



Bidi Industry in India

Welfare and Working Conditions

The Indian government has developed legislation and policies aimed at monitoring working conditions and providing social security benefits for the welfare of bidi laborers. The reality is policies and legislation have done little to improve the working conditions and livelihoods of bidi workers, among the most marginalized sectors of society.

Characteristics of the Industry

- There are about 300 manufacturers of major bidi brands and thousands of small scale contractors and manufacturers involved in bulk production in India.¹
- The industry employs approximately 4.4 million full time workers and an additional 4 million bidi industry-related jobs.² Bidi workers are largely poor and illiterate.
- The unorganized production in the bidi industry creates difficulty in regulating the working conditions of workers and in implementing welfare laws.
- In 1999, the Indian bidi industry generated 165 million in excise and 200 million in foreign exchange revenue for the Indian government.³

The Reality

Major legislation/policies meant to protect and improve the livelihood of the bidi worker:

- **Bonded Labour System (Abolition Act), 1976:** Protects individuals, especially children, from being forced into labor when, typically, parents cannot repay a loan.
- **The Child Labour (Prohibition and Regulation) Act, 1986:** Prohibits the employment of children under 14; Restricts children's participation in bidi making except as family-based work or school-based activities and limits the time children may work to six hours between 8:00am and 7:00pm.
- **Bidi and Cigar Workers (Condition of Employment) Act, 1966:** The act regulates factory based workers. Requires the establishment of industrial standards – e.g. no overcrowding, proper ventilation, appointment of working condition inspectors. It regulates working hours, rest, leave, and prohibits child labor.

Working Conditions

- **Bidi Workers Welfare Fund Act, 1976:** Meant to provide basic benefits such as health care, education, insurance, housing assistance, scholarships, drinking water supplies, and provides 12 hospitals and 276 dispensaries across the country for bidi workers.



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- **Bidi Workers Welfare Cess (Amendment) Act, 1976:** Under the cess collected through excise duty of manufactured bidis, workers receive benefits from a government fund. The cess is revised by central government periodically, it was Rs2 per 1000 bidis in June 2000. This cess applies only to registered companies manufacturing more than 2 million bidis per year. As with other welfare benefits, to receive funds workers must have an ID card.
- **Employees State Insurance, 1948:** Provides health, medical and cash benefits for sickness, maternity, employment-related injury for employees making less than Rs. 3000 per month. Dependents of employees may also receive pensions in the case of death or employment injury.

Welfare Programs

- **Children comprise 15-25% of total employment in the bidi industry.**⁴
- Manufacturers have significantly shifted from factory-based to home-based production in part to deter bidi worker organization and to avoid appropriate implementation of working condition and welfare laws. In 2003, the factory sector employed just 10% of workers in the bidi industry.⁵
- Under the law, employers of bidi workers are required to issue identity cards to their employees to enable them to receive welfare benefits. However, as many employers do not issue the ID cards, the responsibility has shifted to the Labor Welfare Organization through the Welfare Commissioners.⁶
- According to trade unions, the majority of bidi workers do not have ID cards, while the government estimates that only about 15% of bidi workers do not have ID cards. For families engage in bidi production, the standard practice is to issue an ID card to only one member of the family even when other members of the family also roll bidis.⁷
- A study of women in a southern Indian state found only 44% of respondents were registered workers, just 50% had identity cards, and only 9% were members of a trade union. Over half the women bidi workers in the study were affected by multiple health problems.⁸
- An ILO study found that female bidi workers preferred to receive treatment from private hospitals and medical facilities in their own villages as opposed to traveling long distances to reach designated hospital facilities specified under the Welfare Fund Act. Taking the time to travel outside of their villages would result in a decrease in their already meager wage.⁹
- Worker protection is severely limited by the fragmented nature of the bidi industry. Middlemen are not bound to pay for finished products. They can arbitrarily reject finished bidis they deem below quality standards and refuse payment to workers. 56% of workers were hired by a contractor in 1994-1995 according to ILO, an increase of 10% from 1989-1990.¹⁰

1. International Labour Organisation. Bidi Sector in India: A Note; (updated 2003 Apr 30; cited 2005 Jun 29). New Delhi: ILO. Available from: <http://www.ilo.org/public/english/regionasro/newdelhidownload/notebidi.pdf>. 2. Genesis Public Relations. 360 Degree Analysis of Beedi Industry. Mumbai: Genesis Public Relations; undated. 3. Raj RD. Beady-eyed giants take aim at India's bidi industry. Asia Times Online (Hong Kong), India Pakistan; 2000 Jan 14. 4. Genesis Public Relations. 5. Rajasekhar D, Sreedhar G. Changing face of the beedi industry: a study in Karnataka. Economic and political weekly. 2002 Sept Oct; XXXVII (39): pp. 4023-4028. 6. Arora M, Misra B. Chapter 6: Indian Bidi Industry and Related Policies. In: Samira Asma and Prakash C. Gupta eds. Bidi Smoking and Public Health (forthcoming monograph). Mumbai: India Ministry of Health; 2008. p 204. 7. International Labour Organisation, Making ends meet: Bidi workers in India today. A study of four states. Geneva: ILO; 2003. 8. International Labour Organisation. 2003. 9. International Labour Organisation. 2003. 10. International Labour Organisation, Making ends meet, 2003.