of branded beedis in the Indian market.

Beedi industry started growing particularly after 1920s. By the time of Swadeshi Movement it had spread in cities, towns and remote villages across the country (*Ratnakar-Records*). It was in 1930 that one of the largest beedi firms, Bharat Beedi works Ltd. Manglore was established (*Daily Jhanthi - Tamil Daily, December 23, 1990*). Initially the major beedi producing areas included Vidarbha and the Madras province. Over a period of time the industry had spread over the length and breadth of the century. Today it is undertaken on a large scale in 12 states that include Andhra Pradesh, Bihar, Gujrat, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Orissa, Rajasthan, Tamil Nadu, Uttar Pradesh and West Bengal. Within these states the beedi production is centered in particular districts/areas due to various factors. Details of the overall spread of beedi industry in India are given below:

Tamil Nadu – Vellore, Gudiuttam, Coimbatore, Madurai, Chennai, Tirunervelli, Tiruchirpalli

Karnataka – Belgaon, Kanara, Tumkur, Manglore, Dharwar, Bangalore

Andhra Pradesh – Hyderabad, Kurnool, Varangal, Guntur, Nellore

Kerala – Malabar, Palghat, Calicut, Trichur, Kazhikode

Maharashtra – Ahmednagar, Gondia, Sangli, Nanded, Yavatmal, Nasik, Pune, Dhulia, Sholapur

Gujarat – Ahmedabad, Mahesana, Baroda, Surat, Kaira

Madhya Pradesh – Jabalpur, Bilaspur, Satna, Dewas, Narasighpur, Sehore

West Bengal – Murshidabad, Purulia, Asansole, Coochbihar, 24-paragana, Bankura

Orissa – Dhaneknal, Bolangir, Cuttuck, Sambhalpur

Bihar – Bihar Sharif, Bhagalpur, Purnia, Sahibganj

Uttar Pradesh – Allahabad, Kanpur, Jhansi, Muradabad

Rajasthan – Ajmer, Tonk, Swai Madhopur

Assam – Dhubri

The rapid growth of beedi Industry was facilitated not only by the availability of suitable tobacco or wrapper leaves but also "by the abundant supply of intelligent though illiterate labour, capable of quickly learning the simple craft of beedi making " (*Court of Inquiry, 1946*). Thus, the ever-growing demand, easy access to raw materials and the abundant supply of cheap labour were the major factors that contributed in the rapid growth of the industry. The beedi industry did not require any machinery or automation for increasing production but the uninterrupted supply of labour, which was provided by the large army of small and marginal farmers and landless labourers. This became possible due to the typical nature of the Indian agriculture, which depended largely on monsoons. The erratic monsoons made the Indian farmer underemployed. Even today the average Indian farmer sits idle for at least 4 months in a year. That is why in the initial stages most of the workers in beedi industry came as part time workers whose earnings from making beedis supplemented their income from agriculture. But particularly after the depression of 1929, which

placed agricultural labourers and cultivators at great difficulty, they were attracted to beedi rolling business as a means of alternative source of livelihood. It was quite natural that many of the rural folks who had no landed property took up beedi rolling as a full-time activity. Thus emerged a class of full-time beedi workers who were proletariats in the real sense of word and who had nothing to sell except their labour.

Apart from the above-mentioned factors, motivation to invest also accelerated the growth of this industry. Lack of any effective labour laws, the large profit margins, no use of machinery and an assured market motivated those who had surplus money to invest to take up beedi manufacturing as a trade. Equally important were the growth of tobacco cultivation which provided suitable tobacco for beedis, and emergence of tendu leaf as a minor forest produce.

Tobacco Cultivation

In Europe tobacco cultivation is reported to have started in fifteenth century. By the end of the reign of Queen Elizabeth-I (1603) smoking was common in all classes in England. By the end of the seventeenth century, tobacco had reached most parts of the world. In India tobacco cultivation had already started during seventeenth century. It is commonly known that the British introduced the tobacco cultivation in India, but some believe that the Portuguese introduced it. In South India there is another story in vogue about the origin of tobacco cultivation in India: "During Krishna Dev Rai's reign there was a drought in Deccan. In order to improve the income of peasants the king imported tobacco and sugarcane"(Kannabiran).

Today Tobacco is one of the most important commercial crops grown in India which is the third largest producer and sixth largest exporter of Tobacco in the world (Vandana Shiva, page 10). Indian tobacco sector is dominated by beedi as "of the total domestic consumption of tobacco, 54 per cent is in the form of beedis" (*Observer, Decmber 29, 1999*).

India produces several types of tobacco, such as Virginia, Country Tobacco, Burely, Biddly, Restica and Lal Chopadia (chewing tobacco). In terms of exports and excise revenue Virginia tobacco is the most important. Brown coloured tobaccos known, as the Gujrat-Nippani varieties are considered most suitable for beedi making. Beedi tobacco is grown in Kheda

(Gujrat), Nippani (Karnataka) and some other places. Today, nearly 3 crore people are employed in the tobacco industry.

Tendu Leaf Collection:

Tendu leaf is considered best for producing Beedis. It is preferred to astra leaves and some locally used leaves. It is a natural forest product and grows as heavy forest vegetation in the states of Madhya Pradesh, Andhra Pradesh, Orissa, Bihar, West Bengal and Maharashtra. Tendu leaves have traditionally been providing livelihood to lakhs of tribals and other backward classes residing near Tendu bearing areas. There is a specific process and specific period for plucking Tendu leaves. The Tendu bushes are pruned 40 to 45 days in advance, as leaves from pruned bushes are usually larger in size, thinner and more pliable compared to leaves obtained from big trees. Tendu leaf plucking is done during May and June, when leaves change colour, May being the peak period of collection. Actual harvesting period is about 3 to 4 weeks. After plucking, the leaves are sun-dried for about 4 days and then tied into bundles and stored. On an average a good leaf yields 3-4 pieces. "The desirable quality of beedi leaves is that they should be of medium thickness, pliable, large sized and should have colours ranging from yellow to light copper red" (G. Kannabiren, *Paper submitted during the Nation workshop on Beedi workers*).

Beedi industry consumes Tendu leaves worth several crores. Tendu leaf collection is done by the government agencies that engage contractors for this purpose. It provides, according to rough estimates, employment to nearly 75 lakh people for nearly 75 days in a year. After the enactment of Panchayati Raj Act, there is mention in the Fifth schedule that the minor forest produces (MFP) have come under the jurisdiction of Panchayats, which means that in many tendu-bearing states, it has become the common property of local people (mostly tribal). But this issue has yet to be resolved and in most of the states it is still under the control of the state machinery.

Major Source of Income for Government and Beedi Manufacturers

If Government-provided figures are any indication, the beedi industry is an important source of revenue for the government. In 1991 Salman Khurshid the then Central Minister of the State for Commerce in a Statement in the Lok Sabha said India exported beedis in 1988-89 with an earning of Rs. 2.10 crores.

In 1989-90 and 1990-1991 the earnings were Rs. 2.90 crores and 3.21 crores respectively. The Ministers of Labour made a similar statement in the lower house of Parliament focusing on the handsome income of the Centre from the Beedi Industry. According to him in 1988-89 the Centre earned about Rs. 15.10 crores from different types of taxes that went up to Rs. 16 crores in 1989-90 and Rs. 17 crores in 1990-91; that the Centre's income as cess on beedi production in 1988-89 was Rs. 1.17 crores, which rose to Rs. 1.26 crores in 1989-90 and Rs. 1.38 crores in 1990-91. Apart from this, the Centre collected Rs. 30 crores as income tax annually from Beedi industry, while the state governments collected Rs. 55 crores per year as sale tax. Excise Duty recovered on tobacco was to the tune of Rs. 30 crores and on the branded beedis Rs. 6 crores a year (*Jasodhara Bagchi and Asim Mukhopadhyaya, 1996*). More recent data indicates a total turnover of Rs. 19000 crores, foreign exchange earnings of Rs. 806 crores and Excise revenue of 650 crores from beedi industry (*Rashtriya Sahara, January 5 1997*). These statistics provide a focus on the employers' and government's interest in the industry.

While both the Central and State Governments have a heavy stake in the Beedi Industry, the beedi employers have an even greater stake. They are earning fabulous profits and the margin of net profit is nearly 25 per cent in this industry. The top industrialists of the country can only envy this. This has been explained by a simple example. "Production costs on all counts for rolling 1000 beedis comes to Rs. 75/- only, whereas employers sell the same in market for Rs. 100. If a merchant employer makes one lakh beedis every day, he will earn a profit of Rs. 2,500 per Day (*letter from Malay Das, Sec. Malda District Committee, Pashchim Bang Rajya Beedi Shramik Union to R. Rainakar*).

The Bharat Beedi Works Limited exports annually 1800 crore beedis valuing 12 crores rupees and in 1990 it paid 10 crore rupees as taxes to the government (*Daily Jhanti-Tamil Daily*). This shows that the profit margins of big beedi manufacturers are not by any standards lower than those of any other industrial houses.

Beedi industrialists have a strong political clout. They earn fabulous profits to the extent that many of them are involved in philanthropic activities. One such beedi merchant Jastu Bhai Patel who became a Congress Minister in Gujrat set up hospitals and schools (*Kannabiran - Interview*). In Madhya Pradesh,

“the money-fed beedi lobby was once strong enough to block the entry of any large industry into Bundelkhand in order to perpetuate the dependence of the region's poor on beedi manufacturers. It is no coincidence that three treasurers of the Madhya Pradesh Congress Committee—Paramandbhai Patel, Dalchand Jain and Arvindbhai Patel – have been beedi bigwigs. Successive beedi barons have also been MPs, MLAs and Ministers (*India Today-Beedi Industry: Smoked Out*. <http://www.india-oday.com/itday/6.10.1997/business.html>).

Of late the political clout of beedi industrialists is reported to be on the decline and due to competition with cheap cigarettes and in particular with mini cigarettes the beedi business is on a decline. But despite these realities ‘the beedi manufacturers continue to live in palatial bungalows, littered with fleets of Honda Accords and Civics, Contessas and Ceilos. Marriages are grand events with lavish gifts being showered upon guests. those who have been in the beedi business for the last five decades are worth anywhere between Rs. 50 crore to Rs 100 crore. One baron smokes an Indian Lights cigarette, though with a Japanese filter which reduces the tar content to a fraction of what his beedi contains’ (*India Today- Beedi Industry: Smoked out*) <http://www.india-today.com/itday/6.10.1997/business.html>).

The Trade Union leaders feel that, “beedi production is reducing day by day, the Beedi employers are not employing new workers, some beedi establishments are closed. In my district (Ahmednagar, Maharashtra) alone approximately 2-3 thousand workers took voluntary retirement recently” (Ratnakar- Interview), and this situation is causing immense worry to the workers and their unions. But it cannot be denied that the Government, beedi Industrialists, the beedi workers and their unions continue to have a heavy stake in saving the beedi industry.

Systems of Beedi Production

Three main systems are adopted in the manufacture of beedis:

1. The entire process of beedi manufacturing taking place in factory premises. Under this system work is carried out under the direct control of employer, his managers/ supervisors. Workers work for a fixed time and are paid fix wages for their work. Earlier this system

was more prevalent but now due to a number of reasons, employers are shifting to other systems. Only some large manufacturing firms having branches in different places adopt this system of production. This system is called factory system.

2. Factories / branches issue fixed quantities of raw material like tobacco, tendu leaf, thread etc. directly to the individual workers (who are mostly women) who make beedis at their homes and deliver it back to the factory. The Beedis thus supplied are roasted, labeled and packed by the factory owner or the factory employers and are sold directly in the market. No middleman is involved in this system. This system is home-based work system.
3. Third system is called contract system under which factory or owner distributes the raw material to intermediaries like sattedar /contractor who in turn employs workers and gets the beedis rolled either under the shed maintained by him or through 'out workers'. This system is the most prevalent in the beedi industry.
4. There is yet another system which is reported to be prevailing in some parts of Gujarat. Under this system raw material is sold to the workers (in most cases on credit basis) who roll beedis at their homes and then "sell" the prepared beedis back to the trader. This system is called "system sale-purchase". The employers to avoid establishment of employee-employer relation, adopt this, it also enables them to avoid obligations under various acts applicable to the beedi industry. Employers who adopt this system often own 2-3 or more firms to run the business. One firms 'sells' the raw material, the other 'buys' the finished beedi and the third markets it. Under this system workers are exploited most and their wages are lower.

Process of Beedi Manufacturing

The process of beedi making is a highly labour- intensive and non-mechanized job and requires certain amount of skill. The tools used in beedi making are: a pair of simple scissors to cut the tendu leaves to a desired size, a almost rectangular (trapeze form) mantle cut out (called farma by the beedi workers) to give the beedi leaves desired shape and size, a reel of thread, and also a simple wooden fork for folding the two ends

of rolled beedis.

The Indian Beedi Industry produces various types of beedis namely, Sadi, Jadi, Nakhi, Sindhi, Nakhuni, Special, etc. The process of manufacturing is the same for all. Beedi manufacturing consists of 5-6 main processes:

1. Cutting of wrapper leaves;
2. Rolling of beedis;
3. Closing the ends;
4. Warming;
5. Labeling; and
6. Packing.

Various steps involved in beedi making are as follows:

1. Raw material (tendu leaves, tobacco etc.) is supplied to the workers either directly by the factory owner or the contractor.
2. The tendu leaves are moistened by soaking them overnight in water and are then used for wrapping Beedis. Sometimes they are put in wetted gunny bags. This makes the leaves more pliable.
3. Tendu leaves are cleaned and cut to desirable size. The cut leaves are roughly trapeze form (rectangular). The length of the parallel ends being about 1.5 and 1.2 inches and distance between them being 3, 2.5 or 2 inches depending on the size of the beedi to be manufactured. One tendu leaf can be cut into 3-4 pieces. Cutting of leaves includes the minor operation of smoothing the surface of the leaves by scratching away with a knife their thicker veins (This process is locally called 'nas nikalana').
4. Leaves are rolled and filled with tobacco. This is the most skilled job in the entire process of beedi making which may take 3-4 months to attain efficiency. After rolling and tobacco filling a thread is tied around beedis towards the lower end (non-fire end).
5. Closing the ends of the beedis. For the "Sadi" variety of beedi only the fire end is closed. In case of Jadi beedis both the ends are closed.
6. Beedis thus rolled are then bundled together. One bundle consists of 20-25 beedis. Sometimes before

bundling them the beedis are dried in trays under the sun. These bundles are taken to the factory at the end of the day's work.

7. Employer, his supervisor/ checker inspects the bundles and rejects badly rolled or inferior quality beedis and pays for the accepted ones at the stipulated rate per thousand.
8. In the factory, the bundles are placed in rows in trays and pushed into artificially heated chambers for a few minutes to render them dry and crisp.
9. In some firms ring labels with trademark are put around each beedi. In some regions the women workers who perform the work at their houses usually do ring labeling. These workers are called ring label workers.
10. In some other firms beedis are wrapped in papers with trademark labels and are made into larger packets of 20 – 25 bundles each.
11. Packets are packed in gunny bags and are dispatched straight to the wholesalers in the market.

In this entire process, except for packaging and heating workers are paid on a piece rate basis.

General Profile Of Beedi Workers

Size of the work force:

Due to various problems in identification, it is difficult to know the exact number of beedi workers in the country. However, a number of estimates have been made to assess the size of the work force in beedi industry. Trade union sources and academic studies put the number of beedi workers at nearly 75 lakhs. "The industry provides both full time and part time employment to over 7.5 million people of whom about 5 million are women." (*Report of ASH, Internet, ash. Org.*). According to R. Ratnakar, the President of the All India Beedi, Cigar and Tobacco workers Federation, "as per my estimates 75 lakhs or more workers are employed in Beedi industry of which 90-95% are women" (*Ratnakar - Interview*). The government "does not have authentic data on Beedi workers" (*74th report of the standing committee on labour and welfare (1994-95) presented to Lok Sabha and laid in Rajya Sabha on 20th December 1994-Appendix-VI*). But according to the Annual Report of the Ministry of Labour for 1995-96 the estimated number of beedi workers was

42.50 lakh against which identity cards were issued to 28,23,667 workers.

This shows that there is a considerable difference between the estimates of the workforce in beedi workers made by government and non-government sources. This difference seems to stem from the fact that the government sources do not take into consideration the fact that in home-work system 2-3 persons in a family are engaged in beedi rolling or ring labeling, whereas in employers register only one worker is shown. (Field Visits - Gudiattam, Vellore, Ahmednagar and Ahmedabad).

The necessity of having a proper assessment of the workforce employed in Beedi industry has been felt widely both by the government and the trade unions. One way of obtaining more authentic data, as suggested in the recommendations of the National Seminar on Social Security held in Bangalore during 1997, can be to collect the information about the nature of employment in the course of population census. 'The Census Authorities should be appraised of this requirement so that they may keep this in view while framing the form in which census data is collected' (*proceedings of the National Seminar on Social Security of Beedi workers, 1997, Annexure -II, page 2*).

Unionisation of Beedi Workers

According to the trade union sources, 'Out of 75 lakh beedi workers, hardly 15 percent are organised in the unions' (*Ratnakar-Interview*).

Overwhelming majority of Beedi workers are home-based workers and do not work in factories. Many beedi manufacturing units are spread in the remote and rural areas where trade unions do not have their reach. Moreover, most of the women workers are uneducated. Due to these reasons it becomes difficult to organise them.

Organizing the unorganised sector workers has always been a challenge for trade unions. Beedi industry is one of the very few trades in the unorganised sector where the trade unions have had a traditional stronghold. The left trade union movement has always been strong in states like Maharashtra, Tamilnadu and Karnataka (particularly in the North Kanara region). The All India Beedi, Cigar and Tobacco Workers Federation (AIBCTWF) affiliated to the All India Trade Union Congress (AITUC) still has a fairly large membership of nearly 2.5 lakhs members among beedi workers

(Ratnakar - Interview). The AIBCTWF is the largest among the beedi workers federations and a number of unions affiliated to Hind Mazdoor Sabha (HMS) and even Indian Trade Union Congress (INTUC) are working under its banner in Maharashtra. Other beedi workers federations are of more recent origin and may not boast of having significantly large membership among beedi workers. Even by going too far to assume that the membership of all the other beedi workers trade unions put together is nearly 2 lakhs, the total number of organized workers will be nearly 5.55 lakhs. On this basis it will not be wide of the mark to conclude that hardly 8-10% of the workers are affiliated with recognized trade unions.

According to unorganised sector survey (series no. 22) which covered 12 major beedi producing states accounting for about 99.69 per cent of total employment, 20 per cent of the sample units were found to have one or more unions, and 3% of the male home workers and 12% of the female home workers were having membership of trade unions (*unorganised sectors survey - series no. 22, 1995*). These figures do not indicate conclusively as to what percentage of beedi workers are organized in the unions, but can be used to derive few broad conclusions: 1. The factory workers ('sample unit' workers according to survey) are far more organized as compared to home-based workers as 20% of the units have unions; 2. Considering the fact that the overwhelming majority of home based workers (90-95%) are women whose unionization level is 12%, the overall unionization level of home-based workers should be around 11-12 %.

Socio-Economic Background:

Beedi workers come from lower socio-economic strata. Traditionally lower Hindu castes and poor Muslim communities have been the source of labour in beedi industry. Even today "the beedi workers are found to be either Muslims or from the backward castes. In other words they are socially and economically backward communities (*Report of the Committee on Co-operativisation of Beedi Industry, page 1-2*).

In Gudiuttam and Vellore (Tamil Nadu), Ahemedabad (Gujarat), Ahemednagar (Maharashtra) and Manglore (Karnataka) almost all the workers were found to be either Muslims or from the lower Hindu castes/ communities. Though in Ahemednagar a few workers were found to be from the Maratha Community (*field visits*). In Ahemedabad the women

beedi workers come from three communities/ castes i.e.: The **Padmashali** (migrants from Andhra Pradesh); the **Kosthi** community (backward caste migrated from Madhya Pradesh); and **Muslims community** (who are local to Ahmedabad). In Ahmednagar most of the women workers belonged to backward Telugu communities (migrated from Telangana region); Muslim community; and a few from backward Maharashtrian communities. In Gudiattan and Vellore the male and female women workers belonged to backward and lower caste Tamil communities (*field visits*). But among these communities/ castes the Padmashali women are considered to be the most efficient as no other communities can match them in skill and swiftness of work. They are the only one who can close the fire end of beedi without using knife or fork. Padmashali community is quite close to be categorized as an occupational caste as they are traditionally identified as beedi workers.

Income and Earning:

The average family income of beedi workers is something between Rs. 2000 to Rs. 2500 per month. Most of the beedi workers (particularly women workers) supplement the income of their families (*field visits*).

Beedis are made in different sizes, but in most places irrespective of the size wages are same for all. But the difference in wages exists only with regard to Sada and Jadi beedis. Wages for beedi making are different in different places. In different states the state governments have fixed different minimum wages for beedi workers. Sometimes within states there are differences in minimum wages for different districts. For instance in West Bengal minimum wages in 24 Paraganas and Calcutta are Rs. 71.16, in Howrah and Hooghly Rs. 62.15 and in Purulia only Rs. 39.90. This wide discrepancy in wage affects the income level of workers.

Workers do not get minimum wages everywhere. Except in some part of Maharashtra where the trade union movement is very strong due to the effective intervention of AITUC affiliated All India Beedi, Cigar and Tobacco Workers Federation, in most states actual wages are far below the minimum wages fixed by the respective state governments.

In Karim Nagar (A.P.) the average earning of a full-time beedi worker is Rs. 600-800 per month whereas the minimum wages in the state are about Rs. 50 per 1000 beedis (Bomma Venkateshwar). In Munghyr (Bihar) minimum wages are Rs. 41

per 1000 beedis but average income of a beedi worker is 200-500 (Virendra Vikal); in Murshidabad (W.B.) workers are paid Rs. 15 to 30 per 1000 beedis (Abdul Gani Mondal); in Madhya Pradesh beedi rollers earn Rs. 700-900 per month and the minimum wages are Rs. 32.20 per 1000 beedis (Ajit Jain). In most places workers' income per month is not in proportion to the rate of wages they get.

Due to the reduction in beedi production in recent times, beedi workers are not getting full employment in many places. Only those workers get full time work that are dependent on big manufacturers who can arrange to procure enough tendu leaves and tobacco. This means they can get work of rolling at least 800 -1000 beedis in a day and can earn in the range of Rs. 25-40 per day. This means on an average a worker can earn 1000-1200 per month. But due to less production in most areas majority of the workers have become underemployed. In Ahmedabad home-based women workers roll not more than 400-600 beedis in a day, as they are not getting regular work from the employer some of them get work for hardly 3-4 days in a week. The work depends on supply of raw materials and income depends on number of beedis rolled. Consequently average per month earning of such beedi worker may range between only Rs. 400 - 600 per month. It was found that such underemployed workers are in the majority in the Beedi Industry today. (*Field visits to Ahmedabad, Gudiuttam and Mangalore*).

This researcher during his field visits found that neither the full time workers (who get material to roll 800 -1000 beedis per day), nor the underemployed one were sole bread earners of the family in majority of the cases. In most cases they take beedi rolling as a part time job supplementing the income of their families. Contribution of beedi workers in their family incomes was found to be in the range of,30 to 40 percent.

Literacy:

Most of the beedi workers are uneducated. It is more so because overwhelming majority of them are women belonging to backward castes/communities. However during the field visits taken under this study most of the women workers were found literate i.e. they could sign their names and read a little. According to unorganized sector survey (series no. 22), 31.2% of the total workers were found to be illiterate.

Working and living condition:

Much has been written and said about living and working conditions of beedi workers in India. Unorganized survey (series No. 22) published by Labour Bureau (Ministry of Labour) deals with the subject in a detailed and methodical manner. Apart from this individual scholars on this subject have done a number of studies. Therefore, the present study does intend to go into details of this aspect, but a few observations made during the study would be worth mentioning.

Most studies tend to depict beedi workers as the most deprived and exploited lot living in hellish conditions in slums. No doubt workers are exploited and they do not get enough wages in lieu of their hard work. But the working and living conditions of beedi workers differ depending on various factors such as their individual family background, earnings, total family income (which includes the earnings of other non-beedi worker family members), whether they are getting the benefits of welfare schemes, whether they are home based workers or factory workers, whether they are underemployed etc.

Working Condition of Home-based Workers:

Home-based beedi workers come in contact with factory or firm only when they receive the supply of tobacco and tendu leaf or when they deliver the finished beedis to the factories. Their working conditions have nothing to do with the conditions prevailing in the factories, but are determined mainly by their living pattern and setting of the household. Here is one typical work process, which was observed during the field visits (of course with little variations) in the house of a home-based worker:

One woman and a girl of about 12 years (daughter) are rolling beedis. They started at nine in the morning and it's going to be noon. After some time a neighbourhood women comes and starts gossiping with the woman, but the work continues and the neighbour also helps in the work. The woman takes time off for cooking which is done in the same room on a slab. The girl along with the neighbour continues rolling beedis. Once the cooking is done the woman joins back. The neighbour remembers some urgent work and takes leave. The girl feels tired and the woman asks her to go to the other room and take some rest. Meanwhile the wom-

an's husband comes and together they take their meals. The man goes back for work and the woman takes a nap. After one hour or so she gets up and again starts rolling beedis, this time alone as the girl is asked to do her home work or some other household chore. Neighbours keep visiting; some bring their own tobacco and leaves and they roll their beedis. Gossiping, beedi rolling and attending household duties, all go together. This process continues till late evening when they disperse, as it is time for dinner...

From this one should not get the idea that home workers work at their convenience which makes their work easy and less tiresome. As we see in this woman workers case, she is almost continuously working and has taken rest for only an hour or so. Women have to perform the dual function of beedi making and attending family business. These women devote most of their time in beedi making and rest of the time for their household duties. They usually get up at six in the morning and sleep at eleven in the night. This means they nearly work for 14-15 hours in a day, whereas in factories beedi workers work for 8 to 10 hours. On the top of this "the occupational stress associated with long hours of work, continuous sitting work posture, exposure to tobacco dust and poor physical working condition are superimposed on the handicaps of poor socio-economic status" (*Report of the TF on Health; Prepared by the National Commission on Self Employed women, appointed by the Department of Women and Child Development, MHRD, February 1998, page 158*).

Working conditions in factories:

The working conditions were found not as unsatisfactory as is generally believed. In Ahmednagar in a factory near Topkhana visited by the researcher, the workplace was crowded but had proper ventilation. There was even a large room adjacent to the storeroom where there were tables and workers were found resting. The clerk and storekeeper of the factory were using this room but it also served as a rest room for the workers (*Field Visit-Ahmednagar*). According to the unorganized sector survey on working and living conditions of workers, in 65% units the work place was free of dust and only in 14% units the ventilation and lighting was found poor. 98% of the units provided drinking water, 61% washing facilities, 76% units had urinal and 71% unit's latrine facilities. This shows that the working conditions of beedi workers in factories are

better than home-based women workers. Their working conditions can be considered better than those who are working in other unorganized industries such as construction, brick kiln and bangle industry.

Living Conditions

Living conditions of workers vary depending on their individual family background and earnings. In Ahmednagar, most of the women workers, who are originally of Telugu origin lived in small pucca houses. Most of them had two-room houses, which had no proper ventilation, and no separate bathrooms but were quite clean. There were common taps for water and the drains were open. But in Ahmedabad where most of the women workers supplement the income of their families, the workers lived in better two room pucca houses, with proper ventilation. These houses were cleaner and their interiors gave impression of lower middle class family houses. Husbands, grown up sons and daughters of these women workers were engaged in different trades such as tailoring, vending etc. Members of families were ordinarily, but properly clothed and most families were sending their children to schools. In Gundiuttam and Manglaore, beedi workers were found to be living in semi pucca houses, which cannot be termed as slum dwellings.

These observations are closer to what the unorganized Survey findings confirm. According to these: a considerable number of beedi workers lived in pucca houses. "27% of the dwellings were hutments, 25% chaul basti, 46% dwelling were independent houses, and 35% were semi-pucca and 27% pucca houses. Also 42% families were residing in two room accommodation, 12% in 3 room accommodation and 5% lived in accommodation having more than 3 rooms."

This survey and the field visits made under this study point to the fact that working conditions of beedi workers may not be as pathetic as those of other unorganized sector workers. Relatively a smaller percentage of beedi workers live in slums. No doubt their living conditions are not much hygienic but the fact that a considerable number of these workers live in pucca or semi-pucca houses, and also have access to potable tap water, toilet and bath facilities suggests that they are better off than their counterparts in the informal sector.

This may be due to the fact that beedi industry is the only industry in unorganized sector for which welfare act has been made and implemented to a large extent. There is also an-

other reason for 'better' status of beedi workers: beedi making is gradually becoming a part-time work and as a result dependence of family on beedi worker's earning is reducing. Most beedi workers supplement the incomes of other family members who are earning relatively more. Typical examples of this kind were found in Ahmedabad. In Laxmiben's case her husband who is a tailor earns about Rs 3000 and she as a part time beedi workers contributes Rs. 600-700 to the family income. They have a small family and live in a two-room flat. Such families can be classified as lower middle class families. (Field Visit- Ahmedabad). But in those cases where entire family is dependent on beedi industry for survival, the economic situation may be much more difficult. Beedi workers supplementing the income of the family is a growing trend, which is also confirmed by a survey - based study of women workers of Gujarat conducted by Renana Jhabwala. The study finds that in response to the question - "is beedi income necessary for subsistence? Almost all women found that it is... regardless of income... it was found that the beedi income was less than 20% of the total income" (*Jhabwala, page 43*). Further the study says, "women continue to roll beedis because it improves their economic status, though once a certain income level is obtained, they would like to stop rolling beedis" (*Women Who Roll Beedis - two Studies of Gujarat by Renana Jhabwala and Krishna Mahajan, page 44*).

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Chapter Three

Origin and Expansion of Beedi Workers Movement

The Indian working class had started organizing itself with the early industrialisation in the country during the nineteenth century. The first strike of the organised Indian workers lasting over a month was said to be of palaki-bearers of Calcutta (*Prem Sagar Gupta, p. 3*). With the setting up of cotton and jute mills and construction of railways a number of local workers' organisations were formed in railways, jute and cotton mills. With the coming into being of the first central trade union organisation, the All India Trade Union Congress (AITUC) in 1920, the trade union movement got a foothold in India. AITUC remained the only All India Trade union body spreading strong trade union movements all over the country till 1946 when a split took place resulting in the formation of the Indian National Trade Union Congress (INTUC).

During the period from 1920 to 1946 most of the trade unions in the country were affiliated to AITUC. Beedi industry had though formally come into existence in the late nineteenth century, but the beedi workers trade unions were formed later in the late twenties or early thirties. Although AITUC leaders claim that their unions were active in organizing beedi workers since the formation of AITUC in 1920 (*Ratnakar-Interview*), which could be true, but there are no records available to show any evidence of beedi workers unions in early twenties. There are indications that by the thirties beedi workers unions were quite active in some parts of the country like North Arcot district, Saurashtra, and Central Provinces; and that most of these were led by the leftist leaders belonging to the All India Trade Union Congress.

An unprecedented economic depression gripped the Indian economy in 1930 leading to "an all round offensive against the working class by way of retrenchment, wage cuts etc. Thousands of workers in every industry were retrenched. In fact all

the industries were in the same plight and unemployment on a mass scale became rampant" (*Prem Sagar Gupta, p. 196*). This was the period when strikes had become common feature in all industrial centers and all industries. Beedi industry could not have remained unaffected by this crisis. This crisis was perhaps one major reason for the spurt in beedi workers' struggles. Hereinafter, we have some recorded evidences of trade union movement in beedi industry.

Beginning of Trade Union Movement in Beedi Industry:

P.D. Marathe's book "Vidarbha's Beedi Workers: 40 Years of Struggle" (written originally in Marathi) provides the first textual evidence of the trade union movement in beedi industry. Now only the handwritten version of this book is available with G. Kannabiran who read out its entire text for this researcher.

Marathe, who was in the thick of trade union struggles during 30s and 40s, has dealt in detail with the economic depression of 1930 and its impact on beedi industry: "In 1930 there was economic crisis and beedi employers reduced wages. There were strikes by the ousted workers...(later) a Wages Fixation Committee was set up".

This crisis as it appears from Marathe's narration, forced the workers to wage struggles for wage increase. The author quotes a report from 'Maharashtra Journal' (dated January 14, 1931) on hunger strike of beedi workers of Ghondia which reads "The Vidarbha workers are going on strike. In Nagpur, in Panchambawalipeth late (H...) Babu conducted a meeting in which Madhya Pradesh Beedi Workers Union was launched. Union's Vice President was Advocate Tirubule. In Khonde (Vidarbha) a meeting was held which was presided by Anuyamma Bai. This meeting was addressed by advocate Haridas and comrade P. D. Marathe who demanded wage increase for beedi workers..." This account is the first recorded evidence of a strike in beedi industry.

On this basis we can conclude that:

- (i) The process of unionization in beedi industry had already started quite some time before 1930, as we find that the depression of 1930 triggered off a number of strikes under the leadership of trade unions.

- (ii) The earliest trade unions in beedi industry were formed by AITUC, as it was the only central trade union at that time, and Marathe himself was a prominent AITUC leader.

Marathe has described the initial struggles of beedi workers quite vividly. Further he writes. "In 1934 Kanti Niyaz Ali Beedi factory workers numbering about 300 went on strike. The strike extended to other factories. More than 3000 workers from Nagpur joined the strike which continued till January 1935". This shows that by 1935 a well coordinated network of beedi workers unions had come into existence in Vidarbha region.

By this time a number of beedi workers unions had become active in Central Province, Kerala, Karnataka, Madras and particularly in the North Arcot district, but beedi workers movement in these provinces started some time after Vidarbha movement. "Beedi workers movement first started in Maharashtra, and later in Madras province. In Tirunelveli first beedi factory was the Syed Beedi Factory. The owner brought expert beedi workers from Kerala. I was told it was during sometime after 1935". (*Kannabiran-Interview*)

One significant trend of this period was politicisation of workers movement. In most of the cases unions were led by the leaders of leftist (socialist and communist) leanings who believed that political education of workers was necessary for bringing a revolutionary change. Political leaders often took up the cause of beedi workers. As Marathe states further :

"In the same year (1935) the Socialist leaders Babu Sampurananand started his party. Com Marathe, Abhiman Sahare and 10 others joined together and marched from Ghondia covering village after village campaigning and calling upon people to join the new party. At that time Advocate Bule (who was also a beedi workers leaders) was Assembly Member. Since the beedi and tannery industries did not use machinery, and were therefore, not covered under the Factories Act, Bule introduced an 'unregulated Factory Bill' in the Assembly. Beedi employers attacked the new Bill. Finally the Bill was enacted but the employers started a signature campaign against its implementation. The beedi workers unions fought against the employers conspiracy... but the congress government did not enforce the Act".

Beginning of War

Marathe's narration after this focuses on the struggle of Vidarbha's beedi workers during 1937-39 for enactment of suitable Acts and other immediate demands. From his narration it emerges that Beedi workers were demanding immediate implementation of the above Act along with demands such as stoppage of rejection of beedis, guarantee of six day week, retirement benefits, sick leaves, maternity benefits, wage increase etc. "The workers of the Vidarbha region went on strike on January 15, 1939 and on March 14, 1939. In this connection a mass meeting of beedi workers was held under the Chairmanship of Minarbhai Shahane. Another meeting of unions was held in Nagpur on March 27, 1939. Meetings were also organized in a number of other places including Bhandara district." He also mentions of observance of Beedi Workers Demands Day (in 1939) in Vidarbha region.

The reason for this spate of strikes apparently was that "at the beginning of the second world war period, employers raised the prices of beedis and earned huge profits. Prices of the essential commodities increased, which compelled the workers to launch the struggle for wage increase." (No dates were mentioned, but it appears it must have been between 1940-1941) "Since the demand was for 6 annas wage increase, only a few employers came forward to pay the demanded wage. Tiroda's Chhota Bhai Jyetha Bhai Beedi Company did not agree for this and a hunger strike was called" (*Marathe*).

"As a result of these struggles an Enquiry Committee (it is not clear from the narration as to which Enquiry Committee it was) was formed which submitted its report in 1941. One recommendation of the committee was that beedi rejection must be stopped but employers can collect 25 beedis extra on every 1000 beedis." , According to Marathe employers did not implement the recommendation. Meanwhile due to intensification of war, prices of essential commodities increased further, and "the beedi industry entered troubled waters. Some factories were closed down and some reduced production. There was further reduction of wages... 7000 beedi workers of Ramkrishna Ramnath Beedi Company went on strike from May 22, 1942 which continued upto July 1942. In the beginning itself the Labour Commissioner and Marathe tried for a negotiated settlement but their efforts failed. The company was closed down due to employers' adamancy" (*Marathe*).

These struggles against wage reduction at times assumed state wide proportion and resulted in arrests and imprisonment of trade union leaders . "On August 17, 1942 strike was observed all over Maharashtra. Marathe was arrested and imprisoned for one and half a year" (*Marathe*).

In South, where unionization of beedi workers started sometime after the initial movements in Vidarbha, the unions had to face similar situation. In Gudiatnam (North Arcot) the first beedi workers unions, Gudiatnam Beedi Workers Union was established in 1944 (*Kannabiran-Interview*).

A letter available with Kannabiran, which is titled "Notice to Chittoor District Beedi Workers Union", dated March 10, 1945 (printed by K. V. Press, Gudiatnam) reads: "This is the war period. Prices have gone up and we are not able to procure enough food. After the war our beedi employers have raised the prices and are getting more benefits. Unfortunately, they have not increased the wages. In Malabar, Trichi, Coimbatore wages for beedi rolling are 1 rupees 6 annas to 1 rupees 12 annas per 1000 beedis for Jadi and 1 rupees 2 annas to 1 rupee 4 anna for Sadi. Why should we not agitate for raising wages? Our other demands are: 6 days week, provision of sanitary conditions, latrine etc. and in factories the practice of collection 3 paise per day hundi money by the employers should be stopped" (*Kannabiran Records*).

According to Kannabiran, the first wage settlement in Beedi industry in the North Arcot region was reached on 29.4.46. In this connection a tripartite meeting was held with the District Magistrate as the third party (earlier in this region whenever the workers went on a strike the employers used to make representation to the District Magistrate's office). In this case the District Magistrate issued an order dated 24.4.46 which states: "After due consideration of the grievances of the workers and representations of the manufacturers and after receiving reports that the workers have called off the strike and are returning to the factories for work, the Dist. Magistrate is pleased to make the following aware of increased wages, to take effect from 27.4.46, i.e. the date on which the strike has been called off.:

Wages for 1000 beedis	Rs. 1-2-0.
Wages for 1000 junior jadi beedis	Rs. 1-4-0.
Wages for 1000 senior jadi beedis	Rs. 1-6-0."

In this case the strike was called off and an agreement was reached peacefully, but in most of the cases strikes continued

for longer period forcing unions to go for violent struggles leading to arrests.

B. Karunakaran, a local Union Secretary in a letter (dated 24.4.46) apprised the Secretary, Madras Province Trade Union Congress (AITUC's Provincial Branch) about a strike situation: "The Beedi workers are on strike from 13.4.46. All the 600 workers are on strike. Majority of them are women ring label workers. Today is the seventh day of the strike. We meet workers in groups daily and take reports. Workers say the strike should continue. They (employers) are persuading workers to take 1 rupee 8 anna in place of 1 rupee 2 anna as increased wage. This too on the condition that they should give in writing that they will not join any trade union. But workers refused... we can maintain the tempo of the struggle and keep them under control. When they starve they many join gruel centers. We can arrange with Com. R.R. (R. Ramanathan who according to Kannbiren an important communist leader of that time) to come here. Please move with Labour Commissioner.... Our demand is 1 rupee 11 anna..." (*Kannabiren Records*).

The militant nature of the struggles is quite evident in this case. The very mention of "gruel" center suggests the element of classical leftist militancy. Such centers were the part of the commune system adopted by the communists during their early struggles in thirties and forties. In these centers comrades not only had food together but also discussed their strategies.

That the unions were ready to go to any extent (even at the cost of starvation of the workers) to get their demands accepted is also evident from a letter-dated 7.5.1946 written by one Com. Gopalan of the North Arcot Bidi Workers Federation (affiliated to AITUC) to Com. Kannabiren who was then a young Trade Union leader and a communist activist. It reads: "I went to Veniambadi. Our beedi workers are released from jail. We have to file a petition to DM to withdraw the case. We engaged a lawyer. We will convene our next federation meeting in Vaniambadi" (*Kannabiren Record*). Another letter from Hashmi Syed Omer, a Union leader from Vaniambadi to Kannbiren (dated/... /1946) reads: "of the 100 people arrested... 30 were released. But beedi workers will get work. I have given all information to our federation" (*Kannabiren Record*).

Gradually with the fading of the effects of war, the beedi workers movement started focussing on wider range of issues. Not limiting themselves to the demand of wage increase, unions now wanted to set up high objectives for themselves at par with organised sector trade unions.

"Workers unions have everywhere set up very high objectives and in most of the cases would like to see beedi industry as well organized as iron and steel or textile industry and the beedi workers as well paid as their counterparts in the other industries. Apart from direct rise in wages, all the unions are unanimous in their demand that all beedi workers should be brought within the scope of the Factories Act immediately; a large number of representatives of the labour asked for the enforcement of Employment of Children Act, 1938, the Payment of wages Act, 1936... Simultaneously with higher wages the workers also demand for regularity of employment, 26 days work in a month..." (*Court of Enquiry, page 53*).

Thus the scope of demands widened gradually and various methods of exploitation adopted by the employers were challenged by the unions. In a public meeting held in Ghondia on 14.6.54 following demands were raised by the workers: "Tobacco and beedi leaves must not be reduced; rejection of beedis should be done before the workers; and for all evils of contractors, the principle employer should be held responsible; for rejection of beedis wages should be given" (*Marathe*).

But the fiery nature of struggles did not change after the war period and quite often struggles took violent turn resulting in even bloodshed.

In 1952 one trade union activist, Bhojraj Ramtheke, started Beedi workers Welfare Union in Ghondia. This union led a strike of the workers of Chhote Bhai Jyestha Bhai Beedi Company. In the night the employer's men attacked Bhojraj Ramtheke and others seriously. Next morning workers took the procession to the factory. "Clash followed. Watchman of the factory Kundan Singh died. Comrades were arrested. Comrade Kalidas was given death sentence. We appealed in the High Court. AITUC hired barrister Prett to fight the case. Kalidas was saved" (*Marathe*).

Further Marathe mentions a firing case, which according to him took place in 1954 during an agitation of beedi workers

of C.T. Beedi Company. The company was giving beedi leaves in less than required quantity to workers, which resulted in a violent agitation by the workers. There was lathi charge and police firing in which one worker died. According to Marathe, after this Maharashtra, Chief Minister Yashwant Rao Chavan issued a statement condemning the incident. As a result of this and other such incidents Baghela Committee was formed to look into the issues of wages increase and rejection of beedis by the employers in the entire Vidarbha region. Another violent struggle, according to him took place in July 1958 in Tarade Beedi factory in Bhandara district. As he narrates, 'on July 6, 1958 in Bhandara some agitating workers of Tarade Beedi factory entered the factory and destroyed the furniture and whatever they could find there'. Further, he mentions that at that point "communist party actively intervened to help the workers" (Marathe).

Level of Unionisation

Unfortunately we do not have enough data on the extent of unionisation in the beedi industry during this period. We only know that wherever the unions existed in the industry, they were quite effective. But we can take a clue from what the Court of Enquiry states with special reference to the state of Madras: "Trade union movement is still in its infancy in the beedi industry... the total membership of the unions form only a fraction of the total number of workers in the various centers" (*Court of Enquiry, page 43*). The unorganised nature of the industry was perhaps the major reason for the low coverage of industry by the TU movement. But what is significant here is that the TU movement covered the industry in spite of its unorganised nature, no matter to what extent, and impact was visible in terms of increased wages and setting up of Enquiry Committees.

Struggles During Late Fifties and Sixties

By 1960s beedi workers struggle had started focussing on a wide range of issues with the demand for an adequate legislation for beedi industry becoming their major concern. Apart from strikes, dhahrans, picketing and procession, advocacy and lobbying were frequently used as the tools of struggle.

In a letter dated March 1, 1960 to the then Finance Minister and Minister for Labour and Employment, Government of

India, the General Secretary of the North Arcot District Beedi workers union V. Kannan wrote: "The trade mark beedi proprietors in North Arcot District in Madras state with a view to escaping from the provisions of the Madras Beedi premises Act, 1958, after closing the factories in North Arcot District and Madras State are shifting them to neighbouring states namely Andhra, Mysore and Kerala. On account of this attitude persuaded by the beedi proprietors thousands of beedi workers are being thrown out of employment. Hence in order to prevent them from shifting the place of manufacture of beedis from one state to another neighbouring states, immediate steps should be taken for bringing similar legislation like the Madras Beedi Industrial Premises Act in Andhra Pradesh, Mysore and Kerala states" (*AITUC Records, File No. 228*).

In another letter dated February 4, 1961 General Secretary of the North Arcot District Beedi Workers Union wrote to the Finance Minister, Government of India. "... Almost all the trade mark proprietors of the beedis are making arrangements, and also applied to the Central Excise Department for the issue of licenses under the Central Excise Act and Rules 1944 in the name of individual beedi workers and branch managers with a view to manufacture beedis in each workers house and in places which are very unhygienic" (*AITUC Records, File No. 228*).

While demanding a comprehensive Act for the industry, the unions also wanted a number of welfare measures for the workers.

In its Annual General Body Meeting (June 5, 1959) the Sangamner Akola Taluka Beedi Kamgar union, Lal Bawata (Red Flag) urged the government to implement the Provident Fund Act immediately. The AGBM Report signed by the Union President, V.G.Pandey and Secretary, R.B.Raut states: "Provident fund Kayada lagu karnyachya Drishine Sarakar Ajoon Kannahi Halchal Kareet Nahi ya baddal ya samela Khet hot ahe. (Government is doing nothing to implement the Provident Fund Act and the issues is dragging on...)." Further the report states: "Dainandin Garaja bhagvinyakarat Kamgar apalya societya kadhna taiyar astana. Sarakar ani malik asha societyana Manyata denyas taiyar naheet: Kamgarana apalya adidchani nivarana karanyakarita karjau paisa yogya mengene milyachi kanhahi soy nahain, adaadiche vilyala ek ana vyajane sndhda paise kadhnyachi Pali kadhi-khadi kamgaranavar yete. Unionche netratrakhali kamgar societya kadhnyachi kamgarachi tayari astana. Sarkar va malik sahakary dete nahin

(the workers are ready to start their society – thrift and credit society – for fulfilling their routine needs but the government and employers are not ready to recognise the society. During difficulties workers have to borrow money at the rate of one anna interest. Therefore, they want to start a society under the leadership of the union but the government and employers are not cooperating” (*AITUC Records*).

It was in the late fifties that the demand for having an Act covering beedi workers was raised most vigorously and the political representatives of the beedi workers unions started mounting pressure on the government. In 1957 a non-official bill titled ‘ Beedi and Cigar Labour Bill, 1957’ was moved by A. K. Gopalan, the CPI MP, in the Parliament, but this Bill could not be passed. However, unions kept on pressurising the government.

“The Government of India is requested to enact a comprehensive Act to consider various aspects of the industry throughout India and in particular introduce a legislation fixing a national minimum wage”, wrote V. Kannan, General Secretary of the North Arcot District Beedi Workers Union to the Labour Minister, Government of India on February 8, 1961 (*AITUC records, File.No. 288*).

In Madhya Pradesh, where beedi workers movement was led by the Madhya Pradesh Beedi Kamgar Federation (affiliated to AITUC) enactment of an All India Act for beedi workers became a major demand. The third conference of the Federation (held on 17-18 June 1961) in which beedi workers from Rajnandgaon, Khairagarh, Ranipur, Bilaspur, Sagar, Jabalpur, Damoh, Narasignpur and Timakgarh participated, raised following demands: wage increase, not more than 10 beedi per 1000 should be rejected, contact system should be banned, the licenses for producing beedis should be issued only to those who comply with the Minimum Wage Act and Factory Act; provident fund scheme should be implemented; workers should come under State Employees Insurance Scheme etc. Most importantly the resolution underscored the need of an all Indian Act for beedi workers: “Akhil bharaty star par kamgaron ke liye koi kanoon nahin hai. Har rajya mein rajya star par alag-alag hote chala a aha hai. (There is no Act for workers at all India level. Each state has different sets of rules)” (*AITUC records, Subject Tobacco, file No. 83*).

In a letter dated August 19, 1961 to the General Secretary of the AITUC, the Secretary of the Kerala Beedi Cigar workers Federation writes: "The Executive Committee of the Kerala Beedi and Cigar workers Federation decided to request the AITUC to convene a zonal conference of the representatives of the unions in the tobacco industry in the state of Andhra, Mysore, Madras and Kerala. These are main states of beedi and cigar manufacturing. The Federations thinks that it is inevitable to bring a uniform legislation and wage rate in all the states" (*AITUC Records, File no. 288*).

In many other states where the beedi workers movement started later, the demand for an All India Act was the major demand of the unions. In Andhra Pradesh, for instance, beedi workers movement was started in the early sixties in Karim Nagar, and the trade union leaders made relentless efforts to bring pressure on the government to enact legislations." (Boma Venkateshwaran, AITUC leader from Andhra Pradesh). So was the case in Ahmedabad where the Lal Bawata (Red Flag) union of Indu Lal Yagnik was launched during fifties (Savtriben Madhavrao Kerne and Chandraben Narasiya, field visit - Ahmedabad); and in Madhya Pradesh where " the unions were active in various districts of the state since early 60s" (*Ajit Jain, Madhya Pradesh Beedi workers Federation, Bhopal*).

As we have seen, the journey of beedi workers movement which started in early thirties with main focus on wage increase, and passing through a period of fierce struggles, reached by mid-sixties to a stage where it became focussed on the issue of a comprehensive all India legislation for beedi workers. The struggles around this issue continued till 1966 when the Beedi and Cigar workers (Conditions and Employment) Act was passed by the Parliament. This was a landmark victory for the beedi workers movement in the country.

Main Characteristics

The beedi workers movement from thirties to mid-sixties had following main characteristics:

Politicisation: Many of the union leaders like Marathe, Kannabiren, and Bhojraj Ramtheke were of the leftist leanings. They believed in political education of the workers and for them working class movements were the means to bring a revolutionary change in the society. The union leaders were also social and political

leaders and thus had significant say in the matters of society. As Kannabiran told, "in 1946, when I was the Secretary of the Gudiuttam Beedi Workers Union, our beedi workers were not influenced by the Hindu-Muslim divide... In 1948 when Gandhiji was shot some Hindus wanted to attack Muslims in my area (in Gudiuttam near Vellore). I had to go to the Muslim-dominated area (working class area where beedi workers lived) and call a meeting. A joint meeting of the people of the area was called and the situation was brought under control." Another such example is of Indulal Yagnik, a well known social reformer and the leader of the Lal Bawata Union (the Red Flag Union) in Ahemedabad. Old people in Ahemedabad still remember him as "Indu Chacha".

Militancy: Militancy of beedi workers movement during his period is evident from the violent and militant struggles resulting in arrests, bloodshed and even deaths in some cases. This, as it appears from Marathe's account, was due to the influence of communists. Moreover, the proletarian and semi-proletarian nature of working class in beedi industry could have contributed in it. Other reasons could be: (a) exploitation of beedi workers was acute; (b) factory system was more prevalent and workers assembled at one place which made it easier for them to organise themselves for struggles; (c) most of the workers working in factories being full time male workers, it was easier for them to agitate in more organised manner than women home-based workers who remained confined to their homes most of the time.

More Emphasis on Class Struggle: As the period between thirties to sixties was dominated by classical trade unionism led by the communist and socialist trade unionists, the main emphasis was on building up a class movement and fighting the class enemy. And, quite naturally, most of the struggles were directed against employers. Thus, initially economic demands like wage increase were more prominent as compared to the issues related to the welfare (mainly addressed to government). It was only towards the end of this period i.e. in late fifties that the unions felt the need to demand welfare provisions and a suitable Act to safeguard the interests of the workers.

Major Demands of Beedi Unions (1930s-1960s)

Workers unions in this period were more concerned about economic crisis, rising prices and worsening economic conditions of workers. As we have seen in the earlier part of this chapter, exploitation of workers by the employers by way of reduction in wages, rejection of beedis, supplying less tobacco and leaves, etc. were the issues that led to militant struggles. In fact the first strike which Marathe mentions (by quoting "Maharashtra journal") was centered around the issue of wage increase. But gradually, with perhaps coming into contact with a broader countrywide trade union movement led by the AITUC in textiles, railways and other industries, the need was felt to widen the agenda by including many other demands related to working conditions, welfare and legislations, etc.. Major demands of beedi workers during this period can be summed up as follows:

- ◆ Wage increase;
- ◆ Beedi rejection must be stopped;
- ◆ Raw materials (tobacco and leaves) should be supplied in adequate quantity by the employers;
- ◆ Sick leave, maternity leave, guarantee of six day's wages;
- ◆ Weekly holidays with pay;
- ◆ Retirement benefits;
- ◆ Implementation of various Acts such as factory Act, Minimum Wage Act etc;
- ◆ Making the principal employer accountable in case of any misdeed by the contractor or management;
- ◆ Sanitary conditions to be improved, provision of latrine and urinals;
- ◆ Contract system should be abolished (after late fifties) and uniform minimum wage should be introduced (early sixties);
- ◆ All the workers should be assigned identity cards (early sixties);
- ◆ Provision to form welfare societies;
- ◆ Provision of Provident Fund;
- ◆ Enactment of comprehensive Act to cover various aspects of beedi industry.

No doubt, many of these demands have been covered under the Beedi and Cigar Workers (conditions and Employment) Act, 1966 and Beedi Workers Welfare Fund Act, 1976 (demands such as weekly holidays, wages for overtime, annual leave, provision of latrines and urinals, identify cards etc.), but it is unfortunate that some of the most important demands raised in this period (like national minimum wage and abolition of contract system) are still unfulfilled. And even the demands covered under the above two Acts are still to be realised fully as most of the trade union leaders feel that the implementation of these acts is not effective.

Major gains :

In the initial period the most visible impact of the struggles was the trend of wage increase. This is clear from the narration of Marathe, and the Report of the "Court of Enquiry" further confirms it: "The wages in beedi industry recorded an upward trend only since 1943. Rate of wages per 1000 beedis was increased everywhere. Increases in wages were the result of strikes in most of the places" (*Court of Enquiry, Page 53*). Another gain was the increased awareness of the work force in the industry. There are examples of many beedi workers becoming social activists and full time trade unionists after coming in contact with broader trade union movement.

Equally important is the fact that these struggles played a significant role in placing the interests and concerns of unorganised sector workforce on the agenda of policy makers and influenced the state to provide protection to beedi workers to a certain extent. This is evident from setting up of various Enquiry Commissions and Committees to take stock of the situation prevailing in beedi industry and also from enactment of various State Acts applicable to the industry in a number of states (e.g. Madras Beedi Premises Act). But the ultimate gain was the passing of Beedi and Cigar workers (Conditions and Employment) Act, 1966 by the Parliament. A culmination of the most fiercely fought struggles of nearly four decades, this Act is the watershed in the history of beedi workers movement.

Struggles After 1966

Formation of All India Beedi Workers Federations and Struggles by Trade Unions: When the beedi workers movement started in early thirties the AITUC was the only central

trade union in the country, but by 1966 four central trade unions had come into existence, namely the All Indian Trade Union Congress (AITUC); the Indian Trade Union Congress (INTUC); the Hindu Mazdoor Sabha (HMS) and Bharatiya Mazdoor Sangh (BMS). The Center for Trade Unions (CITU) was formed later in 1966 as a result of split in the AITUC.

The AITUC has always had a traditional hold over beedi workers in the country. It claims to have membership among beedi workers from the twenties. Today AITUC-affiliated beedi workers unions are spread over all over the country. Estimated membership of AITUC-affiliated unions is about 2.5 lakh (*Ratnakar-Interview*). AITUC was the first central trade union to feel the need to form an all India body of beedi workers and consequently the All Indian Beedi Cigar and Tobacco Workers Federation (AIBCTWF) came into existence in May 1970 in Ghondia (Maharashtra) in an inaugural conference called by the AITUC. The conference presented a 10 point charter of demands to the central government relating to provident fund, gratuity, bonus, medical aid, maternity leave with wages, fixation of minimum daily wages etc.

The Second National Convention of the Federation was held in Bhopal in August 1973 and it was decided to meet the Prime Minister in deputation to press for the demands of beedi workers. On August 22, 1973 a deputation consisting of Federation's office bearers met the Prime Minister Indira Gandhi and presented the charter of demands. She assured to look into the matter. But seems no substantial progress could be made in getting the demands accepted. Again the third national conference of the Federation, which was held at Jhansi on December 25-27, 1976 passed a resolution to conduct mass signature campaign to press for the charter of demands. A mass signature campaign was carried out in major beedi producing states and memorandum was presented to the Labour Minister in Delhi. According to the Federation, "after a long period of struggles and representations, the Central Government considered to include the beedi industry to the schedule of the EPF Act, 1952 with effect from 31st May 1977 (*Ratnakar Records*). Incidentally, extending the coverage of EPF Act, 1952 to beedi industry was a major demand of all the AITUC-affiliated beedi workers unions even before the formation of the Federation. The North Arcot District Beedi Labour Federation (affiliated with AITUC) had been raising this demand most consistently.

“In the absence of old age pension and any other security measures against unemployment, the employees of beedi industry must be provided facilities for some savings against their future. The beedi workers have waged several struggles and carried out continued agitation demanding the right of EPF scheme. I urge upon the government of recognize the need for extending EPF Act to the beedi industry” – G. Kannabiran, Secretary of N.A. Dt. Beedi Labour Federation in a letter to the Labour secretary, GOI on 3.4.1968 (*Kannabiran Records*).

1. The subsequent conventions of the AIBCTWF were held in Dal Singh Sarwai, Bihar (in April 1981); Sagar, Madhya Pradesh; Warangal, Andhra Pradesh (in April 1996), and Manglore (April, 2001).

In the Sixth National Conference of the Federation held at Sagar, it was decided to organize a march of beedi workers to the parliament. This, according to the Federation, was the first March of beedi workers on such a large scale. On 27th November 1992 thousands of beedi workers participated in the March to Parliament. In this HMS, HMKP and WTUC workers also participated. A resolution was passed at the meeting held at the Boat Club of Delhi and a four - phased agitation plan was chalked out. (Report of Beedi workers March to Parliament and Dharana at Boat Club on 27th November 1992, AITUC records) “The main focus of this rally was national minimum wages apart from raising other demands. Nearly 20,000 people participated in this rally” (*Shankar Nyalpelli- Interview*).

“The second rally by the Federation was organised on 9th November 1995, in which nearly 35,000 workers participated. Prior to this on 21st September 1995 an all India strike was called which was hundred percent successful. Even the beedi employers cooperated in this action. This strike helped in mobilising support for the November rally. One of the major demands of this rally was to ban the production of mini cigarettes and protection to beedi industry. Other important demands were: national minimum wages for beedi workers, implementation of pension scheme and provident Fund facility.” (*Shankar Nyalpelli, Ahemednagar — Interview*).

These demands were taken up subsequently by the affiliated beedi unions and a number of actions were witnessed during June 1993.

In a letter addressed to the Chairman and the Members of the State Petition Committee, the Beedi Mazdoor Union, Lala Jhanda, Byavar raised a number of issues which included national minimum wage for beedi workers, ban on employment of children, provision of medical facilities, drinking water and rest room facilities; occupational diseases of beedi workers, implementation of Bonus Act, Gratuity Act, 1972, Maternity Benefit Act etc. (*Letter addressed to State Petition Committee by the office bearers, Koshari Mal and Tej Singh Chauhan, AITUC Records*). Again in 1993 at Bhopal (M.P.) hundreds of beedi workers staged a dharana near Raj Bhawan with demand for increase in their wages from Rs. 14 to Rs. 32.42 per 1000 beedis with dearness allowance (Madhya Pradesh is perhaps the only state where the beedi workers are deprived of D.A). Later, a delegation of M.P. Beedi Workers Federation met the Governor to submit the memorandum. "The Governor admitted that there was a strong case of wage increase..." (Statement issued by the AITUC leaders, B. R. Bakshi on 18th June 1993, *AITUC Records*).

During November 1995 AIBCTWF organised "first over massive demonstration at the Parliament House", in which according to AITUC mouth organ *Trade Union Record*, "about 20,000 beedi workers participated." The rally submitted a Memorandum to the Prime Minister. The demands included - ban on production and sale of mini cigarettes, full protection to beedi industry, implementation of old age pension and insurance scheme; national minimum wage to be fixed at Rs. 50 and D.A. 10 Ps. per point, and supply of sufficient tendu leaves and tobacco to workers. "As a follow up, on 10th November delegation led by Com. B. D. Joshi, the Deputy General Secretary, AITUC met the Labour Minister who assured his consideration for the demands." (*Trade Union Record*, 20 November 1995). Perceiving the production of the mini cigarettes as a the major threat to the livelihood of beedi workers, the Federation in November 1996 "decided to enter the mini-cigarette factories and stop the production of mini Cigarettes, and to gherao the main offices of the cigarette companies" (*Trade Union Records*, 5 November 1996). In November 1996 the Federation submitted a charter of demands with the then UF government to withdraw permission given to the cigarette industry to manufacture mini cigarettes. The Federation went to the extent of demanding that "permission granted to Indian Tobacco company (ITC) to manufacture mini cigarettes

be withdrawn and sale of mini cigarettes be prohibited" (*Trade Union Record*, November 5, 1996).

In January 1998 the AITUC-affiliated South Kanara Beedi Workers Federation demanded immediate implementation of the Karnataka High Court's interim order concerning the payment of minimum wages to worker. The Federation on January 17, 1998 organized a rally. The main demand of this rally was fixation of minimum wages for beedi workers (*Business Line*, January 16, 1998).

During this period the All India Beedi, Cigar and Tobacco Federation came heavily on the central government for "permitting multinational cigarette companies to invest 100% capital in the tobacco industry and also for permitting domestic multinational Indian Tobacco Company (ITC), which produces mini cigarettes to expend its project by Rs 100 crore." The Federation at its meeting held on 27-28 December, 1998 at Mumbai further resolved that if the central government does not revise its policy and decision before March 99, then the Federation will, in cooperation with other central trade unions hold a rally of one lakh workers in Delhi and Gherao the Parliament. It was further demanded that the Central Government should fix national minimum wages..." (*Trade Union Record*, January 20, 1999).

In January 1999 a large number of home-based women workers in Gwalior staged a demonstration in front of the collectorate for instituting an enquiry into various irregularities in provident fund and other problems of the labourers. "The women beedi workers, under the leadership of AITUC-affiliated Beedi Mazdoor Sabha took out a procession from its district office premises at Gorkhi. The leaders said that only about 10 percent of the labourers engaged in beedi making industry were being given benefits of provision of the Provident Fund" (*M.P. Chronical*, February 1, 1999).

During April 1999 the South Kanara Beedi workers Federation decided to launch a "widespread agitation to highlight the problems of workers in the beedi industry", and in this context submitted a memorandum to the Prime Minister. Some of the demands included in the memorandum were: "withdrawal of licenses given to multinational companies to manufacture mini cigarettes, abolition of the tender system for the sale of beedi leaves and stopping the commercialisation of the tobacco industry" (*Business Line*, April 22, 1999).

When the permission to multinational cigarette manufacturers like Philip Morris and company to set up factories in India was given, the Federation was first to oppose it. According to the then General Secretary of the Federation, R. Ratnakar, "this decision is one among a series of blows to the future of nearly 1.5 crore Indians who depend directly or indirectly on the beedi industry. The Federation will demand a ban on mini cigarettes and imposition of restrictions on foreign cigarette companies and beedis manufactured on foreign machines" (*The Times of India, Pune Edition, August 23, 2000*).

Currently the Federation's major demands are: Fixation of national minimum wages; strict implementation of Beedi and Cigar Act, 1960; abolition of contract system and sale purchase systems; provision of supply of sufficient raw material to beedi workers; ban on production of mini cigarettes; exemption from excise duty on small employers producing 20 lakhs beedis per annum to be removed; all beedi workers to be provided with identity cards; beedi workers cooperatives to be formed, if market is guaranteed and assured by the government; protection to be given to beedi industry; benefits through welfare schemes to be provided to all beedi workers.

When INTUC was formed in 1947 due to the split in the AITUC, it did not take the beedi unions affiliated to AITUC with it. "Rather most of the beedi unions came as near affiliates to INTUC" (*Chandi Das Sinha - INTUC leader*). The INTUC-affiliated beedi workers unions are the oldest after AITUC-affiliated ones. One of the earliest beedi workers unions affiliated to INTUC is the Gopal Para Beedi workers union in Dhubri (Assam) which was formed in 1951 (*Nasruddin -INTUC leader from Assam*).

The INTUC beedi unions are active in Mehaboob Nagar, Nellore, Kurnool, Hyderabad, (Andhra Pradesh); Calcutta, Murshidabad, Malda and 24 Paragana (West Bengal); Bhagalpur, Patna (Bihar); Mangalore, Bangalore (Karnataka); Ahemednagar (Maharashtra); Dhubri (Assam); Sagar, Gwalior, Aurangabad (Madhya Pradesh); Chennai and Tiruchirappaly (Tamil Nadu). In Dhubri (Assam) alone INTUC affiliated beedi unions have a membership of 5000 (Nasaruddin). No figures of total membership among beedi workers are available with INTUC headquarters. INTUC has not formed any all India Beedi workers federation so far.

However, not many records are available of the struggles launched by INTUC affiliated unions. But in Dhubri (Assam) during early seventies a major struggle was launched by the Gopalpara Beedi workers union for wage increase (Nasaruddin). In Andhra Pradesh, where the movement of beedi, workers started in early sixties "the then INTUC union leaders made relentless efforts to bring pressure on the government to enact a legislation for beedi workers. Apart from this unions launched struggles for sanction of 500 houses for beedi workers, coverage of beedi workers under P.F. Act and providing medical and maternity benefit for beedi workers" (Bomma Venkateshwar INTUC leader). In Assam one achievement of INTUC affiliated beedi workers unions was the "formation of tripartite committee for beedi workers" (Nasaruddin). In Andhra Pradesh the INTUC - affiliated unions succeeded in achieving wage increase for beedi workers (*Bomma Venkateshwar*).

CITU, which was formed in 1966 after the split in the AITUC claims to have a sizeable base among beedi workers. When CITU was formed, a number of AITUC-affiliated beedi workers unions, particularly those in West Bengal and Kerala went it and it also formed new unions among beedi workers.

CITU formed All India Beedi Workers Federation (AIBWF) at its Cannanore conference in 1993. Today the AIBWF has its affiliated unions in 11 major states, which include West Bengal , Tamil Nadu , Tripura, Kerala, Maharashtra, Madhya Pradesh, Rajasthan and Karnataka. After the first convention of in December 3, 1993 at Cannanore the Federation held its second convention in Sholapur during November 29-December 1, 1996. The third convention of the Federation was held in January 2001 at Farakka.

Prior to holding its first Conference the Federation organised a public meeting in Cannanore in which about "20,000 beedi workers from the district participated". The main resolution of the first conference of the federation centered on the "problems of beedi workers vis-a-vis the new economic policy" (*People Democracy, January 9, 1994*).

The AIBWF became more active from 1996 onwards. On 3rd August 1996 beedi workers unions of Tamil Nadu affiliated to AIBWF took out rallies on various issues affecting the beedi workers. "Thousands of workers were arrested at Nagercoli, Chidambarnar, Chongadpet, North Arcot district and other

places. A large number of women were also arrested" (*The Working Class, November 1996*). On October 3, the Madhya Pradesh Beedi Mazdoor Ekta Federation affiliated to AIBWF organized a rally of beedi workers in Jabalpur in which about "ten thousand beedi workers coming from 16 districts of the state" participated. Major demands of this rally included: minimum wage of Rs. 50/- for rolling 1000 beedi, housing scheme for beedi workers, abolition of contract system, and equal wage to women workers" (*The Working Class, November, 1996*).

After the Sholapur Conference, a public rally was held which gave a call to beedi workers to "make all out preparations for a mammoth morcha to Delhi and demonstration before parliament on March 3, 1997 highlighting demands such on uniform wage for workers in beedi industry, strict enforcement of the EPF scheme, introduction of pension scheme, and drastic amendment in the beedi and cigar workers (conditions of employment) Act" (*Peoples Democracy, December 29, 1996*).

One major action taken up by the Federation was the central rally at Delhi on 3rd March 1997 at the call of second conference held at Sholapur, in which according to the Federation ten thousand beedi workers took part. A memorandum of demands was submitted to the Labour Minister. The main demands of this rally included: the excise duty concession give to mini cigarettes to be withdrawn; Rs. 50 as basic wage for 1000 beedis; and housing facilities to beedi workers (*The Working Class, April 1997*).

On 14th July 1998 an All India Demands Day was observed by AIBWF in pursuance of the Charter of Demand. In Madhya Pradesh a Jail Bbharo Andolan was launched simultaneously. The Federation planned a number of actions during 1998-99 but failed to organise them. The Calcutta meeting of its Working Committee decided to launch an all Indian action on 4th December, 1998, "but this programme could not take off". Thereafter, another all India rally programme was to be held on 10th March 1999 at New Delhi, due to very poor attendance the rally had to be cancelled. As a matter of self-criticism, the Federation leadership admitted that, "the tempo of all India movement, after attaining a peak in the March 3rd, 1997 rally, considerably slowed down thereafter" (*Report of the General Secretary, Farakka Conference, p. 8*).

According to the Federation sources, continuous movements and struggles were organised in West Bengal during 1997-2001. " Due to continuous movements (of the Federation) iden-

tity cards have been issued to 5,07,285 workers in the state". As a result of the efforts made by the West Bengal branch of the Federation, "a number of cooperatives were formed and presently there are 25 registered cooperatives covering nearly 5000 workers in the state" (*Report of the General Secretary, Farakka conference, p. 9*).

In Tamilnadu the Federation organised a state level demonstration on 2nd April 1988 demanding revision of wages, DA and implementation of statutory benefits. As a result, "a settlement was reached with the manufacturers of Chennai and North Arcot districts, and a rise of Rs. 3.50 in wages was achieved." In Tripura the AIBWF- affiliated trade unions launched a movement for wage- increase. As a result, "government constituted a Board to revise wages, and wage revision was achieved. In Kerala, the federation-affiliated trade unions launched a massive agitation against the Kerala High Court's verdict on ban on smoking in the state during 1999" (*Report of the General Secretary, Farakka Conference, p. 11*).

Current major demands of the All Indian Beedi Workers Federation include: National minimum wage of Rs. 50/- per 1000 beedis linked to All India Price Index; guaranteed work for six days in a week; contract and sub-contract system should be abolished; all beedis branded or non-branded should subject to excise duty without any exemption; one day weekly off with wages; provident fund account codes should be given in the name of the principal employers and account number should be in the name of the actual worker; all workers should be given identity cards; Welfare Fund Schemes should be reviewed by the government with a view to remove the bottlenecks that prevent the workers from enjoying the benefits of the scheme; provision of pension scheme; equal wages for women workers at par with men, and maternity benefits, creche, etc. for them.

Bhartiya Mazdoor Sangh (BMS) is the third national trade union having an all India Federation among beedi workers. The Federation called Rashtriya Beedi Mazdoor Sangh (RBMS) came into existence on July 23, 1955 with the formation of BMS. Presently, the RBMS is active in Madhya Pradesh, Andhra Pradesh, Chhatisgarh, Gujarat, Maharashtra and Rajasthan (*Ajai Pal Singh, Secretary, M.P. Unit, RBMS*).

The Hind Mazdoor Sabha (HMS), has significant base among beedi workers in a few states like Orissa, Madhya Pradesh and

Maharashtra. In Maharashtra the HMS-affiliated unions operate under the umbrella of All India Beedi and Cigar Workers Federation. In Orissa where, "the organisation has the largest base among beedi workers"(R.A.Mittal- Interview) the HMS has a state level beedi workers federation. The HMS does not have an All India Federation so far, but it is in the process of forming the same.

If we look at methods of struggles adopted by the unions after the 60s, we find that the unions have resorted more to the more peaceful means like rallies and meetings than to strikes, gheraos and picketing. This indicates a shift in the approach of unions. With the focus of struggles shifting to new and immediate issue of protection to beedi industry, more peaceful means were being adopted now to achieve the objective.

Major Issues in the Present Context

Major issues that confront the beedi workers unions today are: 1. Uniform National Wage for beedi workers; 2. Strict implementation of the Acts applicable to beedi workers; 3. Welfare of beedi workers (Housing, EPF, retirement benefits, health, education etc.); 4. Abolition of contract and sale-purchase system for making employers more accountable; 5. Protection to beedi industry for protecting the employment of workers (ban of mini cigarettes, lifting of tobacco ban, withdrawal of concessions to cigarette industry). As we see, these demands are addressed more to the government than to the employers.

Particularly after the nineties the struggle for protection of beedi industry has become the major concern of all beedi unions. Today the labour-capital relations in the industry appear to be unique in terms of employers and workers sharing a common platform on a number of issues which include tobacco ban, mechanization of industry, ban on mini cigarettes etc. Beedi employers are even being invited by the unions to share their platforms. In the 8th All India Conference of AIBCTWF (held during March 2001) beedi industrialists were invited to discuss the threats to beedi industry, though the response was not much encouraging. The AIBCTWF General Secretary, R. Ratnakar says, "I wrote to nearly 70 beedi employers to share their views on the present scenario in the industry. We invited the beedi employers even in the 1996 conference of the organisation. One employer from Bengal attended the conference and shared his views. Though we don't

get much response but we feel that efforts should continue to involve beedi employers as they have a common cause with beedi workers in saving the industry" (*Ratnakar - Interview*).

For beedi workers unions the issue is something beyond and above the class struggle as the very livelihood of the millions of workers is at the stake. The recent instance of AIBCTWF opposing tax on beedi production in Maharashtra is the most recent and explicit example of this. The Maharashtra state government in its budget for the year 2001 imposed a tax of one paisa per beedi (i.e. Rs. 10 per 1000 beedis) on beedi production. Employers opposed it tooth and nail but failed to force the government to withdraw its move, and ultimately closed down their factories for ten days in protest. Their argument was that they were already paying the welfare cess (which is deposited in the Workers Welfare Fund) and if they were forced to pay this tax they will land up paying so much as taxes that it won't be possible for them to run the business. This argument of employers was supported by most of the beedi workers unions in Maharashtra (though some unions affiliated to AIBWF did not support it). The workers unions thus took up the employers' cause and their leaders met the Chief Minister to register the protest. Ultimately the government was forced to withdraw this move. Clearly, in this case the unions were compelled to fight the battle of employers. The reason behind this, according to Ratnakar, was the fear that with such move is implemented the beedi producers will move being other states leading to mass unemployment of beedi workers in Maharashtra.

It is as if the beedi workers are fighting the beedi employers' war. Therefore, some may interpret: "What seems to be curious about the emergent scenario is that the beedi workers who have all along found the beedi barons their opponents, by logic of liberalisation, have found themselves opposing the liberalising and globalising government by entering into an understanding with their immediate oppressors" (*EPW, March 15, p. 7*). But this 'paradox' has its own inherent logic. What is worrying beedi workers unions is that the overall production of beedis is reducing day by day, the beedi employers are not employing new workers and at a number of places a considerable number of workers have already become underemployed (*field observations - Ahmedabad, Gudiuttam, Vellore*). If the beedi industry is wiped out millions of beedi workers will be jobless causing an unprecedented problem of unemployment

leading to social unrest. So the situation is not as paradoxical as it appears because the "focus is now on the survival of the industry to ensure protection to employment" (R.A. Mittal- Interview)

This situation may pose a dilemma in future (if it has not posed as yet) for beedi workers movement. The labour analysts feel that war waged against mini cigarette manufacturing firms by the trade unions could mean attacking the interest of their working class brethren. "Faced with the threat of wage cut introduced by beedi baron on the pretext of beedi sales going down, they have been forced to wage a struggle against the mini cigarette manufacturing units and their workers, thus diluting the cause of workers movement" (EPW, March 15, 1997, p. 515).

Efforts For Unity of Beedi Workers Movement

Significantly, in recent times a growing need is being felt for the unity of beedi workers movement. This has come in the wake of growing unity of the central trade unions against the liberalisation of Indian economy. All the central TUs feel the need of such unity.

The AIBCTWF has been advocating the cause of trade union unity for many years. The issue of unity was first raised in the conference of Maharashtra AIBCTWF few years back (S. N. Thakur - AITUC leader). During last year the AIBCTWF had talks with CITU and HMS leadership regarding the TU unity.

In the beginning of 2001 leaders of Andhra Pradesh Beedi workers union and the AIWF and AIBCTWF representatives had a discussion in this regard. In its latest 8th all India conference held at Mangalore in March 2001, the AIBCTWF again underscored the need for the unity of beedi workers. The General Secretary's report reads, "our Federation must take lead in bringing all left and democratic beedi workers organisations on a common platform to fight against the dangers to the beedi industry. Agitation will have to be built up from local level to all India level and a call for unity should be given (General Secretary's Report, Mangalore Conference of AIBCTWF, p. 9).

The AIBWF in its very first conference held in Cannanore on December 3, 1993, passed resolution emphasising the task of developing a joint movement with other trade unions thereby generating united struggles in the industry (People Democracy, January 9, 1994).

The Self Employed Women's Association (SEWA) has also been in favour of the unity of beedi workers unions to create a larger impact. "We also feel that all the unions should work together in raising the demand of National minimum wage" (*Minali Shah - Interview*).

An All India Seminar of Beedi Workers held at Bhopal from 27th - 29th November 1996 in which 10 unions and 3 NGOs participated, was another move to bring unity in beedi workers movement. This seminar called at the instance of IUF and some beedi workers unions, took note of the crisis emerging within the beedi industry due to various factors including the manufacturing of mini cigarettes and decided to raise a number of demands related to minimum wages, social security, beedi welfare Act etc. As the follow up of this seminar on February 1997, SEWA, Andhra Pradesh Beedi Workers Union, Navyug Beedi Karmika Sangham, Andhra Pradesh, and Society for Weaker Community, Orissa, jointly submitted a Memorandum to the Labour Minister, Government of India, on "burning issues of beedi workers" in the country and another Memorandum to the Finance Minister, GOI. The demands included fixing of an All India wage, provident fund, retirement benefits to workers, and a demand for constituting a "Tripartite committee at district, state and Indian level to oversee the implementation of different labour Acts". Second memorandum included the demand such as proper collection of cess and increase in the rate of cess (*Report of the IUF-Beedi workers Seminar*).

The element of unity is also reflected in the joint agitations by the beedi workers unions.

During November 1995 in the AIBCTWF organized demonstration at the Parliament in which the leaders of CITU, IPF and BMS were invited to address the rally (*Trade Union Record*, November 20, 1995). On September 29, 1999 a March was taken out in Kochi, Kerala opposing the High Court order clamping a ban on smoking in public places in Kerala. The March was jointly organized by CITU, AITUC, BMS, STU, INTUC, HMS and NLO (*The New Indian Express*, September 29, 1999).

On August 6, 1999 thousands of beedi workers owing allegiance to different trade unions (AITUC, CITU, INTUC) and beedi workers federations in northern districts of Kerala "took out rallies to various Courts demanding government intervention in seeking a review of the Kerala High Court's order ban-

ning smoking in public places. The struggle was launched under the banner of Joint Action Council (JAC)" (*Business line, August 8, 1999*). During January, 2000 when the Udupi District Beedi and Tobacco Labour Union wanted to launch an indefinite strike from January 11 to protest against the anti-labour policies of the government, the south Kanara Beedi workers federation affiliated to AITUC dissociated itself from the strike saying that "demands cannot be achieved unless the workers were united at the All India level" (*M. P. Chronical, January 6, 2000*).

On February 18, 2001 in a joint action all the central trade unions wrote to the Prime Minister asking that "proposed anti-tobacco and anti - beedi legislation passed by the cabinet and expected to be tabled in parliament in the Budget session, be withdrawn until a safety net for the 30 million tobacco and beedi workers is put in place" (*Business Line, February 19, 2001*) This strong worded letter signed by the AITUC, BMS, CITU, HMS and TUCC representatives accuses the Health Ministry bureaucrats of acting under the instructions of the world health organisation" (*Deccan Herald, February 19, 2001*).

The latest development in the efforts for building unity was the meeting of the representatives of the Central Trade Unions held at New Delhi on June 4, 2001 with the objective of chalking out joint action plan and strategy. Attended by the leaders of AITUC, CITU, HMS, UTUC and AICCTU the meeting decided to stage a massive march before the Parliament on November 27, 2001. The BMS and INTUC were also invited to attend the meeting but could not come. With a view to make the March to Parliament a grand success it was decided to observe the following programme:

- ◆ Joint State convention of Beedi workers in every beedi producing state by August. All the unions should be invited irrespective of their affiliations. Central leaders will also attend the conventions.
- ◆ Massive Beedi Workers Rallies at district and taluk level should be organized in the month of October.
- ◆ Joint posters and handbills should be circulated in regional languages in the respective states on the issues to be decided in Delhi meeting on July 10, 2001.

(*The AITUC Circular no. 21/2001*)

These joint efforts and agitations underscore the fact that safety of beedi industry remains the most important agenda of

beedi workers unions. It is in fact the common thread, which binds the unions together. If these efforts are any indication one may witness in near future more and more joint actions directed against threats to beedi industry. At the same time, these joint actions are part of the wider process of enforcing trade union unity at the national level under which Joint Action Committees have already been formed in different sectors like textiles and cement. The TUs are considering having such Joint Action Committee for the beedi industry too.

Constraints and Limitations of Beedi Workers Trade Unions

- ◆ **Changed situation and Changing Roles:** As we have already discussed in the earlier part of this chapter, unions in the beedi industry were very strong during initial phase (thirties and forties). Due to various reasons such a division in the Indian Trade Union movement, the emergence of new situations (liberalization etc.), the fierceness of the movement has diminished. As a result, a gradual change took place in the role of beedi workers trade unions. They have started focussing more on welfare issues, and economic demands such as wage increase, bonus etc has become the issues of less importance to them. Today they are more occupied with the issue of threat to beedi industry. This clearly indicates a shift in the focus of the unions. "We do not press for state Government fixed minimum wages, but we are able to achieve certain welfare measures such as hospitals, dispensaries, subsidy for housing, scholarship for children etc" (*Abani Roy UNTUC leader*).
- ◆ **Low Bargaining Power:** The bargaining power of the trade unions in the beedi industry has weakened considerably during last few decades. This is clear from the deprivation of majority of beedi workers from most of the facilities provided by various Acts and regulations. Most of the unions are not able to press for implementation of the neither Act nor state-fixed minimum wages, as it is difficult to achieve this demand (*Abani Roy*). "In West Bengal where the minimum wages fixed by the State Government are quite high, the unions often indulge in agreements for as low as Rs. 25 per 1000 beedis" (*Aggi- BMS leader*).

- ◆ "During our visit to West Bengal when we decided to give memorandum to Government and held discussion with the Labour Minister. (We found that) unions affiliated to many central TUs make agreements for lesser wages than the State Government fixed wages" (*Ratnakar - Interview*).

Moreover, "beedi workers fall in the unorganized sector. Some labour laws are certainly in their favour, but there is none to protect them from inhuman exploitation. The workers have lost all their bargaining powers." (*Malay Das, Secretary Malta District, Paschim Bengal Rajya Beedi Shramik Union in a letter to R. Ratnakar*).

Also there is the fact that, " workers come from poorer sections and cannot go for long-term struggles. On the top of this all the workers are not with the trade unions. It is not possible to call an all India strike" (*Abani Roy - UTUC - Interview*).

- ◆ **Problem in Organising the Workers:** Majority of the workers in the industry are home-based and part-time workers. Many of them are engaged in other activities, and beedi rolling is their part time work (*Abani Roy-UTUC*). It is more difficult to organise such workers. During earlier times when factory system was more in vogue, it was easier to organise workers as they assembled at one place. Home-based workers do not assemble at one place everyday, and being women they have their own limitations (problem in attending meetings, Pardah system etc.) which makes it further difficult to organise them. Women are reluctant to join unions unless their husbands, fellow workers or friends are union members. They gain confidence only when they have other examples to follow. Some time due to part time nature of their employment women have lesser stake in going for direct actions.
- ◆ **Contract system and Sale-purchase system:** Contract system, which is in more practice presently, has proved a deterrent for the unions to organise the workers. It is because due to this system in prevalence it comes harder to provide then benefits. In her narration of a SEWA's campaign to organize Beedi workers in Patan, Renana Jhabwala has shown how sustained efforts were needed to organize the home-based beedi workers and how despite their efforts many women workers were faced with the threat of losing this livelihood. "Initially women

are not ready to join the union, ultimately working with a lot of patience they won the battle and identity cards were distributed... and some women succeeded in availing the facility of the clinic. Another problem cropped up. The problem was that one of the employer was going to close down his shop and give all his work to contractors, as a result many women were faced with the threat of losing their jobs" (*Neither a Complete Success Nor a Total Failure*, Renana Jhabwala in **Manushi**, November 22, 1984, p.5). When the workers demand identity cards and thereby try to establish employer- employee relationship, beedi employers resort to either contract system or sale-purchase system. Under contract system it becomes the responsibility of the contractors to deal with the beedi workers. But "whenever any organized resistance is built up, the middle men without my notice stop giving them (workers) any work and go elsewhere and begin the same job in the same style." (*Malay Das in his letter to Ratnakar-Ratnakar Records*). It is easier for contractors to shift their base and this makes difficult for unions to organise the workers.

- ◆ **Funding Problems:** Running of trade unions requires funds, which are as a tradition collected from the union members as the membership fees. But in beedi industry it is difficult to collect union membership fees as the workforce is mainly home-based. There are very few unions, which resort to this practice for managing their affairs. Most of the beedi workers unions are thus fund-starved. "It is a problem to collect contribution towards union fund from workers" (*Virendra Kumar Vikal -Thana Beedi Mazdoor Union, Manghyr*). Office bearers in some unions/ federations have to spend from their own sources to meet the expenditure of the union office. "I have to spend from my own pocket on typing, xeroxing and even travelling" (*Ratnakar*). It is only in a very few cases that the all India federations or the central TUs support their unions financially. This situation is also due to the fact that the unions do not enjoy the flexibility, which the non-governmental organisations or Voluntary Organisations enjoy. NGOs/ VOs are free to mobilize funds from national and international donors, but this has never been the practice in the trade union sector in India.

Interventions by Self-Employed Women's Association (SEWA)

(A Case Study)

Any discussion on the role of trade unions in beedi industry will remain incomplete without discussing SEWA's interventions for the welfare of home-based women workers in beedi industry. Many people mistaken SEWA for an NGO or a voluntary organisation. But for those who are in the trade union movement for decades, SEWA remains a trade union. "SEWA is invited in our joint trade union meetings and it is a registered trade union body" (K. L. Mahendra- AITUC General Secretary). But even in some academic publications SEWA is mentioned as a voluntary organisation. The Indira Gandhi National Open University publication "Organizing the Unorganized - 4 Course CLDO, Unit 2" states: "Among Voluntary Organizations, Self Employed Women's Association (SEWA) is one of the most outstanding success stories in Ahmedabad city." The reason for holding such a view may perhaps be that SEWA's functioning is different from other trade unions. SEWA's defined goal is to organise women workers for full employment and self-reliance through strategies of struggle and development. The trade unions usually do not have the issues of development in their agenda. SEWA is a trade union with a difference due to a number of reasons.

Registered as a trade union in 1972 SEWA has its roots in Mazoor Mahajan Sabha (MMS), a Gandhian trade union which once had a stronghold in the textile mills of Gujarat. SEWA inherited its Gandhian philosophy and its concept of trusteeship from MMS.

SEWA, unlike other TUs, employs activists. In case of traditional trade unions activists and leaders are not paid; at the most trade unions have whole timers, who are paid wages. SEWA has picked up most of its activists and workers from the grassroots. Some of them were earlier beneficiaries of SEWA's programmes.

Sewa's Work Among Women Beedi Workers of Gujarat

One of the major objectives of SEWA is to organise the unorganized sector women workers and empower them. SEWA started organizing beedi workers in Gujarat in 1978. Main

centres of beedi production in Gujarat are Ahmedabad, Patan, Vijapur, Palanpur, Khera, Prantij, Baroda, and Deesa. According to SEWA's estimates there are about 1,50,000 beedi workers in Gujarat of which 15,000 are in Ahmedabad alone. Though SEWA has been most active in Ahmedabad, it made its first effective intervention in Patan.

Struggle In Patan

When SEWA started organising beedi workers in Patan (North Gujarat) it found that the awareness level of women workers was very low and they did not even know about rights and the Acts applicable to them. SEWA initially launched an awareness generation programme to make the workers aware of their rights. In this process beedi workers organisation of North Gujarat was formed. First strike was organised in Patan in 1983 when Seth Narayandas Jeevandas Company retrenched 25 women workers. As a result the factory owner declared a lock out. SEWA filed a case in the Labour Court. Challenged by the organised strength of the workers, beedi employers in this area formed their organisation. Employers took the decision not to give work to these 25 beedi workers on whose behalf SEWA had filed the case. As Johara Ben, now a full time activist of SEWA tells, "These 25 workers were supported by SEWA's other members, who provided them raw material for making beedis (tobacco, tendu leaves etc.); and we even helped in marketing the beedi made by them." (*Johara Ben. SEWA activists*). This relentless struggle against retrenchment of these women workers in Patan ultimately reached to a stage where owner (Seth Narayandas) was forced to "request SEWA to withdraw the case." (*Minali Shah. Union Secretary, SEWA*). In another case, a women worker Hawabibi Sherkhani of Amir Khan Beedi factory on her demand for wage increase was thrown out of employment. SEWA came to her rescue. Hawabibi filed a case against the factory and won the case.

SEWA also tried to organise beedi workers in Prantij in 1984. There were more male workers (Bhai log) in Prantij. Situation here was same as it was in Patan, the factory owners did not implement labour laws. A demonstration was organised against the non-implementation of laws by the factory owners. When the PF law was enforced here, the owners closed the factories and put all the workers under Gharkhata system, which was illegal. SEWA fought against this. Both in Patan and Prantij despite the hard work by the organisation,

efforts could not be sustained and only a limited success could be achieved.

However, SEWA's most effective intervention was in Ahmedabad where it has been waging sustained struggles for the rights of women beedi workers for more than two decades now.

Struggles In Ahmedabad

When SEWA started its work in Ahmedabad in 1981, no trade union was active among beedi workers. During fifties and early sixties the beedi workers movement in Ahmedabad was led by the Lal Bavata (Red Flag) union of Indu Lal Yagnik (known social worker of Gujarat). The elderly women workers still fondly remember Yagnik as "Indu Chacha" who used to fight for their cause (Savitriben Madhavrao Kune and Chandraben Narasayya – the women beedi workers of Ahmedabad). During that time there used to be considerable number of male beedi workers who used to work in factories. By the late seventies factory system was completely replaced by Gharakhata system. By the early seventies the Lal Bavata Union of Indu Chacha lost its hold over the workers and became defunct. SEWA, came in to fill this gap. There were about 15000 beedi workers in the city and almost all of them were women who were being exploited ruthlessly by the employers in absence of any organizing force.

The women workers of Ahmedabad come from three communities/ castes: Padmashali caste (Telugu caste which migrated from the Telangana region), the Koshti caste (which is a backward caste migrated from Madhya Pradesh) and Muslim community. Of these three, Padmashali women are considered the most skilled beedi rollers. It is a fact that they cut the tendu leaves to size without using "farma" and close the fire-end ('modia' in Gujarati) and the lower end of beedi without using any equipment (Field Observations - Ahmedabad).

Earlier there used to be a number of textile mills in Ahmedabad but now almost all are closed down. The employment pattern was that the men used to work in the textile mills and their women used to roll beedis. After the closing down of textile mills, large number of textile workers were rendered jobless. As a result the women workers had to work harder to earn more to make the two ends meet. In those families where husbands could find an alternative job, the situation is still manageable, but in most of the cases the former textile workers are

still not settled. The situation further worsened with reduction in beedi production; and now the women workers get work for hardly 3-4 days in a week. Thus, when SEWA entered the scene the situation was quite grim and ruthless exploitation of women workers was continuing unchallenged.

Initially the demand for change in the timing of delivery of beedis was taken up. Women workers had to deliver the beedis in factories in the night between 8 p.m. to 11 p.m., which was inconvenient to them. The issues were taken up with the employers and timings were changed. In this SEWA took the path of negotiations. Meanwhile it started a dispensary for the beedi workers and in 1982 undertook a survey to study the socio-economic conditions of beedi workers. Also a cooperative of beedi workers was registered.

In 1983 the organisation for the first time took out a rally of beedi workers in Ahmedabad and presented a memorandum containing 12-point agenda to the Labour Commissioner. SEWA wanted the Labour Department to conduct an inspection to identify and count the number of employers and beedi workers in the city. The Labour Department agreed to conduct the inspection and subsequently identity cards were issued to the beedi workers and trade committees were formed.

During the same year, when Laxmandas beedi company owner retrenched 200 beedi workers (because they were demanding the Provident Fund facility) SEWA intervened and got Rs. 3,00,000 as compensation for the workers. According to SEWA workers, "for the first time in the history of beedi workers, around 200 workers got Provident Fund." But the struggle was not smooth and simple. The employers tried to break the struggle by using various tactics. At one time they even succeeded in creating a divide between the Padmashalibens (women workers coming from Padarashali community) and Koshtibens (women workers from Koshti caste). But somehow the organisation could maintain the unity of the workers.

Meanwhile the organisation began negotiating with the largest local employer of beedi rollers in Ahmedabad (Jivraj Beedi Works) for providing Provident Fund Facility to beedi workers. This was the beginning of one of the most determinably fought struggles in the history of beedi workers movement.

SEWA's major intervention during this entire period was the case of provident fund against the beedi baron; Yuvraj Beedi

Works, which needs separate mention. This struggle of SEWA is still going on.

Provident Fund Case Against Jivraj Bhai Beedi Works

Yuvraj Bhai Beedi works, one of the biggest beedi-manufacturing firms in Ahmedabad was denying Provident Fund facility to women workers. The beedi company had adopted sale-purchased system of production to escape implementation of labour laws. The owner had three companies. One company would sell the raw materials (tobacco, tendu leaves etc.) to the workers, the other would buy the finished beedis from them. The finished beedis would be sold to a third company, which would market them. The workers were not able to establish employer – employee relationship with any of these companies.

The first case against Jivraj Bidi works was filed in 1983. This was an industrial tribunal case in which SEWA cited the firm's non-compliance with various labour provisions, including non-enforcement of Wage Act. This case was settled through the Industrial Tribunal on June 15, 1990.

After this, another case (SCA No. 4041/83) was filed in the High Court alleging non-compliance of the Provident Fund Act, 1952 by Jivrajbhai Beedi Works. The firm was refusing to create a Provident Fund for workers. Workers' logbooks were very important and crucial evidence in this case for proving the employer-employee relationship and also determining the service period of the workers. Owner used to sign the logbooks everyday, but in anticipation of up-coming court battle, he asked for each and every logbook back. Workers not knowing the implications returned the logbooks but by chance one women worker, Kalavatiben had gone to her village when the employers were taking the logbooks back. So the logbook remained with her. And it was around this evidence that SEWA built this entire case.

After this a case was filed against Jivrajbhai Beedi Works with the Regional PF Commissioner (RPFC) in Kavtaben's name. But here the case was lost as the Regional PF Commissioner found that the beedi workers were not employees "within the definition of section 2 (f) of the PF Act." According to his ruling, "there is nothing to indicate that any sort of control is exercised by M/s Jivraj Beedi Works on beedi rollers who come to deliver the beedis" (SEWA Document entitled the 'Beedi Workers Struggle and Provident Fund Case'). This decision, according to SEWA

was directly against the opinion of the three PF Enforcement Officers (EO's) whom the Commissioner had sent earlier to check the facts. Some SEWA members believe that the commissioner was bribed to make judgment in the employers favour (interviews with SEWA members).

On October 26, 1989, SEWA appealed against this judgment in the High Court (SCA No.8642/89). In calling out the contradictions between the Enforcement Officers' findings and the Commissioner's ultimate decision. SEWA highlighted following key findings to argue that Jivraj Beedi Works did indeed exercise ultimate control over the manufacture and sale of his beedis: 1. Right of rejection is totally and completely exercised by Jivraj Beedi Works, 2. Types of beedis to be rolled are prescribed by Jivraj B.W., 3. Jivraj B.W. pays wages for beedis rolled after deducting cost of raw materials, 4. Purchase of raw materials from Shreenathji Trading Company (owned by the same family and located in same compound) is compulsory, 5. Jivraj Beedi Works, Shreenathji Trading Company and Jivrajbhai Patel are three artificially divided units of the same company.

SEWA argued that the relationship between beedi workers and Jivraj's operation fit squarely under the definitions of employer and employee enumerated in the PF Act. It cited the decision in case of D. N. Patel vs. Union of India to establish that a home-based worker is an employee within the meaning of Section 2 (f) of the PF Act.

Simultaneously, SEWA lobbied with the central Provident Fund Commissioner's Office to put pressure on the Regional Provident Fund Office to re-examine their prior decision. This effort yielded results. In March 1991, the Central Squad of the RPFC issued a report charging Jivraj with the non-payment of PF benefits of certain categories of employees. The Squad also recommended the extension of Provident Fund to include Jivraj's sister units, who continued to plead their independence of one another. As a result, the RPFC again initiated proceedings against Jivraj for the determination of dues in respect of 'eligible employees'.

Finally, the RPFC's order dated 14/6/94 came which stated: "All the home workers are the workers within the meaning of employees as defined in section 2 (e) of the Act and are required to be enrolled." Also confirmed was the inter relatedness of the different Jivraj operations, "making a complete circle of beedi manufacturing and sale." Jivraj Beedi Works, namely the Patel family, "was

adjudged to have unity of ownership and control, unity of activity and purpose, unity of employment, unity of finance, functional integrity and geographical proximity" (SEWA's document entitled *the Beedi Workers Struggle and Provident Fund Case*).

Jivraj Beedi Works filed a case (SCA No. 9550/94) challenging this order. It was admitted and stay against recovery was granted. Nothing further was decided on this matter until after the case was transferred to EPF Appellate Tribunal, New Delhi on October 9, 1997. At a meeting of the workers in Ahmedabad, the women workers proclaimed themselves ready to fight in Delhi.

On February 4, 1998 EPF Appellate Tribunal allowed SEWA's appeal, set aside 1989 RPF Commissioner's decision and remanded to RPFC to determine PF contribution for the relevant period.

On June 5, 1998, Jivraj appealed again in the Gujarat High Court (SCA No. 3978/98) against RPFC and SEWA. In its brief, Jivraj lambasted the Tribunal's position as erroneous.

But on April 23, 1999 High Court ordered PF commissioner to complete PF contribution determination within four months. In a terse order, the Court commanded the RPFC to complete the determination proceedings to calculate PF as ordered by the EPF Tribunal. It ordered Jivraj Beedi Works to make Provident Fund contributions for the home-workers and thereby disposed off its appeal (SCA 3978/98).

But the fight did not end here. Calculation of PF proved to be a cumbersome process. In early June, SEWA met with the Provident Fund Commissioner and Kanubhai Patel, owner of Jivraj Beedi works to discuss the calculation of the provident fund. Workers asked that Jivraj's records be brought to be Provident Fund Commissioner for safekeeping. However, even though records were produced for few thousand workers, they were deficient – they only covered the years between 1982-1999. Jivraj claimed that its records for 1977 to 1982 were 'lost' and could not be recovered. Later that month SEWA wrote to the PF Commissioner, asking him to ensure that the records were found and that the PF calculations were completed within the four-month deadline.

The PF calculations could not be completed within four months due to the delaying tactics of employers. SEWA's PF calculation based on real wages, from the years 1977-1999, accounted to 90 Lakh rupees but according to Jivraj's calcula-

tion for the years from 1982 to 1999, the total amount to be paid was just 17 Lakh rupees. Jivraj's argument was that since records for five years (1977-1982) were lost, they should be disregarded. In an attempt to break the impasse at the next meeting, the SEWA beedi workers proposed that, instead of arguing over the details of each worker's case, they agree to a lump sum, which they themselves would divide among the 154 workers. Still, no agreement could be reached on the sum and the mode of payment.

By late September 1999 SEWA decided to change its negotiation strategies. SEWA filed application requesting the determination of PF dues on the basis of minimum wages applicable at the relevant time. Although it knew that neither the Commissioner nor Jivraj Beedi works would agree to such a move, they felt it would add some pressure.

Jivraj Beedi Works responded by stopping work and engaging in a smear campaign against SEWA. The employer Kanubhai sent a message to workers and other owners that while the real wages were Rs. 32-34 per 1000 beedis, SEWA was demanding PF calculated on the minimum wage of Rs 71 per 1000 beedis. He gave a call for closing all the factories and moving to other states. It was after a series of negotiations that Kanubhai reinstated work on the contractor system, but the impasse on the PF calculations remained. Jivraj Beedi Works filed objection to calculations based on minimum wages.

On December 16, 1999, RPF Commissioner ordered Rs. 4,79,960 to be paid to the workers as the PF amount. It was not made clear whether these calculations were based on real of minimum wages. Despite the fact that the RPFC made clear that Jivraj could not go scot-free for the period for which they claimed not to have records, and used SEWA's calculations for those years, the figure of 4,79,960 was still astoundingly low. Even Kanubhai himself calculated PF benefits at 17 lakh rupees. It came as a blow to SEWA.

Though SEWA won the case in the High Court, it feels that it has won only half the battle. SEWA is not satisfied with the PF Commissioner's order. It thinks that the workers, who are fighting for their case for the past 18 years should get far more than what the PF Commissioner has ordered. So the struggle is still continuing.

Remarkable in this case is that along with traditional methods of struggle such as Dharana, picketing, gherao, strike etc.;

non-conventional means of struggle were used to achieve the target. A number of tactful moves applied by SEWA which usually a typical trade union will not adopt, were:

- ◆ To prove that the Yuvraj Beedi Works directly employed the workers one women beedi worker took the beedis with a thread of different colour to deliver beedis to the employer. She was accompanied by a labour official. The owner denied saying that these were not his beedis. This helped in proving that the owner had his own beedis with a thread of particular colour, and that he was not buying, but receiving the delivery of finished beedis.
- ◆ SEWA also used a number of techniques that are often used by the development NGOs. One such instance is when the women workers hesitated coming to the Court, a mock show of the Court proceedings was staged and role plays were enacted to make them understand the court proceedings and to give them confidence.
- ◆ SEWA tried all the possible ways, tactics and techniques in the book that served its purpose. During the course of struggle when the beedi employers in Ahmedabad threatened to stop the work, SEWA counterattacked and in fact 'threatened' them that it would bring beedi manufacturers from outside the state to provide employment and better wages to the workers. 'And imagine we really went to Indore to talk to a beedi employer to start business in Ahmedabad' (Minali Shah). No trade union adopts such non-conventional ways of struggle. Though Gandhian in its outlook SEWA adopted such tactics only to win the cause of the women workers of Ahmedabad.
- ◆ Flexibility: "The Provident Fund case has helped in abolishing the sale-purchase system which does not exist in Ahmedabad now. It has been replaced by the contract system" (Minali Shah). But this also had its repercussion. The owners got united. At one time the factory owners stopped work for nearly 45 days. SEWA had to resort to mass meetings and agitation to exert pressure. When ultimately the factories were opened SEWA hit back by calling upon the workers to stop work for 15 days. "During this strike there was conflict even among women workers. The needy sister used to go to the

factories to get the work and we were even accused of taking bribes from the factory owners. Ultimately our trade union committee decided that the needy sisters should be allowed to get work from factories" (Minali Shah).

Impact of SEWA's work

- ◆ All workers, who are SEWA's members have received identity cards and the benefits under the Beedi Workers Welfare Fund ;
- ◆ Child labour has practically disappeared in Ahmedabad because of scholarship available from the Beedi Welfare fund;
- ◆ Abuse and exploitation by the employers and contractors has reduced;
- ◆ A special housing colony for beedi workers was established and they have begun living in pucca houses;
- ◆ Almost all beedi workers have an account in the SEWA Bank and have received loans from the Bank;
- ◆ A considerable number of beedi workers have been covered under the Provident Fund Act.

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Chapter Four

Legislations and Their Impact

Today the Beedi Industry enjoys an elaborated set of laws that provide protective coverage to beedi workers. But this situation has been achieved through a long process of struggles by the trade unions. The pressure mounted by the TUs and the peoples representatives in legislative bodies, and also the government's own initiatives resulted in setting up of a number of Enquiry Commissions, Investigating Committees, Labour Committees and Courts of Enquiry into the labour conditions in the beedi industry. This, ultimately paved way for enactment of various legislations.

In 1931 the Royal Commission on Labour in India was set up. The Commission dealt mainly with the working conditions of labour in various industries including beedi industry.

In 1944 the Government of India appointed a committee to investigate into the conditions of industrial labour under the Chairmanship of Shri. D. V. Rege. This committee, known as Rege Committee dealt with working conditions of workers under the contract system, and also found it desirable to abolish outwork system. It recommended that protective labour legislation be enforced with success to encourage establishment of beedi industries. Rege Committee was the first to recommend legislation for beedi industry.

In 1946, the Government of Madras appointed a Court of Enquiry into labour conditions in beedi, cigar, snuff, tobacco curing and tanning industries. The report of the Committee, which deals extensively with the unorganised character of beedi industry, working conditions of workers, employment of women and children recommended that, "the appalling working conditions at present in beedi factories...would have indicated the urgency for reform and nothing short of enforcement of all the provisions of the Non-Power Factories Bill to beedi industry would solve this grave problem of bad working conditions" (Court of Enquiry, page 51).

Later, in 1954 the Government of India appointed the inspector of factories, Mr. Natrajan, to assess the situation with a view to offering maximum legislative protection to the workers. The Natrajan Committee Report called for radical reforms in organisation of the industry and found that the employers succeeded in organised circumvention of existing legislation by splitting up of their factories into smaller units. The Report also suggested licensing of premises to fix responsibility of the employers for maintenance of minimum standards of ventilation, lighting and sanitation in working places.

Recommendations of these Commissions and Committees created a conducive environment for trade unions to demand a comprehensive law specifically targeting beedi industry for providing protection to the workers. This resulted in the enactment of Beedi and cigar workers (Conditions of Employment) Act, 1966.

Prior to the enactment of this Act a number of other labour Acts existed which extended some coverage to beedi workers. These included: Payment of Minimum Wages Act, 1948; the Employees Provident Fund and Miscellaneous Provisions Act, 1952; Employees State Insurance Act, 1948; Workmen's Compensation Act, 1923; and certain provisions of the Factories Act, 1948. Various states also had their own Acts such as Madras Beedi Industrial Premises Act, The Madras Maternity Benefits Act and similar Acts in other states.

Trade unions were demanding a separate Act for the protection of beedi workers since late fifties, but a major effort to pressurize the government to enact such comprehensive legislation was made during the second Lok Sabha when A. K. Gopalan the CPI Member of Parliament introduced a Non-Official Bill in the Parliament. There was a debate on the Bill, but when "the then Labour Minister gave an assurance that the government would itself introduce a Bill", A. K. Gopalan and others withdrew the Bill (*Lok Sabha Proceedings, November 1, 1996, Column 188-189*). So it was long overdue when finally the government fulfilled its promise after almost ten long years and the Beedi and Cigar workers (Conditions of Employment) Bill was passed by the parliament.

Beedi and cigar workers (Conditions of Employment) Act, 1966.

About the Act

One strong reason for introducing this Bill as given by the then Deputy Minister, Ministry of Labour, Employment and Rehabilitation, Shah Navaz Khan, in the Rajya Sabha on February 16, 1966 was: "the efforts of the different state governments to curb the activities and malpractice of the employers and contractors failed because the industry was of a migratory nature and if any legislation was passed in one state the industry shifted to another area. So in order to make it uniformly applicable to the whole country we have brought forward this Bill".

Important features and provisions of the Beedi and Cigar workers (Conditions of Employment) Act, 1966 are as follows:

- ◆ Employers will have to get a valid license issued under this Act i.e. any person who intends to use or allows to be used any place or premise for running beedi business will have to apply for license. Licenses will be renewed annually.
- ◆ Chief Inspector and Inspectors will be appointed by the government who will be given power to hold inquiries.
- ◆ Provisions of drinking water, latrines and urinals, washing facilities.
- ◆ Provision of crèches in those industrial premises wherein more than 30 women employees are employed.
- ◆ Provision of first aid facilities.
- ◆ Provision of canteens for the use of employees wherein not less than 250 employees are ordinarily employed.
- ◆ Working hours to be limited to 9 hours in any day and 48 hours in any week except on payment of overtime. But the working hours including overtime work should not exceed 10 hours in any day in the aggregate of 54 hours in any week.
- ◆ Rate of payment for overtime work will be twice the ordinary rate of wages. Where employees are paid on a piece rate basis the overtime rate shall be calculated

at the time rate which shall be as nearly as possible equivalent to the daily average.

- ◆ Provision of rest interval of half an hour after every five hours.
- ◆ Prohibition of employment of children (below 14 years of age) and prohibition of employment of women and children before 6 a.m. and after 7p.m.
- ◆ Provision of leave with wages.
- ◆ No employee who has been employed for a period of six months or more shall be dispensed except for a reasonable cause and without giving him at least one months notice or wages in lieu of that.
- ◆ Penalty for obstructing Inspector or the Chief Inspector. Such offences to be punishable with imprisonment for terms, which may extend to six months or with fine, which may extend to Rs 5000 or both.

Parliamentary Debates

When the Beedi and Cigar workers (Conditions of Employment) Bill came for discussion in the Rajya Sabha it was welcomed by the members of both the Houses of the Parliament as one of the hallmark of labour welfare legislation and supported it on various counts. During the Parliamentary debates many critical issues were raised and amendments were made but these were more in the constructive spirit of making the Bill wider and more protective for beedi workers.

The Bill was first discussed in the Rajya Sabha.

Speaking on the issue of working conditions, Shri T. V. Anandan (MP from Madras) was of the view that working hours of beedi workers should be limited to 42 hours instead of 48, as many "countries of Europe have brought down the hours of work from 48 to 42 and some even to 40." About the clause 25 which permitted the womenfolk to work till 7 P.M. he was of the view that the Act should "not allow the women of this country to work after 6 P.M" (*Rajya Sabha Debates, 16 February, 1966, Column 320-321*).

One suggestion by the Orissa M. P. Shri Sunder Mani Patel was that the tendu leaves collectors should also be brought within the purview of the Act. According to him it was not a comprehensive Bill and to make it comprehensive one "I request the Hon.

Minister to refer it to a Joint Select Committee of both the Houses with a view to seeing that these sections of the workers are better benefited through such a Bill" (Rajya Sabha Debates, 16 February, 1966, column 325). But other members disputed this. Shri T. Changanaroyan (Madras) argued that tendu leave collection cannot be brought within the purview of the Bill as "gathering and collecting beedi leaves would not come within the purview of an industry. It is a contract of sale and not a contract of service. The scope of the Bill is entirely for the purpose of controlling and regulating the industrial and manufacturing process" (Rajya Sabha debates, February 16, 1966, Column 343). Another member of House, Arjun Arora felt that as the Bill sought to remove the worst type of exploitation of labour, "therefore labour in the country is bound to welcome it" (Rajya Sabha Debates, February 16, 1966, Column 347). Shri M. C. Shah (Gujarat) wanted to cover those "who are not regular workers as such. They are agricultural workers who take the material from the shopkeepers, prepare the beedis at their leisure hours" (Rajya Sabha Debates, February 16, 1966, Column 353).

The Deputy Minister, Ministry of Labour, Employment and Rehabilitation, Shah Navaz Khan expressing the hope that with the proper enforcement of the Bill the contractors will disappear and there will be direct link between the workers and employers, said that care has been taken that no harm will be caused to self-employed workers but "we have at the same time taken care to see that those working for employers or contractors get the benefits admissible to them." In reply to the point raised by one member that why women were being allowed to work as late as 7 P.M., the Minister replied that there was nothing new as the provision has been taken from other Acts which were in existence. When some members wanted to know "why the various provisions regarding sanitation, the provision of latrines and other amenities was not being made available to private dwelling houses," the Minister replied "It will be very difficult for us to enforce the provisions of the Bill. We have made ample provisions in industrial premises, but it will be difficult to carry out those in private dwelling houses" (Rajya Sabha Debates, February 16, 1966, Column 357).

The Bill came for discussion in the Lok Sabha on November 1, 1966.

The discussion on the Bill in Lok Sabha was more detailed and comprehensive. Though members welcomed the Bill in

its spirit, a number of suggestions were made and amendments presented to make the implementation of the Act more effective.

Shri D. C. Sharma (Lok Sabha Member from Punjab) felt that Bill had left too much to the rule-making powers of the states. "I feel that if it is going to be a central legislation the power should vest in the Ministry of Labour and Employment and it should not be left to the tender mercies of the State Governments. The State Governments have given a poor account of themselves so far as this kind of legislation is concerned" (*Lok Sabha Debates, November 1, 1966, Column 180*). Another member Shri Warior (Trichur) expressed his views on similar lines: "the State Governments, as Shri Sharma was saying, should not be given the option to make the rules and implement the legislation. We have some instances; in the Motor Vehicles Act, we had the same experience. It is left to the States, and the States never implement the measures" (*Lok Sabha Debates, November 1, 1966, Column 180*).

Shri A. K. Gopalan, the veteran member of the House, who had introduced the Non-Official Bill in the second Lok Sabha was most critical of the Bill and said that the implementation of the Act should not be left to the states. He strongly advocated: "This clause should be removed and if it is passed it will be only cheating and betraying the workers." Gopalan pointed to three Loopholes in the Act: "Firstly the power to the states to implement the Act; Secondly even if the Bill is passed and Act is implemented the contract system will remain; and thirdly out-door system is allowed." He stated that "as soon as the Bill is passed big factories can say the factory is closed and they can have some contractors or have out-door work" (*Lok Sabha Debates, November 1, 1966, Column 189-190*)

What Gopalan said at that time proved true later on, as immediately after the enactment of the Bill employers started shifting to either contract system or out door work system to escape the enforcement of the Act.

Another member Shri Hukum Chand Kachhavay wanted that the Bill should include some provisions to check the re-use of rejected beedis. He felt that the employers sell these beedis in the market. Currently this is one of the concerns of beedi workers unions. A number of unions have complained that the employers do not destroy the rejected beedi but sell them in the market at lower prices and earn profits at the cost of workers' labour.

Some members were critical of the provision, which gave power to Government to exempt any industrialist from all the provisions of the Bill. Members were also critical of the Bill for vesting entire powers of prosecution in the Chief Inspectors. They felt that "the petty officers have been given discretionary powers to decide whether to prosecute person or not, so much so that they have got ample sources to be corrupt" (*N. Srrekantan Nair, Lok Sabha Debates, November 1, 1966, Column 211*). None of the above suggestions/amendments were accepted, not even the amendment presented by Shri A. K. Gopalan opposing the granting the powers of implementation to states.

Interestingly, one member of the House, Shri Yashpal Singh, as it appears from the Lok Sabha proceedings, was in favour of child labour and wanted the age limit of 14 years to be reduced to 10 years as he was of the view that "beedi rolling is not a difficult job for juveniles. Girls can do it at house. This will generate employment and children will develop interest in work" (*Lok Sabha Debates, November 1, 1966, Column 233*).

Another amendment suggested by a number of Members was that the enactment should be enforced in all the states simultaneously. When members pressed for the amendment the Deputy Minister of Labour replied that "the only difficulty is that one state may not find it convenient to enforce it from a particular date" (*Lok Sabha Debate, November 1, 1966, Column 275*). This amendment was also not incorporated.

In general, the Bill was passed without incorporation of any significant amendments.

This clearly shows that the debate in both the Houses of Parliament did not contribute much to amending the Bill, but it certainly revealed certain loopholes and also pointed to the expected outcome of the legislation.

After the Bill was passed on November 10, 1966 with a number of concerns and issues of workers remaining still unanswered, the beedi manufacturer lobby vehemently opposed it. They found it a severe blow to their interests.

They challenged the Act on following counts:

- ◆ The parliament has no legislative competence to legislate the Act;
- ◆ The Restrictions imposed by the Act on employers violate the freedom of trade and business guaranteed under Article 19 of the Constitution.

- ◆ Section 4 of the Act (which deals with licenses) imposes conditions, which are arbitrary, excessive and extraneous.
- ◆ Section 7 (1) (c) (which deals with power of inspector to enter 'with such assistants as he thinks fit at all time, any place or premises including the residences of the employees if he has reasonable grounds for suspecting that any manufacturing process is being carried out on or is, ordinarily carried on in any such premises) and other sections dealing with one months wages in lieu of notice, maternity benefits impose unreasonable restrictions on freedom of trade and business.

When the Act was challenged in the Supreme Court of India (Mangalore Ganesh Beedi works and others vrs. Union of India and others) the apex court clearly said that the Act was for welfare of labour and not an Act for industries. The judges held that "Parliament has legislative competence in making this Act and the provision of the Act are valid and do not offend any provision of the constitution."

Not only did the employers fought legal battles but played all the tricks to escape enforcement of the Act. In Ahemedabad they adopted sale-purchase system to escape enforcement of the Act, and in the states like Kerala where the state governments were strict in enforcing the Act, many of them found it convinient to shift to other neighbouring states.

The trade unions welcomed the Act as *magna Carter* as initially they had lot of expectations from it, but later they realised that the Act had failed to bring any significant improvement in the working condition of beedi workers. Within a short period of its enforcement a number of loopholes of the Act started coming into the open. "The act, though with the best of intention, was in fact too ambitious. It seems to have been inspired by excessive faith in the efficiency of law for improving the living and working conditions of the beedi workers" (Kannabiren, *Paper Presented in the National Workshop on Beedi Workers organised by the National Labour Institute on, 7-8 August, 1986*). The loopholes and lacuna point out by the trade union leaders and others are as follows:

- ◆ The provision of license Under section 4 (1) of the Act provides that license will be issued on an application in writing by any person who intends to use or allow to be used any place an industrial premises. The term 'any person' is not clearly defined and this gives room

for serious mischief. The Beedi manufacturers take advantage of this loophole to circumvent and scuttle the Act. They usually make their agents, managers or contractors and middlemen to apply who have no means of their own to take out license in order to defeat the provisions of the Act. In this regard G. Kannabiren's suggested was that, "The term 'any person' should be deleted and instead the term 'any trade mark owner of Beedis or Cigar or any one who produces and markets Beedi or Cigar' should be used."

- ◆ The home workers system as contemplated in the Act does not at all exist in actual practice with all the safeguards provided for in the Act. On the other hand the employers use the homework system as a strong weapon for flouting their statutory liability and for denying the employer-employee relationship. Thus the homework system has proved to be the Waterloo of this great social legislation.
- ◆ Another Lacunae of the Act pointed out was that it does not apply to the owner or occupier of a private dwelling house who carries on any manufacturing process in such private dwelling house with the assistance of the members of his family provided that the owner or occupier thereof is not an employee of an employer to whom this act applies.

The realisation on part of the trade unions that due to a number of loopholes the Act has defeated the purpose for which it was brought, led them to demand more emphatically to provide wider welfare coverage to beedi workers.

Welfare Cess Act, 1976 and the Beedi Workers Welfare Fund Act, 1976

In 1976, the Parliament passed two Acts namely the Beedi Workers Welfare Cess Act, 1976 and the Beedi Workers Welfare Fund Act, 1976. The former provides for the levy and collection, by way of cess, a duty on manufactured beedis and the latter provides for the financing of measures to promote the welfare of persons engaged in beedi establishments.

These Acts were brought because "the Beedi and cigar workers (Conditions of Employment) Act, 1966 has a limited coverage in as much as it does prescribe some measures to improve the working conditions of the beedi and cigar workers in the

industrial premises only, such as cleanliness, ventilation, first aid, canteen, weekly hours etc. In so far as the field as labour welfare is concerned, the act does not provide for medical education, recreational facilities etc." (*The Beedi and Cigar workers (Conditions of Employment) Act, 1966 with Allied Act and Rules, p.22*).

These Acts and the Rules framed thereunder came into force on dates indicated below: Beedi Workers Welfare Fund Act - 15.2.1977, Beedi Workers Welfare Fund Rules - 7.10.1978; Beedi Workers Welfare Cess Act - 15.2.1977, Beedi Workers Welfare Cess Rules - 15.2.1977.

Under the Cess Act, the cess is collected by the Central Excise Department along with usual collection of excise duty on beedis. The proceeds collected as cess go to the Beedi Workers Welfare Fund. The process is that the cess recovered by the Central Excise Department is credited to the consolidated fund of the Government of India and the amount is made available to the Ministry of Labour for the Beedi Workers Welfare Fund.

The Labour Welfare Organisation, Ministry of Labour, administers the Welfare Fund. It is headed by the Director General (Labour Welfare) ex-Officio Joint Secretary. For administration of the Funds the country has been divided into nine regions each under the charge of a Welfare Commissioner.

The Workers Welfare Fund Act provides for Advisory Committees (not exceeding one for each of the principal beedi producing States) to advise the Central Government on such matters arising out of the administration of the Act. So far Advisory Committees have been constituted in Andhra Pradesh, Bihar, Gujarat, Kerala, Karnataka, Maharashtra, Madhya Pradesh, Orissa, Rajasthan, Tamil Nadu, Uttar Pradesh and West Bengal.

There is a provision of the Central Advisory Committee to Co-ordinate the work of the State Advisory Committees. The Act also provides for the appointment of Welfare Commissioners, Welfare Administrators, and Inspectors etc. by the Central Government.

In accordance with the objective of the Welfare Fund a number of Welfare schemes have been evolved to extend health, housing, educational, recreational and family welfare facilities to beedi workers and their families.

Health related schemes, which provide medical care to beedi workers and their families at the dispensaries and hospitals, in brief are as follows:

- ◆ *Reservation of beds in T.B. hospitals:* Under this scheme beds are reserved in T. B. hospitals/ Santeria for beedi workers and their families.
- ◆ *Treatment to T. B. patients:* Under this the beedi workers having 76 months service with 50 percent attendance and wages up to a prescribed limit are reimbursed medical charges to cover the cost of medicines, etc.
- ◆ *Reimbursement of actual cost of treatment to beedi workers suffering from cancer:* Under this scheme actual expenditure of treatment, medicines and diet charges incurred by beedi workers and their families on treatment of cancer in a recognised Cancer Hospital is reimbursed.
- ◆ *Treatment of workers suffering from mental disorder:* Under this scheme there is a provision of free treatment to beedi workers and their families, having 6 months continuous service and getting wages upto a prescribed limit in the mental hospitals.
- ◆ *Grant of financial assistance to beedi workers (including Gharkhata workers) for purchase of spectacles.*
- ◆ *Maternity Benefit Scheme for female beedi workers:* A female Beedi worker who has been working for at least 6 months before the delivery is eligible to avail benefits under this scheme. A lump sum grant per delivery twice in her lifetime is paid.

Housing

- ◆ *Build Your Own House Scheme:* Under this scheme subsidy and loan is sanctioned by the Welfare Commissioners to the beedi workers. The loan is interest free.
- ◆ *Housing Scheme for Economically Weaker Sections engaged in Beedi industry:* Under this scheme, the Central Government gives subsidy to the State Government @ 50% of actual cost of construction per tenement subject to a maximum prescribed amount for bonafide beedi workers.

Education

- ◆ There are a number of schemes for providing educational assistance under the Beedi Welfare Fund such

as: scholarships; free supply of uniforms; and midday meals. There are also special schemes for meeting the needs of female SC/ST children. With a view to encourage education of children, especially the female children, two schemes introduced in 1995-96 were: (1) Incentive scheme on passing final examination from high school onwards; (2) Incentive/financial assistance to female students studying in Class V and above.

Impact Of Beedi Workers Welfare Fund Act

The overall impact of the Act cannot be assessed in terms of the expenditure alone, but the yearwise break up of the expenditure of BWWF given below, can give us an idea of the extent of coverage of the Fund.

Welfare activities under the Fund during 1999-2000 in brief are:

- ◆ Of the total estimated number of beedi workers (which is around 44 lakhs according to the government estimates) 36,57,956 workers were issued identity card by the year 1999-2000. 44 static dispensaries, 11 mobile units, 1 chest clinic, 1 ten-bedded hospital and 20 fifty - bedded hospitals were being operated by the Fund by the year 1999-2000. During the year an amount of Rs. 15,16,000 was incurred on the treatment of T. B. patients; an amount of Rs. 2,95,000 was incurred on treatment of beedi workers suffering from cancer; Rs. 64,000 were spent on leprosy relief; an amount of Rs. 81,000 was spent on purchase of spectacles for beedi workers. Amounts incurred on maternity benefits and Family Welfare Programmes during this period were Rs. 1,334,000 and Rs. 33,000 respectively.
- ◆ During 1999-2000 the amounts incurred on grant of scholarships to the children of beedi workers, and incentive scheme (to bring down the drop out rate and encourage children of workers) was Rs. 92,201,000 and Rs. 3,680,000 respectively.
- ◆ Amounts incurred under 'Buy your own House Scheme' and EWS Housing Scheme were Rs. 6,185,000 and Rs.14,391,000 respectively (all the figures are taken from the *Minutes of the 16th meeting of the Central Advisory Committee on Beedi Workers Welfare Fund held on 25.5.99 at Shramik Bhawan, New Delhi*).

Year wise Break up of Expenditure of Beedi Workers Welfare Fund					
(In Rs. 000)					
<i>Sub- Head</i>	1995-96	1996-97	1997-98	1998-99	1999-2000
Administration	12316	13852	18778	20470	24667
Health	101655	106164	130251	152477	179275
Education	77833	96125	101314	106085	128091
Recreation	933	1171	1062	1719	1744
Housing (Subsidy)	1003	1584	1633	2509	22393
Housing (Loans) (6250)	5334	8247	8460	9386	7480
Grants -in-aid to State Govt. (3601)	53238	10493	—	21290	14697
Cons. Of Godown & Workshed (4250)	1065	15	—	120	75
Total	253377	237631	261498	314156	378422
<i>Source: Minutes of the 16th Meeting of the Central Advisory Committee on Beedi workers Welfare Fund held on 26.05.99 in the committee room, Shramik Shakti Bhavan, New Delhi.</i>					

An analysis of these figures may be helpful to assess the effectiveness of the BWWF to some extent.

As per the BWWF figures nearly 83% of workers have already been issued the identity cards by the year 1999-2000. Even if these figure are exaggerated, it is a considerable achievement in the sense that identification of the workers is considered the first step towards providing benefits of BWWF to beedi workers. This means that a sizeable of number of workers can now avail the benefit of health related schemes.

But when we come to the amounts spent on various schemes we find that the figures are negligible when seen in the terms of the vast workforce of nearly 44 lakhs. For instance the expenditure incurred on the treatment of T.B. patients is Rs. 1,516,000, which comes to hardly 34 paisa per worker. Under the maternity benefit the expenditure is Rs. 1,334,000 and considering that 75% of the workforce is a women (i.e. 33 lakhs), the expenditure incurred per women will come to 40 paisa only. Under the scheme of Grant of scholarship to children of beedi workers, the amount incurred during 1999-2000 was Rs. 92,201,000, which means that the grant availed per family, was only about Rs. 21 only.

We are calculating these figurers on the basis of the assumption that the number of beedi workers in the country is only about 44 lakhs. But these are official figures. According to trade union leaders, the total number of beedi workers in the country may go well beyond 75 lakhs (Ratnakar - Interview). If the benefits availed by the workers are equated against this massive workforce the impact of BWWF appears to be minimal.

During the field visits made by this researcher to Gudiuttam, Ahemadnagar and Ahemedabad, it was found that quite a number of home-based workers were availing the benefits of housing and health facilities provided by BWWF. In Guddiuttam the local dispensary was catering to the health needs of almost all the workers who had identity cards. In Ahemadnagar, a beedi workers colony has come up through the efforts of district TU leaders. In Ahemedabad due to SEWA's effort the women workers were benefited by the housing scheme funded by the BWWF. As told by SEWA activists: "in our area a number of girls are getting scholarship. Some children, after having availed the BWWF benefits have become pharmacists, and even engineers. These facilities should also be provided to the other trades in the informal sector. Wherever

welfare schemes are in practice, incidence of child labour has reduced considerably". But in all these areas the workers unions were found to be very effective. In other areas where the TU movement is weak or the workers are not organised, workers do not have adequate access to the facilities provided by the Welfare Fund.

Views of Trade Union Leaders

According to Abdul Gani Mandal of Nawada Thana Beedi Mazdoor union, Murshidabad, "in the present context a complete recasting of the Acts is necessary to protect the rightful claim of the workers. The Acts can be made more effective if the lawmakers survey the life and living conditions of beedi workers at the grass route level. The welfare Fund cannot cover the entire beedi workforce"(Questionnaire Response). Ajit Jain, the Vice President of Madhya Pradesh Beedi Workers Federation feels that, "Though the 1996 Act has provided legal protection to beedi workers but in practice we see no change in the conditions of beedi workers due to contract system and Gharkhata system. The Act has proved ineffective because it does not take into account those engaged in manufacturing beedis at home. Moreover, there is lack of awareness about welfare schemes. In Madhya Pradesh the dispensaries under BWWF are set up only in major cities and larger number of workers are residing in remote rural areas due to which hardly 20 workers are able to avail health benefits" (Questionnaire Response).

On the other hand some TU leaders like Bomma Venkateshwar, President Indira Gandhi Zilla Beedi Workers Union, Karim Nagar, Andhra Pradesh, feels that the Acts have proved quite effective as the service conditions of beedi workers are under protective coverage and it is difficult for employers to terminate the workers. But at the same time he is apprehensive that, "strict implementation of Beedi and Cigar workers (Condition of Service) Act, 1966 may create negative impact... employers may shift their industries to the states where the implementation is comparatively liberal." This, according to him, is the major hurdle in effective implementation of these Acts. He also suggests that the Beedi and Cigar workers Act can be made more effective by abolition of employment of beedi rollers through contractors and also it should be mandatory on the part of the employers to get the beedis rolled in their own premises(Questionnaire Responses).

On the basis of the above we can conclude that:

- ◆ Majority of the beedi workers do not enjoy the legal protection provided by the Beedi and Cigar Workers (Condition of Employment) Act, 1966 and the BWWF Act due to the prevalence of contract system and gharkhata system.
- ◆ There is lack of awareness among the workers about various provisions and scheme of the Acts.
- ◆ Though fairly large number of workers has been issued the identity cards as per the government records, only small portions of them are getting the benefits of welfare schemes.
- ◆ Workers are benefited only in those areas where the unions are strong (like in Ahemadnagar, Ahemedabad and Guddiuttam).
- ◆ The Beedi and Cigar Workers Act are not being implemented strictly. When such efforts were made due to the pressure of the unions, employers shift to other areas where the implementation is more relaxed and liberal.

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Chapter Five

Threats to Beedi Industry

The Indian Trade Unions strongly feel that the very existence of beedi industry is under threat, and that this threat stems from the new economic policy introduced by the Narasimha Rao Government in 1991 and the policies of the successive Indian Governments aimed at opening up the Indian market for the foreign investment. Another source of these threats, they feel, is the pressure from the international lobbies working for the interests of international cigarette companies.

For the last one decade or so protection of beedi industry and employment of beedi workers has become the single largest agenda of beedi worker's unions. The apprehension that due to government policies and the pressure from the multinational cigarette companies resulting in drastic decline in beedi production, millions of beedi workers will be rendered job less, has made many of the trade unions realize that if they are not able to save the industry, their struggle for the welfare of beedi workers will become meaningless.

From the TU perspective developments that pose grave dangers to the beedi industry and thus to the livelihood of millions of beedi workers in the country are:

- ◆ The 1991 Industrial Policy Resolution of the Government of India allowing penetration of Indian and foreign monopolies into small scale and unorganized sector; invitation to foreign multinational cigarette companies with 100 PDI to invest in India, excise duty exemptions to these companies especially in the under developed states like Assam, Tripura etc, in the name of developing these regions;
- ◆ Excise duty reduction for mini cigarettes (measuring less than 60 mm in length) from Rs. 120 to 60;

- ◆ Trade sanctions by the American Government against export of Indian beedis in the name of employment of child labour in beedi industry;
- ◆ Increasing sale of Gutka, Chewing Tobacco and Pan Masala due to governments liberal policies;
- ◆ Demand of mechanisation of beedi industry;
- ◆ Ban on smoking in public places in some states and pressure from World Health Organization (WHO) through Framework Convention on Tobacco Control (FCTC).

Here we will focus on some of those threats, which have compelled the trade unions to launch agitations in recent times:

Production of Mini Cigarettes

One significant demand of beedi workers unions has been that the production and sale of mini cigarettes should be banned and the excise duty concessions allowed to companies producing mini cigarettes should be withdrawn. Production of mini cigarettes is considered as one of the biggest dangers to beedi industry as the excise exemptions granted to the mini cigarettes industry enable it to have "an unfair advantage over the employment-oriented beedi industry" (*Ratnakar and others-Interview*).

Mini cigarettes emerged as the main rival of beedis after 1994. It all started with the 1994-95 central budget which provided excise reduction from Rs. 120 to Rs. 60 per one thousand sticks for the cigarettes measuring less than 60 m.m. This move prompted "most of the cigarette companies like ITC, GTC, VST, Doddfrey, Phillips to jump into the fray to produce 59 mm length non-filter cigarettes on a large scale which came to be known as *mini cigarettes*. The enthusiasm in big business circles at this measure could be gauged by the fact that around a dozen mini cigarette brands were soon released into the market" (*EPW, March 15, 1997, p. 515*).

Prior to this the government had been following a long-term policy of protecting the beedi industry, which is quite evident from the pre 1994-95 budgets, which have been increasingly imposing taxes on cigarette industry as a measure to safeguard the beedi industry. This was being done under the policy of protecting the employment in the unorganised sector. But while making the budget for the year 1994-95 the Government did not come to the rescue of the beedi industry. It was

done under the influence of the new economic policy, which had already been introduced by the Narasimha Rao Government in 1991. Till then the government was following a long-term policy of "protecting the beedi industry from the powerful capital intensive cigarette industry... keeping in view the formers large scale employment potential" (*EPW, March 15, 1997, p. 516*). This also indicated an important shift in government's policy towards the unorganised sector.

This move of the government yielded immediate result. There was a phenomenon increase in the volume of mini cigarette production. "While it was 100 million sticks a month at the end of 1994, by the middle of 1995 it increased five fold i.e. 500 million sticks a month. According to the industry sources, the target of one billion a month was expected to be reached during 1996" (*The Economic Times, May 17, 1995*).

The production of mini cigarettes on such a massive scale was bound to affect the beedi production. The biggest beedi cooperative, Kerala Dinesh Beedi Cooperative Society was compelled to reduce production and workforce by 15 percent (*General Secretary's Report, Farakka Conference, AIBWF, p.2*).

It is difficult to assess as to what extent beedi production fell due to increase in mini cigarette production, but certain facts that came to light during the course of the present study suggest a general slump in beedi industry. In Ahmedabad all the women beedi workers are not getting full quota of their work regularly work now. Many of them get work for hardly 3-4 days in a week (Laxmi ben of SEWA). The beedi employers have reduced production and many workers have been thrown out of jobs. Similarly the workers and activists in Gandiuttam and Vellore were of the view that the mini cigarette production had reduced the work. The reduction in supply of weekly quota of raw material to workers was also reported from the Mangalore.

One reason of this impact was that, "as the mini cigarettes are machine-made the cost of manufacturing comes to less than 4 paisa per stick. Thus, the mini cigarette companies can easily complete with beedis" (*New Age Weekly, January 15, 2000*). One packet of mini cigarette costs somewhere between Rs. 4 to 6 whereas the price of a large bundle of beedis is between Rs. 3 to 4. It is easier for a beedi smoker to switch over to cigarette smoking, as it is associated with better social status.

The demand of beedi workers unions to ban production of mini cigarettes is as much the demand of the beedi manufacturers; but when the latter oppose the production of mini cigarettes it is seen with some suspicion by some unions which feel that the issue is "being not only projected out of proportion by the beedi barons but also used as a pretext to deny the workers' demand for the implementation of minimum wages, PF act, issue of passbooks, regularisation of service etc." (*EPW, March 15, 1997*). If it is true, then we have to accept that the production of mini cigarettes is a much greater danger for the employment of beedi workers

Increasing Consumption of Gutka and Other Tobacco Products

Gutka is comparatively new among tobacco products. Though it is not smoked, a large section of smokers have taken to gutka, packed khainees and other tobacco products in order to reduce or give up smoking. This may be also due to the anti-smoking campaigns. Because of the low prices of these products mostly the people from the lower income groups consume them and a considerable number of these people have been beedi smokers. Thus the increase in consumption of Gutka etc. has definitely contributed in the decline in the sale of beedis. Some feel that this is also due to the government's liberal policy towards Gutka and other tobacco items, and the government should impose more excise duty on the production of these items (*Interview with SEWA activists*).

Invitation to Multinational Cigarette Manufacturers

The move of the Indian government to invite multinational cigarette manufacturers and allow 100 percent investment in the tobacco industry with excise duty exemptions is viewed as a major threat to the employment of beedi workers. The trade unions feel that the "similar experience of countries like Argentina, Brazil, Poland, Hungary, Bulgaria, Russia and Philippine are extremely bad. They liberalized FDI norms for cigarettes, but did not attract major investments in new manufacturing operations. On the other hand there was a phenomenal surge in the sale of foreign contraband cigarettes, which adversely affected their indigenous cigarette industry" (*Report of General Secretary, Farakka Conference, January, 2001, p. 4*). The apprehension is that a similar thing could happen in India and this is bound to affect the beedi industry market, which is the

prime target of MNCs. The government's policy of inviting cigarette MNCs with 100 FDI is encouraging many of the MNCs like Philips Monis, R. Reynolds to capture the Indian tobacco market and especially the beedi market in India.

Therefore, the beedi workers unions have gone to the extent of demanding from the central government "to ban foreign cigarettes and prohibit their sale in India, to protect beedi workers and age-old beedi industry" (*General Secretary's Report, Mangalore Conference of AIBCTWF, April 2001, p. 3*).

At one time even the Labour Ministry expressed reservations over the Government's move to allow 100 percent foreign investment in the tobacco industry. During October 1998, when the unions submitted a memorandum to the Labour Ministry "the officials told them: 'we have informed the government that the beedi workers must be protected'. The unions asked the Labour Ministry to carry out an impact assessment and send it to the Foreign Investment Promotion Board" (*Business Standard, October 30, 1998*).

Ban on Smoking and Sale of Cigarettes and Beedis in Public Places

The recent move of the central government prohibiting the sale of cigarettes and beedis on the railway platforms and ban on smoking in public places in several states was actively opposed by the beedi workers unions. The unions affiliated to AIBWF (CITU) and AIBCTWF (AITUC) and many independent unions launched campaigns and organised demonstrations in Kerala, Madhya Pradesh and other states against these moves.

In Kerala where the High Court in a landmark judgment banned smoking in public places including theatres, bars, restaurants, shops, schools, trains, bus stands and footpaths, thousands of beedi workers in the northern districts of Kerala took out rallies. It was reported that, "the workers were apprehensive of losing their livelihood as the sale of beedis and cigarettes fell sharply after the authorities started implementing the Court Order" (*Business Line, August 6, 1999*).

Government's Move to Introduce Anti -Tobacco Legislation

The Indian Government has decided to introduce an Anti-Tobacco Bill in the Parliament. It was to be tabled in the Parliament during the Budget session of 2001, but political priorities of the Houses it could not come up for discussion. The

information on the proposed Bill is not shared widely but quite understandably it is going to put considerable restriction on the tobacco industry. It is almost the unanimous view of the central trade unions that the proposed legislation will throw millions of workers into destitution. All the central trade unions (AITUC, BMS, CITU, HMS and TUCC) wrote to the Prime Minister demanding the withdrawal of the legislation "until measures are taken for alternative employment of tobacco and beedi workers" (*Business Standard, February 19, 2001*).

Reacting to the government's move, the HMS Secretary, R.A. Mittal wrote to the Parliamentary Standing Committee on Human Resource Development (Rajya Sabha): "It is needless to stress that the proposed legislation, if enacted will lead to a drastic curtailment in production as a result of the decline in consumption, besides disabling a colossal number of over 36 million people solely depending on the tobacco sector for their sustenance" (*R.A. Mittal's letter dated July 20, 2001*).

Unions have proposed that meeting of the Ministry of Health, Labour and representatives of the trade unions should be called to have a proper appreciation of the pros and cons of the legislation. They feel that the Health Ministry is the main culprit for bringing this Bill as its "bureaucrats are acting under the World Health Organisations instructions," (*Deccan Herald, February 2, 2001*). Clearly, the unions want the government to take into consideration the adverse impact of the proposed legislation on the employment of workers.

Ban on Indian Beedis in USA

The US government announced the imposition of trade sanction on Indian beedi industry under the pretext of protecting the welfare of children and workers rights on November 29, 1999. The Customs Service of US stopped a shipment of Mangalore Ganesh Beedi Works. It was alleged that forced labour was used for the production of these beedis. Customs Officials acted on an information from a videotape of "apparently" indentured children making beedis for Mangalore Ganesh Beedi Works" (*Report by Jeannine Aversa, Associated Press - AP - writer, entitled "Customs Blocks Indian Cigarettes" as produced in AITUC Souvenir, 2000*).

The ban, it is reported, had come at a time when the Indian beedi industry was doing well and gaining wide popularity in the global market, particularly in the USA. The trade union leaders are almost unanimous in their view that these trade

sanctions are aimed at destroying the beedi industry and are threatening the right of livelihood of millions of Indians involved in the production and sale of beedis. This move of the US is attributed to "the rising trend in sale of Indian beedis in the US posing a threat to US tobacco companies, which have shown declining sales due to the increasing health consciousness among the US citizens" (*Impact of MNCs and government policies on Beedi industry and workers* by H. Mahaderan, Dy General Secretary, 30th Anniversary Souvenir, of AITUC 2000, p. 9). Some TU leaders feel that the issue of child labour is raised by the western countries to protect the trade interests of their MNCs. "Multinational cigarette companies want to discourage beedi production, as more and more smokers in western countries are taking to beedis and they feel threatened, that is why questions such as child labour in beedi industry were raised" (*Interview - Aggi, BMS leader*).

The Indian leftist press shared the concern of beedi workers caused by the ban on Indian beedis in US. It was viewed as a move to force the Indian Government to allow the MNCs into India. "In certain states of USA the prohibition on the entry of Indian beedis is enforced on the ground that beedis are rolled by small children. This reasoning has no legs to stand upon. In fact, that is done to force the Indian government to allow their multinational cigarette manufacturing companies into India. So the government must stand up to this sort of big brotherly attitude and see that such restrictions are revoked forthwith" (*New Age Weekly, January 15, 2000*).

The beedi ban was held totally unjustified among developmental and academic circles, "because while using labour standards as a justification, it undermines the livelihood of million of women and tribal people who are the backbone of the beedi industry" (*Vandana Shiva, Beedi Ban, Tobacco Monopolies and the Myth of Child Labour, p. 22*).

WHO's Proposed Ban on Tobacco product

The Framework Convention on Tobacco Control (FCTC) convened by the World Health Organization (WHO) was held in Geneva in October 2000. FCTC is an instrument of WHO's global tobacco control initiative seeking to free the world of tobacco. It is intended to be an international legal instrument to control and curb the global consumption of tobacco. This objective cannot be attained if individual countries are left free to determine their tobacco control policies. Hence

WHO wants the member countries to sign the FCTC to bind them legally.

But WHO's this move is a source of great worry for beedi industry and beedi workers unions in India. Initially even the Indian government appeared perturbed over it. While welcoming WHO's initiative the Indian Prime Minister inaugurating a three day international conference on global tobacco control law said on January 7, 2000 that: " the legislation alone can not be effective. For a tobacco control law to be successful it must be accompanied by alternative models of income for those dependent on tobacco, and community at large has to be fully informed and involved" (*The Hindu, January 8, 2000*). But the government itself has not taken any initiative to develop any "alternative model of income" for those who will be affected by WHO's move.

But the TUs have been registering their protest to FCTC. The AIBWF, along with other trade unions submitted a memorandum to the WHO at Geneva urging upon it "not to hasten with directives for legislation for tobacco control considering the special case of India where millions of tobacco growers and workers in the age old traditional beedi industry will be adversely affected, increasing unemployment at a galloping rate. Unless alternative pastures are found, no drastic steps should be taken" (*General Secretary's Report, Farraka Conference, AIBWF, 2001, p. 5*).

Other beedi workers federations have also expressed similar views. In his letter to the Executive Director, WHO (dated August 10, 2000) the General Secretary of the AIBCTWF, R. Ratnakar wrote: " The World Health Organization's initiative to introduce International Anti-Tobacco Regime would result in dismantling the existing social support systems for beedi and tobacco workers without finding or suggesting any alternate support systems" (*Ratnakar- Records*).

The message the beedi workers unions want to convey is that the World Health Organization (WHO) should not ignore basic survival problems in countries like India; that what is good for small European countries may not be good for countries like India; that WHO should adopt a gradual approach to curb the tobacco problem; and that it would be unwise to eliminate the tobacco economy in India without considering the employment in beedi industry.

At times the, union leaders, in their desperation, go even to the extent of suggesting that the "WHO should exempt countries like India with huge working force in tobacco sector from FCTC process" (Ratnakar Records).

The Issue of Alternative Employment for Beedi Workers

The issue of alternative employment for beedi workers raised from any quarters some times comes as a threat to beedi workers unions! This researcher during the course of this study gathered the impression that this is rather a touchy issue for the beedi workers movement.

Many trade union leaders smell a rat and are wary when the issue of alternate employment for beedi workers is raised as it pre-determines the phasing out of beedi industry in due course. Barring SEWA and perhaps some other development oriented independent unions, the general feeling in the TU circles is that those who raise this issue, take it for granted that beedi industry is on the verge of extinction and something needs to be done about it urgently. The issue does not go down well with the Trade Union leaders for they fear the havoc it may create by rendering millions of workers jobless.

Being highly labour-intensive and predominantly unorganised, the beedi industry remains the major concern of global agencies like International Labour Organisation (ILO). ILO has focused on the issue of alternative sources of livelihood in the area where beedi work is declining. The agency has also taken up projects focusing on this problem in some states; and is trying to involve TUs, NGOs, employers and the Government in its efforts. But it is quite likely that ILO's efforts in exploring alternative livelihood sources for beedi workers may not be finding many takers in the trade union circles.

As Ratnakar says, "I may like to point out here that the idea sponsored by ILO of finding alternative livelihood source for beedi workers and other such unorganized workers is not appreciated by our federation. We first demand protection of employment of beedi workers and beedi industry" (*General Secretary's Report, Mangalore Conference, AIBCTWF, May 2001, P. 10*).

Another concern of trade unions is that once the beedi workers are shifted to other occupations or the beedi industry is

wiped out, safety net provided to them through Beedi Workers Welfare Act will also be withdrawn.

But some trade unions like SEWA feel that alternate means of employment have to be explored for beedi workers, and it considering imparting vocational training to the daughters and daughters-in-law of women beedi workers in Ahmedabad (Minali Shah, SEWA-Interview).

Threat of Mechanisation of Beedi Industry

Beedi workers unions perceive mechanisation of beedi making process as a great threat to the employment of beedi workers. It is so because the manufacture of beedi is a manual process, and being highly labour-intensive, any effort to mechanise the beedi industry may lead to a large-scale unemployment beedi workers. Therefore, the trade unions are against any sort of use of machines in beedi industry. Time to time the issue has been raised by the employers' lobby but unions have opposed it. Now due to the competition from with mini Cigarette, the issue has surfaced again.

Objectively speaking, if the beedi industry has to compete with the fully mechanised capital-intensive cigarette industry the use of machinery to enhance the quality and production will become necessary. It is likely that in the near future the beedi industrialist lobby will have to think in this direction. If such a thing happens it will only bring misfortune to millions of workers. Some union leaders have the apprehension that this might happen soon as the "Indian beedi manufacturers have sought licenses to produce beedis" (*The Times of India, Pune edition, August 23, 2000*). "In the near future the employers (due to competition with mini cigarette) will use machinery to produce more refined beedis in larger quantity and reap huge profits and in the process the traditional beedi industry will be ruined" (*Virendra Kumar Vikal, Thane Beedi Mazdoor union, Manghyr, Bihar, Questionnaire Responses*). There is also the fear that due to the Government's liberal policies foreign MNCs may venture into the Indian beedi market. Commerce and Industry Ministry has removed import tariff on 742 items to India and beedi is one of them. Therefore it is quite likely that the beedis produced in foreign countries either by machine or by hand may come to India.

Efforts to introduce machinery in beedi industry were made even during the British period. Though there are no documentary evidences to substantiate, but it is said that during

the period between 1932-35 a machine was invented indignously to produce beedis. "It was opposed and more importantly it was said to be opposed by Gandhiji himself who was so much against smoking" (Ratnakar, Interview). If at all such a thing ever happened, it reflects the deep concern of Gandhiji and the Indian National Movement for the workers of this unorganised sector. In the changed economic scenario, beedi workers unions share the same concern.

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Chapter Six

Two Auxiliary Issues

1. Child Labour in Beedi Industry

It is difficult to arrive at a universally accepted definition of child labour. Various sources have defined it differently in different contexts. Some definitions place more emphasis on age while the others highlight deprivation and exploitation of children. However, according to the definition provided by the International Labour Organization (ILO):

“Child Labour includes children prematurely leading adult lives, working long hours for low wages under conditions damaging to their health and to their physical and mental development, sometimes separated from their families, frequently deprived of meaningful educational and training opportunities that could open up for them a better future” (*Report of the Director General of ILO, 1983 as quoted in Children of Darkness, page 92*) This definition, does not mention age as a criteria for distinguishing child labour from adults labour. Most of the Indian Acts define ‘child’ as a person who has not completed fourteen years of age. Thus, broadly the employment of children below the age of 14 years in any industry can be called child labour.

It appears from various accounts of the earlier period that working children below 14 years of age were employed in a considerable number in the beedi industry. The Report of the Labour Investigation Committee, Government of India, 1946 tells about widespread prevalence of child labour in beedi industry. It states, “Although the Employment of Children (Amendment) Act, 1939 applies to all beedi workshops, this piece of legislation is entirely disregarded in South India. Workers bring their own or their neighbours’ children to help them in cutting leaves and tying threads on the beedi and pay them a pittance of a few annas per day. They are not shown on the register of the workshop” (as quoted in *Children of Darkness, p. 92*).

The Report of the Court of the Enquiry (1946) confirms the prevalence of child labour in the beedi industry in South India, "employment of children in beedi industry is almost universal. They are engaged in both the preliminary work of cutting and clearing the leaves and closing the ends of beedis. Each adult worker usually employs one child but employment of two to three children is not uncommon. The adult workers employ the children invariably, and the manufacturers of beedis naturally disclaim any responsibility for their employment. Wherever children are employed, they work as many hours as the adult workers who employ them. In some cases the children are related to the workers employing them but more often they are children belonging to individual families in the neighbourhood. Advances are paid to the parents of these children in many cases, and the system of employment smacks of indentured labour" (*Court of Enquiry*, p. 13).

The report of Labour Bureau, Ministry of Labour, GOI (1954) gives an account of incidence of child labour in beedi manufacturing centers in the Vellore town in following words: "Children are not usually employed in the workshops in the heart of the town, but in the workshop at the outskirts; particularly in the Kasbah and Cheri areas, a large number of children are employed. About a third of the persons seen in the shops were children below 14 years of age and about half the children were of a tender age of about 5 to 10 years. The sub contractors invariably deny that the children are working there. They say they had come to the shop bringing meals for their relatives."

These accounts invariably point to the following important facts about the nature of child labour in beedi industry during the 40s and the 50s:

- ◆ Children were mainly employed by the adult workers who either brought them to the factories as helpers or employed them at their homes;
- ◆ Children were also employed by the factory owners, but their names were not shown on the register of the factory;
- ◆ Children constituted a fairly large part (in some places one third) of the total workforce;
- ◆ Child workers were either related to the adult workers or came from the poorer neighborhood families;
- ◆ Pledging of children was prevalent in South India.

Child labour in beedi industry could be as old as the industry itself, but what seems peculiar here is that, children were mostly employed and paid for their work by the adult workers and not directly by the factory owners. If at all the factory owners employed them, they did not show any payment made to them on their registers in order to escape the laws. As the children were brought to the factories by the adult workers who paid them from their own wages, there was no need for the factory owners to take the risk of employing them. The phenomenon of employing children of the poorer neighbourhood families by a adult worker can be termed as child labour, though it is not the same as employment of children by the factory owners.

But the case of the children of a beedi worker assisting him in beedi making, may not fall strictly under the category of child labour. In India and other Asian countries, in rural areas, children help parents in household activities and agricultural work. At times, the entire family including the children is engaged in one particular occupation. The children of home-based women workers often help them in beedi rolling, ring labeling, and cutting and clearing the leaves. How far this sort of 'employment' is a form of child labour, is a debatable question. On the contrary if an adult worker hires a child as an assistant in a factory and even if he pays him from his own wages, it is a clear case of employing child labour.

However, the fact can not be denied that the illegal employment of children in the beedi industry was quite pronounced in the past. Though there is scarcity of evidence to suggest direct employment of children by the factory owners, it can not be denied that the children in large number used to work in the factories. It is of no consequence here whether these children were hired by the factory owners or by the adult workers who brought them to the factories. More important is that the children were exploited and deprived of their childhood by employing to generate profits.

In earlier days the factory owners even openly justified child labour adopting a business-cum-philanthropic point of view: "Children are necessary to assist the adult workers in closing the ends, putting the ring label etc. Without their assistance the output of the adult workers will be substantially affected and their earnings correspondingly reduced. A large number of the children are fatherless orphans and their widowed mothers want the earnings of these children to keep the pot boil-

ing." (*Report of the Court of Enquiry*, p. 46). The above statement indicates that the employers required children to increase their production and therefore encouraged the adult workers to bring children to the factories for assisting them.

As far as the practice of pledging of children is concerned, it was quite widespread in beedi industry during earlier period, particularly before independence. But now such cases are less frequent. Though this researcher, during his visits to Gudiuttam, Vellore, Ahmednagar and Ahemedabad did not come across any case of pledging children to employers, but some elderly beedi workers reported prevalence of such practice in their areas. This does not mean such instances do not take place now. The Resolution on Child Labour Mortgage passed by the Third South Zonal Beedi Workers Convention organized by AITUC on 27-28 November 1992 in Chennai states. "The parents and guardians who in poverty suffer from financial problem or who get addicted to liquor and gambling have pledged their children as bonded labour to their beedi contractor under whom they are employed."

Pledging of own children to employers is a common phenomenon arising due to the problem of extreme poverty and as the unorganised sector workers belong to the most vulnerable sections of the society, it not uncommon for them to resort to such extreme step in order to make the two ends meet.

Extent and Nature of Child labour in Beedi Industry Today

As discussed in the earlier chapters, there has been a gradual shift in the beedi industry from factory system to contract and home-based systems. Beedi rolling under one roof in factory premises is becoming a thing of past, and almost 95% of the work is done by the home-based workers who visit the factories only to collect the raw material and deliver the beedis.

With this the incidence of children working under the roof of the factory has come down and today it is difficult to find such factories which employ children directly or indirectly. Most of the children engaged in beedi industry are the children of the home-based beedi workers who assist their parents in beedi rolling. Some times neighbourhood children are also called for assistance.

Learning the skills of beedi making is a part of the natural growth process of the children of a beedi workers family. By

the time these children come to the age of seven years or so, they themselves learn the skills of beedi making: "Sat Sal Ke hote-hote bacche beedi banana seekh jate hain" (*Subhadraaben of SEWA*). Particularly girls must know the skills of beedi making as it may help them during hardship: "Beedi ka kam Ladakiyon ko ana hee chahiya. koi adchan aye to ve ye Kam kar sakti hain" (A women worker of Ahmedabad). According to the members of SEWA, children help their parent while continuing with their studies. Their main job is to cut the leaves to size, scratching away with the knife the thicker veins of the leaves, soaking the leaves in water and at times closing the ends of beedis.

Views of Trade Union Leaders and Activists

The problem of child labour has become a significant part of the agenda of the trade unions in recent times. Some of the central TUs have been actively involved in organising workshops, seminars and discussions on this issue. But most of the TU leaders feel that the size of the child workforce in beedi industry has reduced considerably after the decline of factory system, and that at times the issue is blown out of proportion.

According to a senior trade union leader, "problem of child labour in factories does not exist now. Children of home-based workers help their parents in beedi making" (*Ajit Jain—Questionnaire*). According to M. Sirajuddin, General Secretary of Gopal Pura Zilla Biri Workers Union Dhubri (Assam), "child labour is not a major problem in Beedi Industry." In R. K. Ratnakar's view, "in case of girls who know beedi making, less dowry is demanded. It is customary for the girls in beedi worker's family to learn the skill of beedi making." Abani Roy of United Trade Congress (UTUC) feels that, "child labour is a national phenomenon in India. But the nature of the work children perform in beedi industry is quite different from the work they do in the carpet, glass ware and stone crushing industries." According to Chandi Das Sinha (Secretary, INTUC), "in beedi industry children are involved only when it is a family business." In view of Bomma Venkateshwar, (beedi workers leader from Andhra Pradesh), "the employment of child labour is totally eradicated in the beedi industrial premises. However, children are allowed to roll beedis at their homes by the parents. Residential schools for the children of beedi workers and abolition of home workers will help to eradicate this totally." Aggi of the Bharatya Mazdoor

Sangh (BMS) opines: "Child labour is of various types. In India, children helping their parents in agriculture or in beedi making cannot be categorised as child labour. Children also study along with their work. Moreover if a child goes to a contractor for getting work, the contractor will not give him material for making beedis. Only those children who are employed in factories can be categorised as child labour" (*Aggi—interview*). Mr. Aggi also felt that the multinational cigarette companies raise the issues like child labour in beedi industry because as feel threatened by the beedi industry. According to R.A. Mittal of HMS, "existence of child labour in the beedi industry is negligible."

What these views expressed by the TU leaders and activists reflect is that a small portion of children is engaged in the beedi industry. But the trade unions feel that even the problems of these children and the children of home-based workers need to be addressed to. In view of the AITUC General Secretary, K.L. Mahendra child workforce in the beedi industry remains a major concern of the trade unions.

Objectively speaking, taking help from own children or the neighbourhood children by the adult home-based workers may not strictly fall under the category of "child labour" as, (a) these children usually do not work 'long hours for low wages under conditions damaging to their health'; (b) they are not separated from their families; (c) many of them go to school and are not leading prematurely adult lives.

But this does not mean that these children are not deprived of basic facilities and opportunities of natural growth and development but it is more due to their poverty. Therefore, in many places, trade unions are actively engaged in providing better educational and other facilities to these children. For instance, the Self Employed Women's Association in Ahmedabad is working towards imparting skills to the children of beedi workers.

As far as the prevalence of child labour in factory premises is concerned we have hardly any evidences despite the oft-repeated talks of "high incidence of child labour in beedi industry." It is not intended here to deny, in view of the unorganized and still rural character of beedi industry, the possibilities of factory owners clandestinely and illegally employing children in factories, but the point is that due to the lack of

evidences and also due to the decline of factory system of production in the beedi industry, we can not by any means establish conclusively the "high incidence" of child labour in beedi factories.

It is in this context that we have to agree to some extent with Vandana Shiva when she states, "contrary to the allegations, only a small portion of children is engaged in the beedi industry. It needs to be emphasized that children are not the main workers in the beedi industry. The proportion of children in the total workforce is less than 2.5 per cent. It is not a case of child employment *per se* as many children attend school and assist in beedi making at other times. The phenomenon of 'bonded child labour' is virtually non-existent since beedi rolling is home-based and children work with their families" (*The Beedi Ban, Tobacco Monopolies and the Myth of Child Labour*, p. 16).

We can conclude that though the issue of child labour in beedi industry has been blown out of proportion, there is a need to address the problems of the children of beedi workers who are deprived of their basic rights. The trade unions while opposing the hype created around the issue of child labour, realise the need of such interventions.

2. Workers Cooperatives and the Experience of Kerala Dinesh Beedi Workers Cooperative Society

A workers cooperative means an industrial or business organisation owned, managed and run by the workers themselves. The important features of such cooperatives are: workers hold the share capital; participate in decision-making, cooperative principle of one-man-one-vote is applied, workers share the income, and also the organisation has an autonomous character.

The concept of worker cooperative has not been applied widely in India, though in the western countries it is known to have been in existence during nineteenth century. But there also it was never a common feature of the industry. In Indian context, it emerged as a relatively new phenomenon after independence due to the sickness of industries. There were a number of industrialists who declared their units sick and refused to operate them putting the livelihood of a large number of workers in jeopardy. In such cases sometimes the workers took over the industry. Workers cooperatives are also formed

to generate employment opportunities for unorganised sector labourers and other deprived sections. Trade unions like SEWA (in Ahmedabad), CITU (in West Bengal) and some NGOs working at the grassroots have formed a number of such cooperatives. In both cases workers cooperatives are created to provide security of employment and livelihood to the workers. There are a number of workers cooperatives in tea, mining and beedi industries that have said to have done reasonably well, but we do not have enough success stories of such cooperatives to confirm this assertion.

Constant threats to the employment of workers due to reduced production, extremely low wages and low bargaining power of the unions in some places, rampant exploitation of workers and denial of the benefits of social security measures and welfare schemes to them due to contract system and sale purchase system— are some reasons of the emergence of the idea of workers cooperatives as an alternative in beedi industry.

Not only the trade unions, but also the government feels the need for forming workers cooperatives in beedi industry. In fact when the workers unions demand the abolition of the contract system, the government suggests workers cooperatives as the alternative. "Government's view is that abolition of contract system is not feasible because such a law will be impracticable to enforce... in the given situation some other alternatives need to be devised to stop the exploitation of the workers. Workers cooperatives may be formed as is the case in the handloom industry" (*Twelfth Report of the Committee on Petitions – Eight Lok Sabha, page 4*).

Though no extensive study has been undertaken to assess the expansion and impact of beedi workers cooperatives in India and therefore no data is available regarding the exact number, coverage etc. of these cooperatives, it is learnt from various sources that a number of such cooperatives are functioning in West Bengal, Kerala, Gujarat and some other States. According to the Report of Farakka Conference (January 26-28, 2001) of AIBWF, "effort made by the State Federation in formation of cooperatives have met with success, there are 25 registered cooperatives now covering nearly 5000 workers in the state." But in Maharashtra the experience has not been encouraging. "The experience of forming beedi workers cooperatives in Maharashtra is unfortunately not very happy. A beedi workers cooperative was established some 15 year ago

with the help of the state government, but ultimately it had to be closed as it went into losses" (*Ratnakar in his reply to the ILO questionnaire*). In Kerala, the state government had been making efforts to form cooperatives of the beedi workers, but these efforts did not yield fruit in the beginning. Ultimately the success came in 1969.

When the Beedi and Cigar Workers (Conditions of Employment) Act, 1996 was being implemented in Kerala, most of the leading producers of beedis who were operating under the contract systems abruptly closed down their entire business and shifted to the neighboring district of Mangalore in Karnataka. The misery of the workers forced the state government to make renewed efforts to organise the workers on a cooperative basis to retain them in the industry. This resulted in the formation of Kerala Dinesh Beedi Workers Cooperatives Society (KDBWCS) in 1969. KDBWCS is the biggest and most successful beedi workers cooperative in the country (*EPW, June 27, 1992, page 1333*). The experience of KDBWCS has been dealt with separately in the later part of this chapter.

If we leave the case of KDBWCS aside, the beedi workers cooperatives in the country have not been very successful.

Why beedi workers cooperatives could not succeed ?

The experience of the Beedi Workers Kamgar Society, Vadnagar, Gujarat as presented to the Rajya Sabha Committee of Petitions (13 May, 1994) throws significant light on the problems faced by the beedi workers cooperatives. According to the Committee's Report: "the beedi workers Kamgar society, Vadnagar was paying around Rs. 35000/- per annum as excise duty on their production of beedis. They were unable to face competition in the market and had to sell their beedis at lower rates. They did not have money for advertisements." The Committee recommended further "some subsidy or excise duty concessions should be given to them so that they could pay more to their workers. The Government should purchase beedis from them for supplying to the defense forces" (100th Report of the Rajya Sabha Committee of Petitions 13 May, 1994). There are several unions in the beedi industry, which may feel that they are "competent to run cooperative centres in case they are ensured organisation, sale/marketing of the beedis produced" (views of Maharashtra Rajya Beedi Sangh as presented to the Rajya Sabha Committee of Petitions).

The trade unions in beedi industry have different views on the issue of workers cooperatives. Some Trade Union leaders are of the view that in the present context of liberalisation, due to government's liberal gesture towards cigarette companies and the entry of foreign cigarette companies in India, beedi industry cannot sustain itself as "these companies are likely to capture beedi market in India. Under such circumstances beedi workers cooperatives are likely to run in losses. In our area (Maharashtra) there is no possibility of forming workers cooperatives" (*Ratnakar — Interview*).

But in the IUF - Beedi Worker Seminar held in Bhopal (Madhya Pradesh) in 1996 it was a general feeling among the participants that workers cooperatives should be encouraged in the beedi industry with a view to generate and secure employment for beedi workers and to increase wages moving towards full employment." (Report of the IUF - Beedi workers seminar, 27-29 November 1996, Bhopal, p. 3). This seminar also recommended that the government should take serious and wholehearted step to revive and motivate beedi workers cooperatives by making them available the raw material at cost prices. Another seminar for Beedi workers, held in Mangalore on 21-22 November 1997, made similar suggestions. "Government should help the cooperatives by making Tendu leaves available to them directly at cost price from the forest department throughout the year by allowing rebate for beedis produced by the cooperatives and by granting tax holidays or exemption from excise duty on the beedis produced by cooperatives" (*Reports of the Seminar on Beedi Workers, Mangalore, 21-22 November, 1997, p. 2*).

However, most of the unions feel that if workers cooperatives are provided raw material on low cost and ensured market, they can be viable alternative for providing employment to workers. Even Lok Sabha Committee of Petition had recommended in 1989 that, "by organising workers cooperatives, the inputs for the manufacture of beedis could be made available to individual workers at subsidised rates, as the cooperatives would be able to make bulk purchases. The most important area which needs to be looked after is the marketing." (*Twelfth Report of the Committee of Petitions - Eight Lok Sabha, p. 4*). The Standing Committee of Labour and Welfare's Seventh Report on Welfare of Beedi Worker submitted on December 20, 1994 also urged upon the Welfare Ministry to "activate cooperative movement among the beedi workers which would help them in tiding over the

difficulty of procuring raw materials" (Summary of Conclusions/ Recommendations of the Committee).

But despite these recommendations and suggestions made by various committees, conferences and workers unions no steps so far have been taken to make such provisions for the existing beedi workers cooperatives by the government. While the unions still have expectations from the government that it will take initiatives to facilitate the formation of cooperatives and also provide necessary concession to them to compete in the market, the government appears to have its own limitations.

The Center Advisory Committee of the Beedi Workers Welfare Fund took a decision to take up on pilot basis a scheme regarding formation of cooperatives for beedi workers with minimum 100 members. According to this the share capital of Rs. 100/- per beedi worker was to be shared on the ratio of 40:40:20 among the Beedi Welfare Fund, concerned state government and the beedi workers. But even this initiative has not resulted in effectively promoting the formation of workers cooperatives in beedi industry.

The dependency on the government agencies to facilitate the formation of beedi workers cooperative on the one hand and the dilemma that whether it will succeed in the competition with other tobacco products on the other, has deterred the workers unions in making the workers cooperatives their major agenda. Even in those cases where the unions do not depend so much on the government agencies and take initiative to organise workers in cooperatives, much success has not been achieved. SEWA, with considerable experience of running workers cooperatives in other sectors, could not successfully launch beedi workers cooperatives in Ahmedabad and other places in Gujarat. The main reason was that the market was not available for beedis.

Trade unions realise that workers cooperatives have not been successful except in a few cases like the Kerala Dinesh Beedi Workers Cooperative Society. This realisation that not much success in this direction can be achieved in the present circumstances, a number of other alternatives to cooperativisation have been proposed. One such alternative is the formation of Employment Boards on the lines of the Head load Workers Welfare Board in Kerala. "The Board should register for employees/contractors as well as the workers and regulate the employment, wages and other conditions of work

of the workers (suggestion made in the National Seminar on Social Security for Beedi Workers, proceedings of the seminar, p. 3). Another such suggestion made was that the government should take over the beedi industry.

We can conclude that the success of beedi workers cooperatives depends as much on government's willingness and effectiveness in providing necessary concessions to cooperatives as on the efforts of trade unions to mobilise the workers. A few lessons can also be drawn from the relative success of KDBWCS.

Kerala Dinesh Beedi Central Cooperative Society (KDBCCS)

(A Brief Case Study)

The Kerala Dinesh Beedi Cooperative Society is known as a successful example of running the workers cooperative in beedi industry. The society is situated in the northern districts of Kannur, Kasargode and Kozhikode of Kerala, which are traditionally important beedi manufacturing centres. Trade unions in these areas have been quite active during the early sixties. Whenever the employers here tried to reduce the workforce or adopted the contract system, and shifted the production to home-based system, the trade unions vehemently resisted such moves.

Formation: The passing to the Beedi and Cigar workers (conditions of employment) Act, 1966 by the parliament came as a further blow to the beedi manufacturers in Kerala. The Act sought to protect the interests of the workers through statutory requirements like provident fund, leave wage, paid holidays etc. apart from abolishing the contract system which evades the provisions of the Act. The implementation of the Act antagonised the beedi manufacturers. They moved to courts and got the stay order, which delayed the state governments notification of the act. The unions also joined the legal battle in the courts and mobilised the workers against employers' move. In reaction, the major beedi firms in Kerala closed down their operations.

As a result 12,000 workers employed in these units were thrown out of employment. "The misery of the workers and their families...forced the state government to organise the workers on a cooperative basis" (*EPW, June 27, 1992, p. 1333*).

Thus at the initiative of the state government and due to the efforts of the beedi workers unions, a cooperative society was registered on February 2, 1969 to provide employment to these workers. The society, which was named as Kerala Beedi Workers Central Cooperative Society, started production on 15th February 1969.

Here, what is significant to note is that the Kerala state government played a key role in formation of KDBWCS. Not only that the state government took the initiative in forming the cooperative, it also 'extended Rs. 19 per workers as a share capital loan so that each workers had to pay only Rs. 1.00 to his/her share. It also contributed Rs. 1.35 million as share capital of the central society and sanctioned a working capital fund of Rs. 75 millions" (Organising unorganised; No 2 CLD -02, Publication of Indira Gandhi National Open University, p. 34). Initially the strategy was to organise 20 primary societies affiliated to the central society (i.e. KDBWCS) as a federal body. At the time of this study there were more than 22 affiliated societies.

Management: The society has a federal structure. Seven member Board of Directors manages the central society. Five of the Board members are elected from the twenty members of the general body and two are nominees of the government.

Organizational Structure: The KBWCS has a three-tier organisational structure. The three tiers in order are: Central Cooperative Society, Primary Societies and Work Centers.

The Central Cooperative Society purchases the raw material in bulk and supplies it to the Primary Cooperatives and raises finances to meet the needs of primary cooperatives. Primary Cooperatives transfer the raw materials to the Work Centres. Production of beedis takes place in the Work Centres. These are the Centres where beedis are rolled, ring labeled and tied by the workers. A seven member Board of Directors manages each Primary Society. Members are elected form among the worker members.

Infrastructure: The society has a massive Infrastructure. The Central Society and 22 Primary Societies function in their own buildings. Under the Primary Societies there are 350 branch buildings from where workers engage in beedi rolling. Out of their 350 buildings, 210 buildings are owned by the society. The Society also has five big godowns where the raw materials are stored. It also has 18 vehicles for carrying raw materials and finished products. (*Anniversary in Souvenir, AITUC*).

Impact on Working Conditions

KDBWCS was the first to offer state-fixed minimum wages to the workers in Kerala. This gave a boost to the movement for minimum wages in the state. The workers in the factories operating under contract system and home-based sector made persistent demands to gain parity with the workers of KDBWCS. As a result, the employers were forced to offer minimum wage to their workers. Apart from minimum wages and dearness allowance as per living index, KDBWCS provides other all-statutory benefits to its workers. These benefits include: 7 days wage for 6 days work, earned leave (one day for every 20 days of work), 14 days national and festival holidays (total leaves with wage come to 81 days in a year), bonus (it was 17.25% in 1988-89), Employees Provident Fund, gratuity, maternity benefits, benefits of a separate Social Security scheme promoted by the society such as death relief of Rs. 5000 to the bereaved family, long monthly pension of Rs. 175 (in addition to EPF pension). These benefits have brought the workers of KDBWCS at par with workers of any other organised sector. Due to this the social status of the workers has also elevated.

The average monthly income of KDBWCS workers was found higher than the average monthly income of the workers working under contract and home-based work systems (EPW, June 27, 1992, p. 1335). This may be due to the outcome of certain restrictive practices prevalent in other systems like rejection of beedis under the pretext of quality testing and deduction of wages due to a shortfall in production by the individual workers. Also, "the working conditions in KDBWCS are found better than workers under contract system and home-based sector. A considerable number of workers under the KDBWCS reported the availability of drinking water, toilet facilities, adequate ventilation and sufficient space in worksheds. But none of the workers in the contract system enjoyed these facilities (EPW, June 27, 1992, p. 1336).

KDBWCS was doing well till the new economic policy was introduced in 1991. "The liberalised economy, competition with mini cigarettes, and the trend of shrinking market started showing their effect on its performance. It was compelled to reduce production and workforce to some extent. The ban on smoking also had its effect. "(Third Conference of AIBWFS, Farakka, January 26-8, 2001). This is evident from the figures of the profits earned by the cooperative. "The net profit of the society has gone up almost steadily in all but four years since its inception, rising from Rs. 50,000 in 1968-69 to Rs. 3.15 lakhs in 1984-

85. But of late, the situation has changed with the sales turnover declining from Rs. 71.45 crores in 1993-94 to Rs. 71.07 crores in 1995-96. Also, the cooperative society could not take in any new worker member in the last 12 years, for fear of becoming unviable (Business Line, November 17, 1997). Due to the fear of becoming unviable the society started shifting some of its workforce of nearly 38,000 beedi workers from beedi industry to alternative source of employment. It has adopted a long-term diversification plan and as a first step in this direction started a coconut cream and pickle-manufacturing units. According to C. V. Kunhiraman, Chairman of the Society, "If coconut cream and pickle-manufacturing proved successful, the cooperative would go on to make value-added products from cashew, apple, prawns, mussels etc. that were readily available in the northern districts. The Cooperative has also thought of entering into mushroom cultivation (as reported in *Business Line*, November 17 1997).

A few lessons to be learnt from the experience of KDBWCS can be summarised as follows:

- ◆ On the line of KDBWCS, the workers of the sick units, particularly in the unorganised sector, can run the cooperatives and thereby protect the employment and improve the working conditions of workers.
- ◆ Government's initiative and sincere involvement in formation of beedi workers cooperatives can be crucial factor for the success of a cooperative as in KDBWCS's case we find that it was the state government which took the initiative, extended the loan, and was actively involved in the formation of cooperative.
- ◆ KDBWCS is an exceptional case of a relatively successful beedi worker cooperative. This is because of the fact that it was supported by a state government, which had a will to do so. Cooperatives as big as KDBWCS cannot be established unless the government machinery is involved. Unions on their own initiative can not form such big cooperatives.
- ◆ The KDBWCS example alone cannot prove that the workers cooperatives are more beneficial for beedi workers as in Maharashtra "workers working under cooperatives have to accept less wages and privileges." (*Ratnakar—Interview*).
- ◆ Any beedi workers cooperative will have to face the challenges posed by the globalisation.

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