

# Ground Realities of Beedi Workers in Madhya Pradesh

## *Summary Report of the Field Research on the conditions of beedi workers, industry accountability to legal compliances and social security of workers*

### Introduction

Madhya Pradesh is the largest tendu leaf producing state of India and also one of the first states where beedi manufacturing began in 1902 in Jabalpur district. In 1915, a beedi rolling unit was established by Abdul Noor Mohammed in Sagar followed by Bhagwandas Shobhalal Jain (B.S.Jain & Co.) in 1920. Since then, beedi manufacturing has been the main source of employment and revenue in Sagar district, second only to agriculture.<sup>1</sup> Madhya Pradesh has a large number of beedi workers, however in the absence of a census, it is difficult to estimate accurately the exact number. Sagar, Damoh and Jabalpur are said to be the districts with the largest number of beedi workers as per data from the 1990s. It is estimated that there were 530 beedi establishments and 1,40,575 registered beedi workers in Madhya Pradesh before the formation of Chhattisgarh in 2000,<sup>2</sup> but recent estimates are unknown. According to those working in the field, there are approximately 3.25 lakh beedi workers in Sagar district alone but the district administration disputes these figures.<sup>3</sup> Beedis are also produced in Satna, Rewa, Panna, Chhatarpur, Gwalior and Maihar. There are many beedi brands, big and small, operating in MP. Sher Chhap Beedi is very popular. Other brands are Tractor Beedi, Mohan Beedi, Kanta Chhap Beedi, Dholak Beedi, BM Company etc.

Beedi rolling is a home based activity in Madhya Pradesh and the system of production is through contractors or middlemen (called *sattedar* or *thekedar*). The beedi manufacturer usually has a factory or workshop and a large godown where raw materials are stored and given to *sattedars*. The *sattedars*, in turn, have their storerooms in areas where beedi workers live. Workers are given raw materials to roll into beedis which they return to the *sattedar* and are paid per 1000 beedis. The *sattedar* hands over the beedis to the manufacturer and is paid on a commission basis per 1000 beedis. The manufacturer roasts, packs, brands and labels the rolled beedis. While this is predominantly the mode in which the industry functions, there are also some variations. For example, beedi rollers sometimes also

buy tendu leaves and raw materials by themselves, and provide rolled beedis to the *sattedar* which is either sold as loose beedis or sold to smaller companies by the *sattedar*. In such a situation, the wages provided are higher as it includes the costs for raw materials as well.

Beedi rollers are largely women while the work of manufacturing and contracting is done by men. Historically men and women both rolled beedis but with the shift to home-based work fewer men roll beedis as their main / only wage work. Those employed in the factory do not roll beedis but do all the other work associated with the manufacturing of beedi, such as roasting and packing. However, the number of such factory or godown workers is relatively small.

### Policies and Welfare Schemes for Beedi Workers

The Central and State governments, over the years, have enacted legislations and policies aimed at monitoring working conditions and providing social security benefits for the welfare of beedi workers. Besides the existing labour laws such as Minimum Wage Act and the Provident Fund Act, the Government of India has also enacted two important laws specifically for the beedi sector workers. The Beedi and Cigar Workers (Conditions of Employment) Act, 1966 is an Act to provide for the welfare of the workers in Beedi and Cigar establishments and to regulate the conditions of their work and for matters connected therewith. However, regulating this is a challenge as the workers are largely home-based. The Beedi Workers Welfare Fund Act, 1976 resulted in the creation of Beedi Workers Welfare Fund (BWFF) for the welfare of beedi workers. The BWFF is administered by the Labour Welfare Organisation (LWO) under the Ministry of Labour and Employment and is financed through a cess levied on manufactured beedis, which applies only to registered companies manufacturing more than 2 million beedis per year. This exemption excludes the large number of workers who roll beedis for smaller unregulated companies, but are not eligible for benefits and entitlements.

<sup>1</sup> Best Practices Foundation (2001). *The Beedi Industry in India: An Overview*. Retrieved on 20/04/17 from: <https://www.scribd.com/doc/95519427/The-Beedi-Industry-in-India-An-Overview>

<sup>2</sup> Government of India Labour Bureau (2003). *Report on evaluation studies on implementation of the minimum wages act, 1948 in Bidi making establishments in Madhya Pradesh*. Retrieved on 20/04/17 from: <http://labourbureau.nic.in/MW3ch2.htm>

<sup>3</sup> Interview with Medical Officer, Sagar.

This document is a summary of a study on the situation of beedi workers in Madhya Pradesh, with the primary aim being to identify key concerns of beedi workers with a focus on (but not limited to) labour, livelihood, health, social security and related exploitation. The study also explored the beedi industry and its geographical distribution, the status with respect to legal entitlements of the workers and key issues of advocacy which have been taken up various stakeholders.

## Methodology

The field work for the study was carried out in October-November 2016 in Jabalpur, Sagar and Satna districts, which are the three important beedi producing districts in Madhya Pradesh. In-depth interviews with key informants drawn from important stakeholder groups, and Focus Group Discussions (FGDs) with beedi workers were the main data collection methods used. 9 FGDs across all three districts were conducted with beedi rollers and 1 with tendu leaf collectors in Satna. A total of 11 Key Informant Interviews were held with officials of beedi companies, trade union office bearers, government officials from the labour department and health department, as well as representatives of organizations working on the issue of beedi workers in the area such as Gram Sudhar Samiti (Satna), Institute of Social Research and Development (Jabalpur) and People's Research Institute (Sagar).

## Findings

The following key issues of concern around the welfare and rights of beedi workers emerged during the study:

### Registration of workers for social security and welfare benefits

Access to social security and welfare schemes requires two types of documentation – a registration/ID card (which links a worker to a company), and a card to access schemes of the Beedi Worker Welfare Fund. Many of the beedi workers who participated in the study had a card to access welfare schemes (locally called the '*ghar khata shramik*' card). However they did not have a registration ID which would link them to a company, thereby depriving them of social security benefits like Provident Fund (PF) and Pension. In order to get a registration ID card, a worker has to be certified by the factory that s/he has rolled 5,600 beedis per month for 2 months. The *sattedar* is responsible for ensuring that a worker gets registered, however in practice most of the workers

do not have such registration. Further, workers who do not work for the registered companies (ie. those manufacturing more than 2 million beedis annually) do not get a registration card at all.

The card to access welfare schemes is made at the civil dispensary/hospital run by the Beedi Workers Welfare Fund. Beedi workers have to roll a minimum of five beedis in front of the Medical Officer after which the application has to be verified by the concerned *sattedar*. This leaves the beedi workers at the mercy of the middleman. However, this is not a uniform practice. In Sagar district for instance, the verification was done by the ward member or councilor. Moreover, since June 2016 registration of new workers and renewal of cards has been temporarily suspended apparently due to the decision of the government to merge the Beedi Workers Welfare Schemes with the Employment State Insurance (ESI).<sup>4</sup>

### Access to schemes and entitlements

There are a variety of schemes specifically implemented for beedi workers by the Ministry of Labour, through the Beedi Workers Welfare Fund. These include schemes for educational scholarships, housing facilities, insurance for death and accident, funeral expenses, free treatment and medicines, spectacles, maternity benefits up to two live births, family planning operations, treatment for cardiac and renal problems, cancer, Tuberculosis, leprosy, mental health, and other minor diseases such as ulcers, hernia, etc. It is important to note, however, that most beedi workers are not aware of the existence of these schemes and the entitlements therein. It is not surprising therefore that according to the data from the Central Hospital in Sagar, between January 2011 and April 2016, there were only 2658 applications for accessing 9 schemes and only 2145 beneficiaries. The housing scheme, though popular, had several barriers. It required that the land for the house should be on the name of the worker and the worker had to deposit an amount of Rs.5000 as security, and hence did not get utilized.

### Non-adherence to minimum wages

The wages for beedi work are set at the state level, and that for Madhya Pradesh is Rs. 67 per 1000 beedis (this amounts to approximately one day's work). This amount is much lower than that in other states like West Bengal where the minimum wage is Rs.126 or Tamil Nadu where it is Rs.192 per 1000 beedis. In practice, workers do not even get this meagre wage due to various reasons. Oftentimes the

<sup>4</sup>Interviews with medical officer at Jabalpur Civil Dispensary and NGO representatives.

raw material provided by the *sattedar* is insufficient for rolling 1000 beedis and so the workers have to buy additional material and pay for it from their own pocket. Additionally, there is rejection of beedis by the *sattedar* and in effect the worker may end up getting only Rs 30 to Rs 35 for rolling 1000 beedis. This amount is insufficient for sustaining families and workers are pushed to seek loans, especially in emergency situations.

### Health Impact

The nature of work of beedi rollers involves prolonged sitting with the trunk bent forward and the constant use of fingers. Different studies with beedi workers in India including a National Commission for Women (NCW) report on women beedi workers have discussed several health problems of beedi workers like calluses in hands, fatigue in the arms and

*Salma (name changed) is 45 years old and lives in village Panaghar of Jabalpur district with her husband and five children. She has been rolling beedis since the age of 8 years. It is the main source of income for her family as her husband had to give up his tailoring work due to illness. She gets Rs 55/- for 1000 beedis from the contractor but the raw material given by him is insufficient to roll 1000 beedis. Hence, to compensate the difference she has to buy extra tobacco and leaves from the contractor out of her own pocket. In the end, she gets only Rs. 35 for 1000 beedis. She narrated that she had once asked the sattedar to give approved minimum wage to which he replied that since Tractor beedi is not a registered company he cannot pay the official wage. Salma rolls 6000 beedis in a week for which she gets Rs.210 which is insufficient to make ends meet and many times the family has to take loans. Since she is associated with the NGO ISRD and is a member of a self help group, things are comparatively easier for her.*

numbness in fingers. Throat ache, respiratory disorder, piles and pain in urinary tract are common problems faced by large number of beedi workers. Constant exposure to tobacco dust results in respiratory irritation. Tuberculosis and Asthma are also common. Sitting for long hours causes back and neck aches, joint pain, as well as arthritis and gynaecological problems. Headaches, nausea, giddiness and burning of the eyes from long hours of work and exposure to tobacco are almost a way of life for many beedi workers. Although health hazards of tobacco exposure are well documented, many workers in Madhya Pradesh do not recognize their health problems.

### Inadequate health care facilities and access

There are 36 dispensaries, mobile vans and a 30 bedded hospital in the state exclusively for beedi workers. However, workers complain of poor services

*Nafisa (name changed) is 53 years old and lives in Charbag area of Jabalpur district. She has been rolling beedis since she was a child. She has many health problems like pain in knees, head ache, back ache, and poor eyesight. Due to pain in her back she is unable to sit for a long time and hence rolls beedi while standing up. Besides this her eyesight is also deteriorating, and as the evening approaches it becomes difficult for her to see anything. She is facing difficulty in opening her bank account as her finger prints are unreadable. She went to the civil dispensary for beedi workers 2-3 times but every time she was sent back asking to come some other time. She is now taking treatment from a private hospital.*

at these facilities. There is only one doctor who is appointed on an adhoc basis and there are no adequate medicines and diagnostics available. Therefore even if the workers go to the facilities they are sent to other government health facilities which are crowded and a lot of time is spent in seeking treatment there. Therefore people prefer to go to private practitioners or to various kinds of informal practitioners close to their village. As one worker remarked “We don't go to the beedi hospital (dispensary). It is in Jabalpur and far from our village. Once or twice I had gone there but I spent my whole day which is a big loss of money. Despite that I didn't get proper medicine and treatment there.”

### Trade Unions and other organising efforts

There have been sporadic efforts by mainstream Trade Unions to organise beedi workers in Madhya Pradesh. The All India Trade Union Congress (AITUC), the Bharatiya Mazdoor Sangh (BMS) and the Lal Jhanda Beedi Mazdoor Union and its breakaway faction Madhya Pradesh Beedi Mazdoor Union are working with beedi workers in Madhya Pradesh. The Trade Unions have been raising concerns about the lack of adherence to minimum wages and facilitating registration of workers. However it appears from discussion with workers, that they have not made concerted and coordinated efforts to organize workers to demand other welfare benefits. Moreover, with respect to providing alternative livelihood options, some union leaders themselves believe that home-based beedi work is suitable for women as it helps them manage other household responsibilities, and because they prefer to stay at home.

Apart from Unions there are other organizations also working towards realizing beedi workers' rights. Institute for Social Research and Development (ISRD) based in Bhopal and Aman va Nyay Pehal based in Sagar work with beedi workers to increase access of workers to social security and entitlements,

organize workers in groups and encourage them to join trade unions and link workers with National Livelihood Mission and the Pradhan Mantri Kaushal Vikas Yojana.

## Conclusion and Recommendations

This study has indicated some important issues of the beedi industry that affect workers. The state must take steps to improve the situation for the workers and make existing laws and welfare provisions effective. The responsibility for the same lies with all the stakeholders particularly the beedi company owners, the state labour department, trade unions and the civil society organisations, among others. In view of strengthening of rights of beedi workers and for providing them humane and just conditions of work, the following recommendations are provided based on the research:

- **Registration of Beedi Workers:** Companies should be made accountable to issue passbooks and ID Cards to the workers enrolled with them or with their contractors so that workers can get their rights under social security schemes. There is a need of uniform and transparent registration process in the state which reduces dependence on the *sattedar*. Trade unions, civil societies and labour department could play a key role in making beedi workers aware of the registration process.
  - **Adherence to Minimum Wages:** The labour department must make efforts to ensure that at least minimum wages are given to workers, make workers aware of the wage rate, and provide avenues of grievance redressal when they are not adhered to.
  - **Access to Welfare Schemes:** In order to improve the access of beedi workers to welfare schemes, department should establish mechanism to make beedi workers aware of the schemes and of the procedure to be followed. Periodic Awareness camps should be organized in areas populated
- with beedi workers. Department should make available compiled reports of the beneficiaries under various welfare schemes to trade unions and civil societies.
  - **Census of the Beedi Workers:** A census of all the beedi workers whether they are working for small or big, registered or unregistered companies should be undertaken to build a comprehensive and up to date data base. Information on contractors/ *sattedar* should also be collated.
  - **Monitoring the Enforcement of Legislation and Grievance Redressal Mechanism:** Department should monitor the enforcement of legislation through periodic checks and audits. Since workers are largely home-based, a different mechanism for this will need to be worked out. There should be a system for grievance redressal where workers can approach in case of violation of their rights and entitlements.
  - **Preventive Measures to Reduce Health Impact:** Workers should be informed about the risk involved in beedi rolling and should be made aware of the preventive measures to reduce the risk to their health and over all wellbeing. Beedi companies must provide mask, gloves or take other preventative measures that could reduce the risk.
  - **Strengthening Health Facilities:** There is an urgent need to strengthen and reactivate the health institutions which have been established for Beedi workers. The health facilities should provide only health services unlike now, where they are appropriate authority for registration of beedi workers and for disbursement of welfare schemes.
  - **Alternate Livelihood Opportunity:** There is a need for the government to create alternate livelihood opportunities for the beedi workers so that those who do not want to continue beedi rolling, could choose other livelihood options.

## NATIONAL FORUM FOR BEEDI WORKERS

### Partner Organisations:

#### National

National Alliance for Maternal Health and Human Rights (NAMHHR)  
Secretariat at Centre for Health and Social Justice (CHSJ), Delhi  
Blog: <http://namhhr.blogspot.in/> Email: [namhhr.india@gmail.com](mailto:namhhr.india@gmail.com)

#### Madhya Pradesh

Aman va Nyay Pehal, Sagar  
Gram Sudhar Samiti (GSS), Satna  
Institute for Social Research and Development (ISRDR), Jabalpur