

Proposed Tobacco Bill Will Bankrupt Beedi Sector, Warn Activists

According to estimates by trade unions, there are about 85 lakh beedi workers in the country who will be directly affected by the proposed amendments.

Prudhviraj Rupavath 22 Jan 2021



Hyderabad: Concerned over the growing crisis in the beedi sector, trade unions are raising objections to the draft Cigarettes and Other Tobacco Products (Prohibition of Advertisement and Regulation of Trade and Commerce, Production, Supply and Distribution) Amendment Bill 2020. The Union Ministry of Health and Family Welfare has put forward the draft bill in public domain and asked for comments till January 31.

According to workers, the new changes will severely impact the workers associated with the beedi sector.

S Rama of the Telangana Beedi and Cigar Workers Union, affiliated to the Centre of Indian Trade Unions (CITU) said that the new amendments will eventually impact the wages of lakhs of beedi workers and their employment. "Since 2003, the tobacco related policies of the central government had pushed the Beedi sector into severe crisis. By levying 28% Goods and Services Tax (GST) on beedis and the increase in the size of warning signs on the beedi packets had resulted in massive unemployment in the sector," she said.

According to estimates by trade unions, there are about 85 lakh beedi workers in the country.

"In North Telangana, there are 8 lakh families dependent on the beedi sector. Earlier, the beedi workers used to find work for 26 days a month but after the GST imposition, the workdays have reduced to 10-12 days," Rama explained. She added that the central government is ignoring the livelihood of lakhs of families associated with the beedi sector through such legislations. "If the government wants to reduce beedi production, then they have to provide alternative employment opportunities for beedi workers," she demanded.

The draft bill has proposed 32 amendments to the previous law. Among the amendments are a ban on advertisements near shops, ban on sale of loose beedis, increase in fine on advertisement of beedis and cigarettes from Rs 1,000 to Rs 50,000, requirement of license for sale of tobacco products, ban on sale of beedis to people below the age of 21 years, increase in fine for not printing on tobacco products upto Rs 50,000 to Rs 1 lakh and imprisonment upto 7 years and a fine upto Rs 1 lakh as punishment for selling beedis in prohibited areas among other amendments.

“The steep increases in fines will impact both beedi sellers and smokers. Getting licenses for selling tobacco products or beedis will be cumbersome. Punishment proposed for selling beedis in prohibited areas is a dangerous provision. If implemented, almost 70% to 80% of shops selling beedis will shut down,” said Praveen, a beedi worker from Warangal. He added that with the ban on the sale of loose beedis, many small scale sellers will become jobless.

The new amendments will make the beedi sector go bankrupt, said V Krishna of the Telangana Pragatisheela Beedi Workers’ Union. “By proposing restrictions on advertisements, steep increase in penalty on beedi sellers, the bill will further deteriorate the already struggling beedi sector. If the government is concerned about public health, then why is it encouraging liquor sales,” he argued. “The bill eventually encourage black market of tobacco products. Not only that, if the beedi sector collapses, the cigarette companies of big corporates will make massive profits,” he alleged.

During the lockdown imposed with the outbreak of the COVID-19 pandemic, lakhs of beedi workers were reportedly not paid salaries by the beedi companies in Telangana.

“Trade unions have been fighting against the anti-worker policies of the BJP government. The government is turning a blind eye to the opposition to the labour codes and is not even considering the minimum wages demand. With this new bill, it is now posing another threat to the beedi sector,” Rama added.

She also said that the beedi workers’ federations across Telangana, Maharashtra, Tamil Nadu, West Bengal and other states will jointly send their objections on the bill to the Union ministry.

Source: <https://www.newsclick.in/Proposed-Tobacco-Bill-Bankrupt-Beedi-Sector-Warn-Activists>