

Fourteenth Loksabha

Session : 5

Date : 08-08-2005

Participants : [Rao Shri K. Chandra Shekhar](#), [Acharia Shri Basudeb](#), [Krishnan Dr. C.](#), [Karunakaran Shri P.](#), [Kumar Shri Shailendra](#), [Karunakaran Shri P.](#), [Radhakrishnan Shri Varkala](#), [Rao Shri K. Chandra Shekhar](#)

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Title : *h Calling attention to matter of urgent public importance

12.11 hrs.

CALLING ATTENTION TO MATTER OR URGENT

PUBLIC IMPORTANCE

Situation arising out of problems being faced by the Beedi workers in the country, particularly in Kerala and steps taken by the Government in regard thereto

SHRI P. KARUNAKARAN (KASARGOD): Sir, I call the attention of the Minister of Labour and Employment to the following matter of urgent public importance and request that he may make a statement thereon:

“The Situation prevailing in the Beedi Industry and problems being faced by the Beedi workers in the country, particularly in Kerala and steps taken by the Government in regard thereto.”

THE MINISTER OF LABOUR AND EMPLOYMENT (SHRI K. CHANDRA SHEKHAR RAO): Mr. Speaker, Sir, Beedi Industry is primarily a rural based labour intensive industry, which provides employment to about 4.9 million workers mainly in the States of Andhra Pradesh, Bihar, Gujarat, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Orissa, Rajasthan, Tamil Nadu, Uttar Pradesh and West Bengal. The Beedi Workers Welfare Fund Act, 1976 has been enacted to provide for financing of measures to promote the welfare of beedi workers. Several welfare schemes have been formulated to extend health, housing, educational, social security, maternity benefits etc., to beedi workers and their family members. As reported, the beedi industry has been undergoing a situation of crisis for quite sometime. In some places, beedi workers are not getting work for sufficient days in a month. Since these workers comprise mainly weaker sections, the SCs/Sts, minorities etc., which are from the most vulnerable sections of the society, are unable to sustain this situation.

*Also placed in Library, See No. LT 2462/05

The beedi workers are generally deprived of any institutionalized form of social security as these workers earn bare minimum to make the two ends meet. Due to their poor living conditions and hazardous nature of work, they are exposed to various kinds of occupational diseases in addition to diseases generally found amongst population of similar socio-economic background.

There are certain legislations, which take care of the interest of these workers. The Minimum Wages Act, 1948 provides for payment of minimum wages as notified by the respective State Governments. Whenever any complaint regarding non-payment by the minimum wages etc., is received by the Government, the same is referred to the respective State Governments for corrective action. The Director General, Labour Welfare and his officers during their tours in the beedi worker concentrated areas, meet and take first hand information about payment of minimum wages and implementation of various welfare schemes being run for them, and give suitable directions to the field staff. Otherwise also, we have been requesting the State Governments from time to time to effectively enforce the provisions of legislations applicable to beedi workers.

Regarding coverage under provident fund, there is a large gap between the identified beedi workers and those covered under provident fund. We have been conducting special drives for covering more beedi workers under the ambit of PF coverage. 1.2 lakh beedi workers have been covered under provident fund during such a drive conducted between January to March, 2005.

Under the Beedi Workers Welfare Fund Act, 1976, several initiatives have been taken to increase the coverage of various welfare schemes and liberalize the schemes. There is a Central Advisory Committee comprising representatives of beedi workers, employers and Government for considering the problems coming in the way of effective implementation of welfare schemes as well as beedi industry as a whole, and to suitably advise the Government. There has been a steady increase in the expenditure on welfare of beedi workers which has risen from the level of around Rs. 50 crore in 2000-01 to Rs. 88.88 crore in 2004-05. To meet the additional requirement of funds for financing this, the rate of cess levied on manufactured beedis has been enhanced from Rs. 2/- per thousand to Rs. 4/- per thousand with effect from 01.04.2005. With this enhancement, we would be able to garner an additional Rs. 7—7.5 crore per annum towards the welfare cess.

Health care is provided to the beedi workers and their dependents through four hospitals and 206 dispensaries all over the country. Three more hospitals, at Mukkudal in Tamil Nadu, Sagar in Madhya Pradesh and Bihar Sharif in Bihar, are nearing completion. In addition, liberal reimbursement for medical expenditure on treatment of serious diseases like heart ailment, kidney transplantation and cancer etc., incurred in recognized hospitals are available. The maximum limit of reimbursement is Rs. 1.30 lakh for heart ailment; Rs. 2 lakh for kidney transplantation, and for cancer the full cost of treatment is reimbursed. Women beedi workers are entitled to maternity benefit amounting to Rs. 1000/- up to two deliveries. An amount of Rs. 5,000 is granted to widow of beedi worker for conducting marriage of daughter. Group Insurance Scheme is being run for beedi workers wherein benefit of Rs. 10,000 for natural death and Rs. 25,000 for accidental death is payable. The

beedi worker is not required to pay any premium towards this scheme. An amount of Rs. 33.59 crore has been spent towards health and medical care during 2004-05. The Government has also started a new scheme for providing a one-time grant of Rs. 2 crore to the State Governments or any other institutions towards expanding existing hospital facility exclusively for beedi workers.

Scholarships are provided to children of beedi workers studying in class V and above, in recognized institutions ranging from Rs. 500 for class V to Rs. 8,000 for professional degree courses per child per annum [k15]. Children of beedi workers studying in classes I to IV are eligible to receive Rs. 250 per annum for school uniforms and text books. Earlier, region-wise ceiling on number of children of beedi workers studying in classes I to IV for grant of stipend has been removed and every child is now eligible for this stipend. Around four lakh children of beedi workers were provided scholarships and an amount of Rs. 40.52 crore was spent on it during 2004-05.

The Government has also been implementing a housing scheme for construction of a house by the beedi worker. The subsidy available for construction of a house was Rs. 20,000 which was increased to Rs. 40,000 in August, 2004. To avail a subsidy of Rs. 40,000, a beedi workers was required to contribute an amount of Rs. 40,000 towards construction of his house as his matching contribution. I wish to inform the august House that this Scheme has been further liberalised and a 'Revised Integrated Housing Scheme 2005' has been introduced from 25.05.2005 wherein a uniform central subsidy of Rs. 40,000 is provided to a worker having his own land against a contribution by him of Rs. 5,000 only.

In Kerala, beedi manufacture is mainly done in factories run by the co-operative societies of beedi workers. In Kerala, during the year 2004-05, scholarships to the children of beedi workers amounting to Rs. 1.55 crore have been granted. Similarly, 706 houses were sanctioned in Kerala during this period and a subsidy amounting to Rs. 1.2 crore was disbursed. There are eight medical dispensaries to provide basic health care to beedi workers and their families. Besides, more than seven lakh rupees were reimbursed to beedi workers in Kerala under various reimbursement schemes like cancer, heart ailments and maternity benefits, etc.

MR. SPEAKER: Please do not do this.

SHRI K. CHANDRA SHEKHAR RAO: The Government of Kerala has been implementing the Kerala Beedi and Cigar Workers' Welfare Fund Scheme, under which 35,670 workers were registered. This Scheme provides monthly pension and other welfare measures to the workmen. In Kerala, beedi industry has been included as a Scheduled employment under the Minimum Wages Act, 1948 and total wages for rolling 1000 beedis comes to Rs. 84.20. The Government of Kerala has informed that mainly because of unfair competition from units exempted from payment of Excise duty and cess as well as due to the enforcement of anti-smoking legislation, the consumption and production of beedi in Kerala has come down considerably and workers are not getting sufficient work. The Government of Kerala has set up a Committee under the Chairmanship of State Director of Industries and Commerce to go into the problems being faced by the beedi industry and to suggest remedial

measures. The Committee is reported to have visited the affected districts and would be submitting their report to the State Government.

MR. SPEAKER: I would once again like to remind the hon. Members that, except the hon. Ministers, nobody is permitted to approach the officers sitting in the Official Gallery.

SHRI P. KARUNAKARAN : Sir, hon. Minister has given a lengthy statement. I am thankful to him for that. But many of the issues have remained unanswered.

Sir, the total number of beedi workers comes to about 60 lakhs. Though the Government has passed a legislation at an early date, most of the States have not implemented this Act in full sense. In the Statement, so many benefits and claims are narrated. But most of the workers, due to lack of implementation of the Act, are not going to benefit because of this Statement and all that.

Sir, as far as this excise duty is concerned, it is now levied on the total number of beedis produced. But you see the co-operative societies, especially in the State of Kerala – Kerala Dinesh Beedi – and also the Government establishments are promptly paying the excise duties. But, at the same time, private traders are avoiding payment of excise duty. As a result of this, the co-operative societies are unable to bear the very huge amount.

Sir, as far as this welfare fund is concerned, the Government has made some changes. It is good. But it is now transferred to the State Governments. The worker has to pay five thousand rupees as the advance for the construction of the house. Not only that, if the worker has to get Rs. 40,000, the total cost of the house, including the land value, should be only Rs. 1 lakh[[pkp16](#)].

The land value differs from place to place depending on whether it is in rural area or urban area. So, the land value has to be excluded from the total cost. Irrespective of the cost of the house, Rs.40,000 should be given to the workers for this purpose. In light of these issues, I would like to get some clarifications from the hon. Minister.

Will the Government take immediate steps to implement Beedi Cigarette Act in those States where Beedi is dominant? Beedi is an unorganised sector and 90-92 per cent of women are being engaged in this sector. They are being exploited due to non-implementation of the Act.

Will the Government consider levying excise duty on tobacco instead of levying duty on total production of tobacco? As a result, the revenue of the Government will also increase and all the persons who are producing tobacco are liable to give excise duty. This way the cooperative societies and Government establishments can be saved.

Will the Government consider retaining the housing scheme of the Beedi workers under the Central control? Now, Beedi workers have to give their applications to the collector. The application first goes to the Government and then to the Central Government. So, it will take at least three or four days. That has to be retained with the new scheme.

Will the Government consider enhancing the amount given under the Housing Scheme? At present it is Rs.40,000. It is not possible to construct any house with this Rs.40,000. So, the suggestion of the workers is to enhance this amount to at least Rs.60,000.

The Government may also consider starting hospitals for Beedi workers. It is clear in the statement that the Government is going to construct three more hospitals. Kerala is the first State where it is being implemented fully. There are no hospitals. Will the Government consider constructing hospitals, especially in Konoor which is more dominated by Beedi workers than any other place?

Considering the unorganised character of the Beedi sector and also majority of the workers are women, will the Government take special insurance scheme covering all the workers, not the workers working either in the cooperative societies or the Government workers alone? They should be given premium either by the Government or by the Panchayats.

In the earlier days the workers were given Rs. 13,000-35,000 as loan. It has now been converted to grant. The workers who have taken the loan have to pay the same. I had myself raised this in the House. I would request the Government to take note of these issues.

MR. SPEAKER: Hon. Members, you are all aware that Members should give notices in advance. I will now allow some further clarifications by Members. I wish to inform the hon. Members that I have got six names. Even now I see that some hands are being raised, which is totally impermissible. Out of six, four hon. Members have given notice at 10 o'clock. One hon. Member, who is now raising his hands, has given notice at 1051 hours and another hon. Member has given notice at 1215 hours. I am rejecting these two notices. I request the other four Members to please put only one question so that we can proceed with the business of the House. Do not give prefaces; put question only [\[R17\]](#).

DR. C. KRISHNAN (POLLACHI): Sir, beedi is injurious to health. At the same time, liquor drinking is also injurious. However, they have notified that smoking only is prohibited in cinemas as well as in public places.

MR. SPEAKER: It is also prohibited in Parliament.

DR. C. KRISHNAN : In some way, it is harmful for the employees.

MR. SPEAKER: What is your clarification?

DR. C. KRISHNAN : I wish to bring to the notice of the Government the grievances of the beedi workers.

MR. SPEAKER: This is not your job. You ask a clarification.

DR. C. KRISHNAN : The wages of the beedi workers should be increased according to the Consumer Price Index. The house loan which is, at present, Rs.40,000 should be increased to Rs.60,000.

As regards educational assistance, there are about ten lakh beedi workers in Tamil Nadu and only Rs.11 crore have been granted. That should be increased to Rs.15 crore.

MR. SPEAKER: Will the hon. Minister do all those things?

DR. C. KRISHNAN : The education assistance should be given in the beginning of the year, namely, during the month of June itself. It should not be delayed. When the children go for studies, they have to go by train or by bus. So, the educational assistance should be increased by the Government according to their higher studies.

The tobacco and leaves should be made available sufficiently so that they get work for six days a week.

MR. SPEAKER: Everything has already been said. Please do not repeat.

DR. C. KRISHNAN : Regarding the date of birth certificate, three things can be taken into account, namely election identity card, ration card or educational certificates.

MR. SPEAKER: You are giving certain demands. This is not the job of Calling Attention. You can ask some clarification.

DR. C. KRISHNAN : The date of birth is causing concern when the pension is calculated.

MR. SPEAKER: Thank you very much. I would not allow this to be done. We have to have some expertise. You have mentioned many points. Now Shri Varkala Radhkrishnan would speak and please ask only clarification.

SHRI VARKALA RADHAKRISHNAN (CHIRAYINKIL): As regards beedi production, the vital issue lies in the excise duty that is collected. The excise duty is calculated for the beedis that are produced by the workers. Now excise duty can be levied on tobacco. The difficulty is that the private beedi workers do not keep any accounts. They do not have any clear accounts. But the societies are engaging 90 per cent women as workers. They keep very correct accounts and they submit the accounts to the income tax authorities and the excise authorities as per rules. But in the case of others, they do not give any account. So, they could sell beedi at a lower price whereas the societies are not in a position to sell at the price at which the private beedi workers are able to sell it.

So, I would like to know from the Government whether it would be pleased to levy tax on products, that is, tobacco and exempt beedi fully from the excise duty. Then only the industry can be saved.

MR. SPEAKER: Mr. Karunakaran has already made this point. Now, Shri Basu Deb Acharia to speak. Please seek a clarification only.

SHRI BASU DEB ACHARIA (BANKURA): Sir, there are 42 lakh beedi workers all over the country. Previously, there was a health scheme for the beedi workers. The Government of India has set up four hospitals. In my district of Jhalda, a hospital for the beedi workers was sanctioned four years back. But now the Government of India has announced a new scheme and only Rs.2 crore will be provided for the construction of the hospital[r18].

The running of the hospital will be the responsibility of the State Government. A cess is levied, per thousand of *beedi*, for the welfare of the *beedi* workers. A substantial percentage of *beedi* workers suffer from Tuberculosis. It is because of this reason that this hospital at Jhalda, in the district of Purulia, West Bengal was sanctioned four years back. I would like to know from the hon. Minister whether the Government would consider construction of this hospital under the earlier scheme, that is, prior to sanction of Rs. Two crore as non-recurring expenditure for the construction of the hospital or not.

Sir, as per the statement of the hon. Minister, only 1.2 lakhs beedi workers are covered under the Provident Fund scheme today. I would like to know whether the Government would consider bringing all the 42 lakh beedi workers under the umbrella of the Provident Fund scheme or not.

Sir, there is a problem being faced by the Co-operative societies meant for the *beedi* workers. I had discussed this issue with the hon. Minister and he is well aware of this problem. In my constituency there is one such co-operative society of the *beedi* workers where they are being asked to clear their outstanding dues. If the society is asked to pay around Rs. 50 to Rs. 60 lakh as dues, then the only course left to them is winding up the society once for all.

MR. SPEAKER: You please first get the assurance from the hon. Minister about the construction of the hospital meant for the *beedi* workers.

SHRI BASU DEB ACHARIA : Sir, I would like to know whether the Government would consider exempting the co-operative society from payment of their outstanding dues.

MR. SPEAKER: That is not the purpose of this Calling Attention.

श्री शैलेन्द्र कुमार (चायल) : माननीय अध्यक्ष जी, मैं श्री करुणाकरन जी को धन्यवाद देना चाहता हूँ। अभी जितने सम्मानित सदस्यों ने अपनी बात उठाई, उन सभी ने माना है कि यह बहुत बड़ी समस्या है। मेरे निर्वाचन क्षेत्र चायल, उत्तर प्रदेश में पच्चीस हजार बीड़ी कर्मचारी हैं, जिनमें महिलाएं और बच्चे भी हैं और उनका ठेकेदारों द्वारा शोण किया जाता है। जब वे एक हजार बीड़ियां बनाते हैं, तब उन्हें एक रुपया मजदूरी दी जाती है। उसमें ज्यादातर बच्चे और औरतें टीबी या दमे के मरीज हैं। मैं आपके माध्यम से मंत्री जी से पूछना चाहता हूँ कि क्या ठेकेदारों द्वारा बीड़ी वर्कर्स का जो शोण हो रहा है, उस पर अंकुश लगाने की कोई व्यवस्था करेंगे और उनके मानदेय को बढ़ाने की बाबत किसी तरह की कार्यवाही करेंगे?

इसके साथ ही मैं आपको जानकारी देना चाहूंगा, जैसा कि अभी श्री बसुदेव आचार्य जी ने बताया मेरे पिता जी वर्ष 1983-84 में भारत सरकार में श्रम मंत्री थे। मेरे ही निर्वाचन क्षेत्र में, एक तीस बैड का अस्पताल मंजूर हुआ था। वर्ष 1984 में जैसे ही पिता जी की मृत्यु हुई, पता नहीं कैसे वह अस्पताल साउथ में चला गया, दूसरे श्रम मंत्री जी के यहां चला गया। मैं आपके माध्यम से पूछना चाहता हूँ कि मेरे निर्वाचन क्षेत्र में बीड़ी वर्कर्स की संख्या पच्चीस हजार से ज्यादा हो गई है और जो नई योजना में आप तमाम अस्पताल खोलने की मंजूरी दे रहे हैं, क्या मेरे निर्वाचन क्षेत्र में एक तीस बैड के अस्पताल को खोलने की मंजूरी देंगे?

MR. SPEAKER: I am sure, as a worthy son of a worthy father you would also look after the interest of the *beedi* workers.

SHRI K. CHANDRA SHEKHAR RAO: Sir, as committed by the Government in its Common Minimum Programme we are giving priority to the welfare of the *beedi* workers. With a view to achieving that end, the Government has increased the welfare cess from Rs. 2/- to Rs. 4/- to get more funds so that more welfare activities could be extended to the poor *beedi* workers.

The new housing scheme has just been taken up. Previously the scheme did not take off as expected. We have now made it very simple and the district collectors have been given the responsibility for the implementation of the scheme. This scheme would be implemented on the lines of the IAY[[snb19](#)].

The amount of Rs. 40,000 which is provided is full grant. There is no loan component[[bru20](#)]. The beneficiary contribution is expected to fulfil two things. They should possess a house site either of their own or provided by the respective State Government and they should also deposit a share of Rs. 5000 from their side. Let us see how this scheme of the total amount of Rs. 45,000 takes up and if there are any changes in future, the Government is ready to take it up. Let us experience and see how it works.

Another aspect is the health care of the *beedi* workers. Wherever the ailment is very serious like if it is a heart disease or cancer or a disease pertaining to kidney transplantation, we refer such cases to the super special hospital. If it is cancer, then the Government makes full reimbursement of the treatment charges. If it is heart related ailment, then the maximum limit is Rs. 1,30,000 and if it is the case of kidney transplantation, then the limit is Rs. 2 lakhs. It is working well. We cannot manage to have super special hospitals. There are super special hospitals and other good hospitals in the private sector. With the aim of helping these workers, we refer them to these super special hospitals which are there in the private sector and we reimburse the money.

There is another problem which the *beedi* industry is facing. The companies which produce less than 20 lakh *beedis* per annum are exempted by the Government from paying central excise. They are the ones which are creating a problem to the genuine *beedi* companies. They evade tax. There are some cases where they make 40 lakh *beedis* but they never say that they are making 40 lakh *beedis*. In the pretext of enjoying the exemption, they are creating problems to the genuine *beedi* companies. We have taken up the matter with the

Ministry of Finance and the Prime Minister to bring them under the coverage net so that genuine companies are saved and these workers do not suffer.

Shri Karunakaran was demanding a hospital at Kannur. This is not a new scheme. Shri Basudeb Acharia was also demanding a hospital at Jhalda. The scheme was designed by the earlier Government. Now the system in the Government is, we will sanction a one-time grant of Rs. 2 crore if the State Government comes forward ..
... (*Interruptions*)

SHRI BASU DEB ACHARIA : But that hospital was sanctioned four years back.

SHRI K. CHANDRA SHEKHAR RAO: I am trying to explain the general policy of the Government. The Government gives Rs. 2 crore as a one-time grant to the State Government, if the State Government comes forward with a proposal, and we also provide Rs. 10 lakhs each year for providing medical facilities to the beedi workers. This is the present scheme. Most of the State Governments are not coming forward with proposals. We are reviewing this matter within the Department. I assure Shri Acharia that the hospital which he has been repeatedly demanding will be taken up under the old scheme and not under the new scheme. That will be done because he has been requesting for it for quite sometime. The Government will take care of that.

Shri Radhakrishnan was demanding for total exemption of beedi industry from central excise and levy tax only on tobacco. That part was not examined by the Government earlier. I cannot give any assurance. But we will look into this matter as to how it works out. Let me examine it.

MR. SPEAKER: Very good!

SHRI K. CHANDRA SHEKHAR RAO: Shri Acharia was mentioning that only 1.2 lakh beedi workers are covered under the provident fund scheme. That is the not the total figure. The number of beedi workers which are covered by the Provident Fund Department is above 20 lakhs. This was part of the special drive from January, 2005 to March, 2005. At that particular point of time, this figure was given by the PF Department. We have also conducted a special raid in the State Government of West Bengal and got 70,000 beedi workers enrolled under it at one stretch. We are going to apply the same system all over the country wherever there are beedi workers. They are also trying to conduct a special raid on those who are evading social security provident fund subscription.

श्री रघुनाथ झा (बेतिया) : अध्यक्ष महोदय, मेरा आपके माध्यम से मंत्री जी से निवेदन है कि वे बिहार को भी ध्यान में रखें। बिहार में बहुत बीड़ी वर्कर्स हैं। ... (व्यवधान)

MR. SPEAKER: You keep it in mind but do not reply to him.

SHRI K. CHANDRA SHEKHAR RAO: We have formulated a flying squad in the Provident Fund Department. West Bengal was a good example and we had a good experience. We are going to repeat it all over the country

and I am definitely expecting some good results.

MR. SPEAKER: Shri Bikram Keshari Deo, you are a senior Member by this time. Please sit down. These are certain matters on which let us follow some rules. You have never bothered to even show concern by giving a notice. It will not be answered. Nor will it be recorded. Shri Deo, I was trying to say and indicate my greatest appreciation for we have not lost a minute. I want to thank all sections of the House for their kind cooperation. We are doing more work; we are taking up more questions and supplementaries; and we are taking up more matters. I need your kind cooperation. I am obliged to all the hon. Members. Probably, the House and the country will know that we have not wasted a minute's time. Therefore, please cooperate. I shall always try to cooperate.

Regarding the second Calling Attention Motion, I have got a request from the hon. Member, in whose name it has come up, that due to some inconvenience it may be postponed. I am postponing it to some other date. I will talk to all concerned and find out a date. See we can do so many things.

Now, let us take up Matters of Urgent Public Importance. Shri Ramji Lal Suman.