



Problems of Beedi Industry in Chittoor District: A Study

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Abstract: The results reveal the slashing of wages for spoiling the beedi leaves and the reactions of the sample respondent beedi-rolling workers. All the respondent beedi rolling workers have unanimously opinioned that the owners of beedi-making units provide the inferior beedi leaves and if at all the beedi rolling workers return the beedies less than the expected number, then the owners of beedi-rolling units slashes the wages out of the wages paid to the beedi rolling workers.

Key words: modern technology, employment, bondage

1.Introduction

Beedi industry is a labour-oriented industry since it requires a large number of labourers for rolling Beedies. Further, this industry is unique in its nature of operation that it does not require much capital and modern technology. It provides sizeable employment to the rural masses since their very much existence is rural in nature. The workers, working for this industry need not work in the factory premises. They can sit in their respective homes and turn out the work. The owners of the beedi making units are not providing any statutory and non-statutory facilities. But without the support of labour, the existence of these units is very much doubtful. Thus, there is moral obligation on the part of the owners of the beedi-making units in extending the needed facilities and to pay remunerative price to the workers for their well being. Since, there is no legitimate bondage between the owners of the beedi making units and labour working for these units, the problems of beedi making units and the problems of workers working for these units are

severe and continuous. Thus, the present study is proposed to identify the problems of beedi-making units and as well as the problems of workers who are working for these units.

2.Objectives of the Study

The following objectives have been set specifically for the present study:

- To identify the functional problems of beedi-making units in study area.
- To identify the problems of select beedi Rolling workers in the study area.

3.Review of Literature

Before we come out with a statement of the problems, it is required to survey the existing literature on beedi industry to find the research gaps. A review of important literature on beedi industry is presented in paragraphs in the following pages.

- Ramakrishna Sarma, K. "Industrial Development of Andhra Pradesh, Regional Analysis", Bombay, Himalaya Publishing House, 1982.



- Sweanor and David in their article have highlighted the contradictions arising from government regulatory enrolment in Nicotine Replacement Therapy (NRT), while tobacco products are not subjected to similar regulation. The author suggests that the regulatory system needs to be reformed in order to produce improved cessation results.
- M.Mehta "Location of Indian Industries", Allahabad, 1952.
- K. Srinivasa Reddy and K. Ramesh in their study made an attempt to study the growth of employment in beedi manufacturing industries and the fluctuations in the salaries and wages in the industry. It also examines the girl-child-labour positions in India. In this study, the authors have discussed Andhra Pradesh profile, beedi exports in India, beedi production system and contract/home worker system in India.
- Murray, D.Bryce (A Guide for Accelerating Economic Growth)", New York, Mc Graw Hill, 1960.
- Murray, D.Bryce "Policies and Methods for Industrial Development", New York, Mc Graw Hill, 1965.
- Lokanathan, P.S. "Industrialisation", Oxford University Press, 1944.
- D.R.Gargil "The Industrial Evolution of India in recent times", London, Oxford University Press, 1954.

4.Sample Design

The study confine to development of beedi industry in Chittoor district. The universe (11 Regions) comprises 95 beedi-making units. Out of these, 13

beedi making units is working in the study area i.e Puttur Region. The sample size of **50** per cent i.e. **7** beedi-making units is taken for the study. As per the official records of the offices concerned the total number of beedi- rolling workers working in the chittoor district is **506**. Out of these, **131** beedi-rolling workers are working in the study area i.e Puttur Region. The sample size of **50** per cent i.e. **66** workers are taken for the study.

5.Preparation of Schedule

A structured pre tested Schedules are prepared to collect primary data from beedi making units and beedi rolling workers . The Principal Investigator and Field Investigator visited the select Beedi-making units and Beedi-rolling workers and collected the data through a schedule.

6.Findings:

The present study is divided into two parts. Part A deals with the problems of beedi-making units like Competition, Finance, Labour, Marketing, Raw material, Storage, Risk, Transport, Management, Government Tax, Skull and Cross Bones Symbol, Climate and Part B deals with the problems of beedi-rolling workers like delayed wage payments, Wage payment on mercy of owners, No leave for national and festival holidays, no weekly holidays, No provision for lay of compensation, Wage cuts for spoiling beedies, Non-implementation of minimum wages, supply of inferior quality of raw material, disease proneness, No guarantee for continuous employment, Cancer Patient Symbol like of the select sample respondents.

Problems of beedi making units

➤ **Competition: Within the industry**

For 90 percent of the beedi-making units that are established in puttur region, competition from big companies of same nature is a severe problem. The study reveals that the Basha Beedi Factory has acquired a maximum market share (40 percent) for its products. Whereas the remaining beedi factories are serving only 60 percent of market area. The Basha Beedi factory markets its products at the local level, at district level, at state level and at national level through its wide distribution system namely manufacturer's agents, wholesalers, retailers etc. Thus, the Basha beedi factory is holding a control over the making, marketing, and consumption by launching impressive promotional activities. But the other beedi-making units are not in a position to hold a control over the making and marketing activities. Thus, their products are not popular and familiar to the customers. These units could also not attract the senior and skilled beedi-rolling workers. This indicates that the beedi-making units that are located in and around puttur region are facing a major threat from the so called big beedi-making units.

➤ **Procurement of Finance:**

Finance is one of the critical inputs, which determines the health, and wealth of an industrial unit. Majority of the owners of the beedi making units of puttur region have recognized that the procurement of finance is a major problem for them. However, the sample units under the study area have reported that they have been availing the financial assistance from banks.

The first problem being faced by them is that the banks, government-sponsored institutions and some agencies are demanding very high security for the loan amounts that they sanction to the beedi-making units. The second problem that they face while approaching the banks for financial assistance is so much of inordinate delay due to too many rigid formalities. These formalities quite often create a lot of headache and displeasure to the applicants and they are forced to approach other agencies and moneylenders for their requirements. This indicates that the beedi-making units are not pleasant enough to approach either commercial banks or financial institutions for assistance. They expressed that this is the most woeful problem for beedi-making units in puttur region. The interest rates charged by the banks are also on the high side. The loan amount being sanctioned to them is also insufficient and the working-capital requirements are also not being met satisfactorily. This indicates that the financial assistance sanctioned by the banks is insufficient to their working capital requirements. It is understood from the foregoing analysis that the financial assistance extended by the banks is insufficient and not on time. The working-capital requirements of the beedi-making units were not met properly. Therefore they were forced to approach the moneylenders to obtain financial assistance to meet their working capital requirements even at higher rates of interests.

➤ **Problem of labour:**

Labour problem is another severe problem being faced by the beedi-industry, because the whole functioning of beedi-industry fully depends upon the



skilled beedi-rollers. In the study area labourers demand for high wages for every 1000 beedies as Rs.106, but in the 1st and 2nd zones beedi-workers are getting Rs.68 only for every bundle of 1000 beedies. This represents a greater disparity in wages from one zone to another. Some factory workers attend to the work units irregularly and turn up the low production. Skilled- labour roll the beedies more efficiently and effectively than the unskilled and semi-skilled. But skilled laborers are not available all the beedi making units at reasonable wage rates. 90 percent of the beedi making workers are working for daily wages both at the factory and as well as at homes purely on temporary basis. There has not been any social and human bondage between the owners and the workers.

➤ **Problem of marketing:**

Marketing is also one of the most crucial problems to the beedi making units in puttur region. Under the study area it is evident that most of the agents, wholesalers, retailers show much favoritism towards the big and leader companies as they have adequate good will in the market area. The leader companies also offer a good number of gifts, price off, trade discounts and the like to the wholesalers, agents and retailers. The big companies enjoy all types of monopoly benefits. The agents, wholesalers and retailers also do not show any interest in purchasing and selling the goods of small beedi-making units as they are not in a position to offer the above benefits on par with the big/leader companies. The big companies also launch variety of promotional programmes effectively and efficiently in order to get the attention of the

customers towards their products. Whereas the small manufacturers do not have that much of ability to perform all such programmes and are not able to attract the customers. This leads to so much of brand popularity .

➤ **Problem of raw material:**

Under the study area, it is evident that most of the beedi -making units are facing so many problems in procuring the standard raw material at reasonable rates. Actually 'A' grade tobacco in Andhra Pradesh is abundantly available at cheaper rates. But the beedi-making units under the study area, are not consuming the tobacco and leaves which are available within the state of Andhra Pradesh. Whatever the tobacco and leaves that are used initially by the owners of the beedi-making units have been used even now. The other reason is that the available tobacco is suitable for making beedies. Thus, the owners of the beedi-making units are forced to go to other states to procure the required raw material by incurring considerable expenditure towards freight and miscellaneous charges. If they change the formula for making the beedies automatically, the consumers divert their attention towards the other branded beedies. Since the raw material is not available to the owners of the beedi-making units, they are importing the tobacco and leaves from the other states. This practice automatically increases the cost of production of beedi. The other problem being faced by the owners of beedi making units is that the non-availability of tobacco and leaves in desired quantities at the time they are needed. Most of the units are using the tobacco which is available in other states like Maharashtra, Gujarat, Tamilnadu and Madhya Pradesh and the like. To



procure the required raw materials from such distant places would create a lot of transport problems. This also causes much delay in the supply of raw material. This kind of inferior and adulterated raw material causes much discomfort, inconvenience, monetary loss and loss of time to the owners of the beedi-making units. The suppliers of raw materials who are far away from the centres of the beedi-making units may discontinue the supply due to heavy rains during rainy season.

➤ **Storage problem**

It is clear from the table that 75 percent of the select beedi-making unit holders whose units are located in different regions of the district have expressed that the storage is a serious problem for them. 25 percent of the select beedi-making unit holders whose units are located in puttur region have expressed that the storage is not a serious problem for them. Thus, it can be concluded from the foregoing analysis that storage is a serious problem for majority of the select beedi-making unit holders in the puttur region.

➤ **Risk problem**

80 percent of the select respondents of beedi-making units in puttur region have expressed that the risk involved in making beedies is very serious. The rest of the 20 percent owners of the beedi-making units have expressed that the risk involved in making-beedi units is not so serious problem for them. Thus, from the above, analysis it can be concluded that the risk involvement in beedi-making units is significant and can be handled cautiously.

➤ **Transport problem:** It is evident from the Table that 75

percent of the units which are located in puttur region have expressed that the transportation of raw material and as well as finished products is a serious problem for them. Only 15 percent of the respondent owners of beedi-making units which are located in different regions have opined that the transportation for them is not that much serious problem. Thus, it can be concluded from the above analysis that the transportation for majority of the units that are located in different regions of the district is a serious one.

➤ **Management problem**

It is evident from that 75 percent of respondent owners of beedi-making units have expressed that management is a serious problem for them. Only 25 percent of respondent owners of beedi-making units in the district have opined that the management of beedi-making units is not a serious problem for them. Thus, it can be concluded that the management of beedi-making units is a serious problem now-a-days because of so many reasons.

➤ **Problem of government tax:**

All the respondent owners of select beedi-making units irrespective of their location have unanimously opined that the government has been levying an abnormal rate of taxes in the form of excise duty with an intention to discourage and dilute the beedi-manufacturing activity in the district. Thus, from the foregoing analysis, it can be concluded that the levying of abnormal tax on the owners of beedi-making units is maximum.



➤ **Problem of Cancer Patient symbol**

The Government of Andhra Pradesh has proposed to affix a label which contains a symbol of Cancer Patient symbol around the bundle of beedies and on the pack of bundles. As a result the beedi -making unit holders have launched an agitation marking a Cancer Patient symbol so as to drop the idea of affixing a label on the beedi bundle. Keeping the above fact in view, the researcher has incorporated. The question to know whether they have any problem or not with this proposal. Thus, from the foregoing analysis, it can be concluded that the government proposal of affixing a label on beedi bundle would be a serious threat for them.

➤ **Climate Problem**

It is assumed that the climatic conditions are not so conducive for making beedies. It is implied that the owners of the beedi-making units are facing unfavorable climatic conditions throughout the years in almost all the regions. Thus, from the foregoing analysis, it can be concluded that the climatic conditions for almost all the beedi-making units is not so conducive. As a result, the beedi making activity usually be disturbed especially during cold and rainy seasons.

Problems of Beedi rolling workers

In the above paras the researcher has presented the problems of beedi-making units only as the study is confined to the development of beedi industry. However, the researcher is also interested to present the problems of the labour whose presence and involvement are very much crucial and indispensable in making beedies. The following are the

numerous problems of the workers who are working both inside, and outside the factories. The workers working within the factory premises are called inside the workers and workers working outside the factory i.e., at the residence of workers are called outside workers.

❖ **Delayed wage payments:**

Most of the respondent workers working for beedi -making units located in puttur region have opined that the delay in wage payment has become a serious problem for them. Thus, it can be concluded from the foregoing analysis that the delay in wage payment to workers is a serious problem for a majority of the workers working for select beedi-making units which are located in puttur region.

❖ **Payment of wages to the workers is at the mercy of owners:**

In the study area 77 percent of sample respondents have expressed that the periodical wage payments are made at the mercy of owners of the beedi making units and therefore it is a serious problem for them. In other words the owners of the beedi making units make inordinate delays in the payment of wages. 23 percent of sample respondent beedi-rolling workers have opined that the delay in wage payment is not at all a serious problem for them because for them the beedi rolling activity is not a primary activity and the income out of it is also not a primary source of income.

❖ **No leave provision for national and festival holidays:**

As per the judgment delivered by the Andhra Pradesh High Court on 17th June, 1981 workers are entitled to avail



national and festival holidays. But the beedi-rolling workers have reported that they are deprived of this facility.

The provision of leave on national festival days and the reactions of the sample respondent beedi-rolling workers working for the select beedi-making units located in puttur region, 83 percent of the sample respondent beedi-rolling workers irrespective their location have expressed that the beedi-making unit holders are not observing the holidays and hence the beedi-rolling workers are facing that this type of attitude creates a problem. Around 17 percent of sample respondent beedi-rolling workers have opined that not observing holiday on national festival days is not a serious problem. Sample respondent workers fall under this category (not serious) are under the impression that beedi-rolling activity is informal activity and most beedi-rolling workers under take beedi -rolling activity at their respective homes.

❖ **No weekly holidays:**

The beedi-rolling workers are deprived of the privilege of weekly off. In fact, the beedi-worker, who rolls the beedies does not have the privilege of enjoying weekly holidays because he/she is governed by the piece rate of wages as per the beedi and cigar workers (condition of employment) Act, 1966. Hence, it should be presumed that workers other than beedi rollers such as beedi checkers and battiwala are aggrieved by the practice of no weekly off. Thus, it can be concluded from the foregoing analysis that the no provision of week end holiday is not a serious problem for majority of the sample respondent workers because these workers are working for the beedi-making units during their leisure time.

❖ **No provision for lay off compensation:**

As per section 26-R of the Industrial Disputes Act 1947 the worker is entitled to get the layoff compensation. But some of the beedi-establishments in the state are not paying the layoff compensation. 82.67 percent of sample respondent beedi-rolling workers irrespective of the beedi making units for which they are working and irrespective of the beedi-making units where they are located, have expressed that there is no provision for compensation if at all the beedi making unit is closed under any circumstances. Thus it is considered as a major /serious problem for them. 17.33 percent of the sample respondent beedi rolling workers have opined that the non keeping of provision for meeting the compensation during the lay off period of the beedi making factory is not a serious problem. Thus, from the fore going analysis, it can be concluded that not keeping the provision for meeting the compensation during the layoff periods is a serious problem.

❖ **Wage cuts for spoiling the beedi leaves:**

For no fault of the beedi worker with regard to wastage of beedi leaves cuts in the wages are being made in some cases. This clearly shows the weak bargaining position of the beedi workers.

The results reveal the slashing of wages for spoiling the beedi leaves and the reactions of the sample respondent beedi-rolling workers. All the respondent beedi rolling workers have unanimously opinioned that the owners of beedi-making units provide the inferior beedi leaves and if at all the beedi rolling workers return the beedies less than the



expected number, then the owners of beedi-rolling units slashes the wages out of the wages paid to the beedi rolling workers. Thus, the beedi-rolling workers are presuming that this type of practice is unethical and therefore it is a serious problem for them.

❖ **Non-implementation of minimum wages:**

It has been reported that the implementation of minimum wages is not satisfactory in several cases. In order to provide justice to the working community the authorities empowered to implement the policy of minimum wages must take care that section (2) sub-section 9b) of the payment of wages Act, 1936 is strictly followed in every establishment. 52 percent of the sample respondent beedi-rolling workers have expressed that the non implementation of minimum wages is not a serious problem. Because these workers are not working for the beedi-making units on continuous basis and are working during their leisure time only. Therefore, it is a subsistence income only for them. Whereas for the other 48 percent of the sample respondent workers, non implementation of minimum wages is a serious problem because these workers always work for the beedi-making units. They get wages for the lively-hood only.

❖ **Supply of inferior quality of beedi leaves:**

In some of the establishments, there is a practice that the owners of beedi making units/agents supply inferior quality of Tendue leaves. Every establishment has its own formula by which the input and output ratio is prefixed. The worker has to produce the number of beedies as per the prescribed

formula. 63 percent of the sample respondent beedi-rolling workers are under the impression that the supply of inferior quality of beedi leaves is not a serious problem. Whereas 37 percent of sample respondent beedi-rolling workers are under the opinion that the supply of inferior beedi leaves is a serious problem for them because if the beedi-rolling workers spoil beedi leaves the owners of the beedi-making units slash the wages to that extent.

❖ **Problem of disease proneness:**

In a day on an average, a worker spends 8 hours of time for rolling the beedies. Tobacco is one of the main ingredients of beedi. The smell of tobacco causes injury to the health of worker in beedi industry. Consequently there is possibility of the workers suffering from pneumoconiosis, lung cancer, chest infection, asthmatic problem, bronchitis, tuberculosis, amaebiosis/dysentery, hyper acidity, dermatitis (skin diseases), bleeding piles, nutritional deficiency, malnutrition, nicotine action, and myocardial infarction and losing sight. For this no compensation is paid but it is learnt that only some of the organizations are paying some medical bills on humanitarian grounds.

The researcher, hence, feels that a statutory rule must be made to this effect in the interest of beedi worker to the effect that compensation (anticipatory) should be paid. 92 percent of the sample respondent beedi-rolling workers have revealed that for them exposure chance to occupational diseases is more and therefore it is a serious problem for them. The incidence of exposure to these kinds of occupational



diseases is more in case of those who work for more hours in beedi-rolling activities i.e. since morning to night. Thus, it can be concluded from the foregoing analyses that those workers who work for the entire day and who do not have other activity except this have sense of fear in their minds that they might be prone to occupational diseases. Majority (60 percent) of the respondent beedi-rolling workers have expressed that the beedi -rolling activity is not exposed to occupational diseases and therefore not a serious problem.

❖ **Nature of job in the beedi industry is purely temporary:**

All sample respondents of beedi-rolling workers working for different beedi-making units irrespective of their location have unanimously opined that the non permanency of job in the beedi industry is a serious problem for them because if the jobs of these people are made permanent they need not depend on other activities for instance on agricultural labour, construction activity and the like for their lively hood. Moreover they need not move from one place to another in search of employment/labour if their jobs are made permanent. Thus, from the foregoing analysis, it can be concluded that the non-permanency of job in the beedi making units is a serious problem for all beedi-rolling workers who are working on full time basis for the different beedi-making units irrespective of their location.

❖ **No guarantee for continuous employment:**

Beedi industry provides employment for only 8 to 10 months in a

year. Employment in the industry for the remaining period depends on the turnover and sales of the present year. 54 percent of the total sample respondent beedi rolling workers have opined that the non-guarantee of employment is not a serious problem because the nature of the beedi-making work is such. It is not a primary occupation for them and the income out of it is a subsistence income for them. Even house wives take up this activity not as a primary activity but as secondary activity. More than 46 percent of the total sample respondent beedi-rolling workers have expressed that the non – guarantee of continuous employment is a serious problem for them. To thesis workers the beedi-rolling activity is primary occupation, even if the beedi rolling activity is discontinued temporarily for any of the reasons; they feel it is very difficult for them to lead their family. These people are solely depending on beedi-rolling activity. For some of the families especially families belonging to Muslim community, it is a primary activity and the income out of it is a primary source of income. Thus, it can be concluded from the foregoing analysis that non-guarantee of continuous employment is not a serious problem for those who take up this activity as a secondary activity for subsistence income. Non-guarantee of continuous employment is a serious problem for those who take up beedi-rolling activity as a primary occupation and income out of it is a primary source of income for their lively hood.

7.Conclusion

The opinions of select beedi-rolling workers working for select beedi-making units located in different regions of the district. It is evident from the



Table that cent percent of select beedi-rolling workers irrespective location and beedi-making units have categorically expressed that the government's decision of affixing a label containing a Cancer Patient Symbol around the beedi bundle and on the packet of the beedi bundles would contain threat to their lives.

The decision of the government would lead to the closure of the beedi-making units, especially small beedi-making units this further resulted in non-availability of work for those workers who have been habituated to the beedi-rolling activity.

References

District hand book, Chittoor