

# **State Level Consultation**

## **“Situation & Challenges of Beedi Workers in Madhya Pradesh”**

7<sup>th</sup> June 2017

**Hotel Ankit, Jabalpur**

*Organized By*

National Forum For Beedi Workers

### **Background**

National Forum for Beedi Workers in collaboration with Centre for Health and Social Justice, New Delhi organized one day state level consultation workshop on **“Situation and Challenges of Beedi Workers in Madhya Pradesh”** at Hotel Ankit, Jabalpur (M.P.). About 53 participants' from more than 12 districts participated in consultation organized on 7th June 2017. Participants include representatives from trade unions, civil society organizations, beedi workers and social activist.

The beedi industry is a labour intensive cottage industry which rests on informal employment within unorganized and organized sector. Madhya Pradesh is the largest tendu leaf producing state of India and one of the first state where beedi manufacturing begun in 1902 in Jabalpur district. There is no exact estimation of persons employed in beedi industry. As per some estimates, Madhya Pradesh has more than 21 lakhs beedi workers but most of them are still unregistered.

Beedi rolling is generally done by poor households in rural areas where the workers have usually no other means of sustainable livelihood. A small study was conducted by Centre for Health and Social Justice, New Delhi in Oct-Nov 2016 that primarily aimed at identification of key concerns of beedi workers with focus on labour, livelihood, health, social security and other related issues. The study involves the use of various research tools like Focus Group Discussions (FGDs), In-depth Interviews, Field Observations etc to capture the ground realities of the beedi industries and the situation of beedi workers.

This one day consultation aimed at sharing the key findings of the study and to discuss the way forward to strengthen the advocacy actions for the rights of beedi workers in unorganized sector.

### **Objectives of the Consultation**

**The consultation aimed at:**

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- To share the findings of the study on the situation of Beedi Workers in Madhya Pradesh in context to labour, livelihood, health, social security and other aspects.
- To discuss existing issues and challenges of Beedi Workers in Madhya Pradesh for the realization of registration, minimum wages, social welfare schemes and occupational health.
- To bring together on the common platform- the Beedi Workers, trade unions, CSOs and other stakeholders for discussing future strategies and way forward for ensuring rights and entitlements to Beedi Workers.

### Welcome & Introduction

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**Mr. Arun Tyagi, Gram Sudhar Samiti, Satna**

The consultation “**Situation & Challenges of Beedi Workers in Madhya Pradesh**” started with a formal welcome and introduction of the participants including Beedi Workers, trade union leaders, social activist and CSO representatives. Mr. Arun Tyagi shared the context for organizing consultation with the words that labour in spite of being humiliated again and again, contributes to the nation building. Beedi Workers are facing similar plight not only in Madhya Pradesh but across the nation.

Mr. Tyagi oriented the participants that National forum for Beedi Workers is a platform to discuss the concerns of the Beedi Workers and to work out collective strategies for policy level reforms and actions for the rights of the Beedi Workers across the country.

He further stated that between Oct. 2016 to May 2017, a team from Centre for Health and Social Justice, New Delhi made several visits to different districts of Madhya Pradesh like Jabalpur, Sagar, Satna, Damoh, Katni to assess the ground realities of Beedi Workers. For this a study was also carried out in Oct-Nov. 2016 by CHSJ in three most beedi producing districts namely Jabalpur, Sagar and Satna.

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Mr. Arun Tyagi observed that the findings of the study and the conclusion drawn from this consultation will help to build common understanding between different stakeholders and to review state specific issues of Beedi Workers in Madhya Pradesh and thereby to draw strategies for advocacy actions in favour of Beedi Workers..

### Session 1: Sharing of Key Findings of the Study

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**Ms. Sandhya Gautam, CHSJ, New Delhi**

Ms. Sandhya Gautam, CHSJ shared the key findings of the study on the ground realities of the Beedi Workers in Madhya Pradesh. She stated that The Centre for Health and Social Justice (CHSJ) is a civil society organization working on issues related to health and social justice since long. However, working with Beedi Workers is comparatively new issue for CHSJ although not new issues for states like Madhya Pradesh, West Bengal and Tamil Naidu. So to understand the situation and challenges of Beedi Workers and about the implementation status of various schemes and welfare measures meant for them, three separate studies were conducted in these 3 largest beedi producing states.

She remarked that study was primarily aimed at identifying key issues of beedi workers with focus on their registration, wages, social security measures, occupational health, exploitation and other concerns.

She oriented the participants that in Madhya Pradesh, study was carried out in Jabalpur, Satna and Sagar district. Districts were selected on the criteria of beedi production, collection of tendu leaves ls, proportion of population involved in beedi making etc. During the study, focused group discussions (FGDs), field observations and key informant interviews were conducted with various stakeholders like Beedi workers, officials of beedi companies, trade union leaders, government officials from line departments, representatives of CSOs working on the issue etc.

The key findings of the study reveal that:

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- Madhya Pradesh is one of the largest and leading states for tendu leaf producing and beedi manufacturing. In Jabalpur, beedi manufacturing started in 1902.
- M.P. has second largest number of Beedi workers after West Bengal. Mostly concentrated in Jabalpur, Sagar and Damoh district.
- Here, beedi rolling is most a home based activity and is mostly done by women.
- Administrative structure comprises of labour department, labour commissioner, Asst labour commissioner, health & welfare officers, Central hospital and civil dispensaries exclusive for beedi workers, etc.
- Various welfare schemes are meant for beedi workers including free of cost treatment & medicines, maternity benefit, scholarships for children of beedi workers, death compensation, monetary help for making spectacles, financial aid for treatment for hazardous diseases like TB/cancer etc and housing scheme.
- There is no direct contact or relationship between beedi workers and owners of beedi companies which deprives them from various entitlements and social security schemes. Contractors and agents acts as middleman who exploits beedi workers in various ways.
- Absurdity in the registration of beedi workers, the payment of minimum wages, defective implementation of welfare schemes and occupational health hazardous are some of the key concerning issue in the state.

Ms. Sandhya further stressed that key question with us now is that how to take forward advocacy actions - to ensure entitlements to home based beedi workers; to reform administrative structure for departments catering to home based beedi workers; to simplify registration process; to guarantee minimum wages to each beedi worker; to promote exploitation free relations between beedi workers, middlemen and company owners and more over the better regulation of the industry.

### *Consolidation of Session's learning*

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- Immense efforts are required to make every beedi worker aware about his/her rights and entitlements.
- Need to prioritize state specific and nationwide issues and challenges for advocacy.
- Collective efforts are required to strengthen advocacy actions for eradicating crises and perils of beedi workers.
- Different stakeholders including trade unions, CSOs and beedi workers need to understand their role and take responsibilities to raise their strong voices for the rights of the beedi workers.

### Session 2: Registration and Welfare Schemes for Beedi Workers

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**Speaker: Mr. Shakti, Centre for Workers’ Management (CWM), New Delhi & Moderator: Ms. Lata Singh, Trade Union Leader (Bhartiya Majdoor Sangh), M.P.**

The second session on understanding issues and concerns on the registration of Beedi workers and status of social security schemes meant for their welfare. Ms. Lata Singh, who is state president of M.P. labour union facilitated the discussion with Mr. Shakti as key speaker on the issue. Mr. Shakti works with Centre for Workers’ Management (CWM), New Delhi.

While discussing the issues of welfare schemes, Mr. Shakti oriented participants that there are various welfare provisions meant especially for Beedi workers like Beedi workers welfare act, 1976, B.W. welfare & cess act, ESI act, EPF act, maternity benefit act etc. But the issue is that most of the beedi workers are totally ignorant about these provisions and even if they are aware, they are unable to access its benefits.

The beedi welfare fund levies a cess of Rs.5 per 1000 beedis which is to be utilized exclusively for the welfare of beedi workers. However, Beedi welfare fund was centralized in 2012 which diluted state control over cess fund. There is no change in cess rate after 2006 despite of high inflation as consumer price index grew by 2.25 time between 2006 to 2016. He highlighted that proposed

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labour code will result in dismantling beedi welfare board and beedi welfare cess will be merged with other cess. And the welfare of the beedi workers will be looked after by central welfare committee. Consequently the specific welfare needs of the beedi workers will be neglected at large.

### *Questions & Clarifications -*

- In the proposed labour code, Beedi welfare code will be merged with labour welfare board. Will this lead to the benefit for the beedi laborers in unorganized sector?
- Will Beedi hospitals/dispensaries be closed after implementation of proposed labour code?
- Civil law is based on the principle of equity and equality. Will the labour code be helpful to minimise the exploitation of beedi workers/labourers?
- Most of the Beedi workers are left out of mainstream. They are not aware about the principal employer. And therefore 20% contribution from self employed worker is a cheating with vulnerable beedi workers. The role of central & state government and that of labour board is questionable?
- Beedi welfare cess received is not sufficient so as to suffice the welfare needs of the beedi workers.

*Reply/Clarification-* Beedi hospitals/dispensaries will not be closed but it will be brought under the control of ESI.

Presently, Beedi Dispensaries/Hospitals are meant exclusively for beedi workers catering to the health problems of beedi workers but with the recently introduced amendment when the hospitals would be brought under the control of ESI, it will serve to all the labours in unorganized sector. Consequently, the specific health needs of the beedi workers due to occupational hazards will not find due importance.

There is nothing new in the proposed labour code so as to bring equal rights for all as mentioned in directive principles of state policy. All the existing policies are merged in one labour code which results in weakening of existing provisions meant especially for beedi workers.

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Most of the beedi companies do not declare their actual turnover. Major proportion of the production is sold out illegally, resulting in declining of cess collection from beedi industries which ultimately affects welfare of the beedi workers.

The role of central advisory committee is certainly questionable. All the labours in unorganized sector should be treated alike. These issues should be raised in parliament and state legislature. The beedi worker must get the pay slip from the owner, so they can prove their claims from a particular company. This could not be done without organized efforts.

### Session 3: Minimum Wages to Beedi Workers

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**Speaker: Mr. Shakti, CWM, New Delhi &**

**Facilitator: Mr. P. K. Bose, Trade Union Leader (AITUC), Jabalpur**

Mr. P.K. Bose facilitated the session on the issues related to minimum wages to beedi workers. He pointed out that Madhya Pradesh has more than 21 lakhs beedi workers who are solely dependent on beedi rolling work to earn bread for their family. A very few beedi manufacturing companies directly hire beedi workers as employee to work in their company. Majority of the beedi workers works from their homes that are not even registered as beedi workers. We need to look for the ways so as to bring rights and entitlement to beedi workers especially the women.

Mr. Shakti presented the actual scenario of minimum wages in Madhya Pradesh. He remarked that the minimum wages for beedi workers in 2017 stands at Rs.83.63 /1000 beedis. The wages should also include PF, bonus, leave allowance which leads to increase in minimum wages to Rs.103.50/1000 beedis. However, beedi worker in M.P. get only Rs.67/1000 beedis which also varies from place to place.



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To roll 1000 beedi in 8 hours, the workers need to roll 120 beedis per hour without any break which results in developing occupational health issues among beedi workers. Women are worst affected.

Minimum wages consist of actual wage plus dearness allowance. There is a huge difference in the minimum wages in M.P. (Rs.86.74) as compared to Maharashtra (210), Karnataka(173), West Bengal(187) and Uttar Pradesh(118). Payment of wages below minimum wages is illegal even if it has been decided through tripartite bargaining as is done in West Bengal and Maharashtra.

Majority of the beedi workers being unregistered and involved in home based beedi rolling works, they are not being paid PF, bonus and annual leave allowance. Additionally, contractors or middlemen also cut part of their wages. This results in marginalization of beedi workers affecting their health and welfare.

### *Questions & Clarifications -*

- Will GST be applicable to Beedi industry?
- Beedi workers are not getting the benefits of PF, bonus and other entitlements because they are not registered. When they go for their registration, the labour commissioner demands for sign and seal of the contractor as a proof of being beedi workers. Contractors/owners don't sign because they have to declare their actual production. What beedi worker should do in such a situation?
- Ensuring minimum wages to every labour is a responsibility of the government. Why are we not challenging government in case of Beedi Workers?
- Apart from minimum wages, we also need to look into other issues like supply of lesser amount of raw material by contractors, rejection of beedis by contractors etc.
- Does the measurement based payment as done in MGNREGA is illegal in case of beedi workers?

*Experts Comment-* GST will be applicable to beedi industries at the rate of 28%.

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There is no legal provision to get the sign and seal from the contractor for registration of beedi workers. The only thing that beedi workers have to do is to roll 5 beedi in front of the labour commissioner. If anybody is asking for sign of contractor, it is illegal. Additionally at some places, the trade unions are certifying beedi workers for their registration. The certification of trade union is also acceptable.

Often the raw material provided by the contractors is insufficient for rolling 1000 beedis and so worker is forced to make out of pocket expenditure to buy additional raw material. Additionally, there are rejections of beedis by middlemen and workers are not paid for rejected beedis. Consequently beedi worker may end up with merely Rs.30-40 for rolling 1000 beedis which is not sufficient for sustaining their families.

There is no productivity based linkage for beedi workers wage payment. So it is inadmissible in minimum wages for beedi workers.

### Session 4: Occupational Health Issues of Beedi Workers

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**Speaker: Dr. Anuradha Tiwari, MO/IC, Civil Dispensary (BWFF), Jabalpur & Facilitator: Mr. Deepak Bhatt, Social Worker, Bhopal**

Dr. Anuradha Tiwari, Medical Officer at Beedi Hospital in Jabalpur oriented the participants about the occupational health hazards of the beedi workers and about the services catered through Beedi hospitals/dispensaries for the welfare of the beedi workers. She highlighted the fact that about 65% of the beedi workers are women and they are severely affected by the occupational health hazards of beedi industries. However, merely 5-10% workers consult doctors/health centers for their health concerns.

Prolonged sitting for 8-10 hours in a day of a woman for beedi rolling results in back pains, neck aches, pain in legs, joint pains. It also results in gynecological problems among adolescent girls and women, which includes menstrual irregularity/ related problems, still births, miscarriage, difficulty in conceiving,

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low birth weight babies etc.. Constant use of fingers causes calluses in hands, fatigue in arms and numbness in fingers. Constant exposure to tobacco dust leads to respiratory problems. Tuberculosis and asthma are common. Many of them also developed a habit of chewing tobacco and smoking which results in cancer and other hazardous diseases. Headache, nausea and irritation in eyes are very common problem of beedi workers. Lack of social security causes depression among beedi workers.

Dr. Anuradha Tiwari urged participants to raise awareness among beedi workers about their health concerns. Beedi workers should take sufficient breaks in between for rest. They should immediately consult doctors in case of any health issues. Pregnant women worker needs to take special care as prolonged sitting affects the growth of the unborn child. Children should be stayed away from place of beedi rolling. Women should take nutritious food like jaggery to prevent anemia. And if possible, the beedi workers should also look for other alternative occupations.

### *Questions & Clarifications -*

- In beedi hospitals only general physician are placed and that too retired doctors are placed. Why no specialists are positioned in beedi hospitals.
- Beedi hospitals lack proper facilities and usually provide basic medicines to the patient.
- White discharge is a common problem among women beedi workers. Why?
- A person carrying an old registration card is denied of health services in the hospital. Why?
- Who is responsible for unavailability of old records for registration? Why beedi workers are made to suffer.
- In Sagar, no claims have been approved after 2014. Why?

**Experts Comment-** Beedi dispensaries/hospitals caters to only out-patient services. In case of severe problems they are referred to district hospitals. So usually, there is provision of appointing specialist in Beedi hospitals. However, at some places like Beedi hospital, Sagar specialists like gynecologist are also

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appointed. All the basic facilities and medicines for OPD units are available in beedi dispensaries.

White discharge, RTIs/STIs is common among women workers due to lack of personal hygiene, prolonged sitting and poor working environment.

Registration of beedi workers before 1994 was done by labour inspectors for which no records are available. So they are not accepted in any welfare service schemes entitlements. Records are mandatory to access entitlement. Afterwards from 1996 to 2002 cards are being issued by central government through dispensaries/hospitals. And only after 2002, state government was given the authority for issuing registration cards which are valid to access health facility. Recently, the issue of new registration card was put to halt due to government orders.

District specific issues for nonpayment of pending claims need to be dealt with district authority. However, they are being cleared off in most of the districts. Benefits are being given to all entitled beneficiaries.

Mr. Deepak Bhatt summarized the discussion with the urge to strengthen advocacy actions to demand for declaring health as fundamental right of every citizen.

### Session 5: Way Forward -Group Discussion and Presentations

**Panelist: Mr. Arun Tyagi, Mr. P.K.Bose, Ms.Lata, Ms.Kavita & Ms. Anjum**

With an objective to draw the future strategies for action, group discussion and presentations was conducted. For this, the participants were divided into 3 groups to discuss the way forward with regards to the role of trade unions, CSOs and beedi workers themselves on the issues of registration, minimum wages and occupational hazards of beedi workers.

The key learning drawn from presentations from the 3 groups can be summarized as follows:

### ***Group 1:***

#### **Efforts for Registration**

- To raise awareness among the beedi workers on their entitlements and social security schemes
- To collect authentic data for exact number of beedi workers unregistered and cards pending for renewal
- Organizing camps for raising awareness about registration process and documents required for registration
- Advocacy actions for issuance of registration cards to all entitled beedi workers

#### **Efforts for Health**

- To raise health awareness
- Identification and promotion of alternative employment for beedi workers through development of SHGs.
- Organizing health camps for beedi workers
- Distribution of free medicines and check-up facilities during the camp
- Orientation of adolescent girls
- Support in accessing health benefits and entitlements

#### **Efforts for Minimum Wages**

- Raising awareness about existing minimum wage rates for beedi workers
- Organizing public dialogues and public hearings
- Conducting signature campaigns
- To submit letter of demands/memorandum to the government for requisite actions
- Media advocacy

### ***Group 2:***

- No benefits even to those having their ID-cards
- Number of claims gets rejected without informing reasons for rejection
- Trade Unions have to take leads to help beedi workers
- Beedi workers need to organize themselves.

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- Doctors should be discharged from the responsibilities other than catering to health services
- Provision of opening registration counter daily and to make provision for issuing cards within 3 days of application
- Contractors should be made to inform workers about their principal employer

### *Group 3:*

- Demand for raising the payment for per 1000 beedis rolled.
- To fix the responsibility of Gram Panchayat for registration of beedi workers
- To put a check on the role of contractors/agents and other middlemen involved
- To fix minimum wages alike MGNREGA
- To launch beedi cooperatives
- Identification and support for alternative employment to beedi workers
- Role of trade unions to support beedi workers should be ascertained
- To fix the role of CSOs and other organizations like that of Journalists, Doctors etc to aid and advise beedi workers

### *Observations from Panelists*

*Mr. P. K. Bose-* Issue of minimum wages is a complex issue which needs tedious efforts on continuous basis. So we need to prioritize other aspects which are more easily achievable like effective implementation of social security measures. Secondly, we need to work for strengthening organized efforts to raise our demands. Beedi workers and trade unions have to overcome their internal conflicts to collectively raising their demands.

*Ms. Kavita-* Beedi workers need to be aware about their rights. They should be organized to make realistic efforts. Members of trade unions and community leaders need to be trained about the rights of beedi workers. Every beedi workers should recognize their work as beedi worker with dignity.

*Ms. Lata-* Trade Unions needs to take more active role without any fear. They should be ready to face challenges in the struggle for rights. Beedi Works should

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be organized to form self help groups and to give them trainings to start other alternative employment.

*Mr. Arun Tyagi-* Needs to conduct more research studies on tendu patta processing because tendu patta collection workers are much more organized than Beedi workers. CSOs and trade unions have to take up strong advocacy actions to demand for one window system for Beedi Workers. Collectivization of trade unions into state and national level federations is the need of the time for collective actions.

*Ms. Anjum-* Awareness is the key to all issues. We need to work with middlemen to sensitize them. Health camps should be organized regularly for beedi workers.

### Vote of Thanks

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**Ms. Sandhya Gautam, CHSJ**

At last but not least, Ms. Sandhya Gautam, CHSJ offered vote of thanks to all panel speakers, facilitators and the participants with the concluding remark that it's not an end but a new beginning with more aspirations and more responsibilities for the rights of the beedi workers.