

CONTRACT SYSTEM IN BEEDI INDUSTRY

We will now study about a very different system of making things. This is the contract system. You will realise how different it is from the way in which artisans organise their work to manufacture things.

What differences are you likely to find between the two systems of organising industrial work? Discuss amongst yourselves.

We shall study the contract system through the example of the manufacture of beedis. The contract system is widely used in the beedi industry. If any of you have any knowledge about this industry, share it with the others in the class.

Sameena Gets Paid

There is a crowd of people at the house of Saddu Miyan, the contractor. They are all beedi makers. They have come to deposit the beedis they have rolled and to collect bundles of tendu leaves, tobacco and thread. They will take these materials home to roll more beedis.

There are many families who make beedis. But only one person from each family has an account with Saddu Miyan. The beedis made by all members of the family are entered into this account. Though they come every day to deposit the beedis they have made, they are paid only once in a week. At the end of each week, Saddu Miyan calculates the amount due to each family for the beedis entered in their accounts.

Sameena is also standing in the line. Sameena and her mother, Ameena Bi, roll beedis, so the family account is in Ameena Bi's name. But, today, Sameena has come to collect their money because her mother is sick. She is empty handed; she has no beedis to deposit.

When it is Sameena's turn to be paid, she gives her mother's card to Saddu Miyan. Noticing her empty hands, Saddu Miyan asks, "Don't you have any beedis today, child?"

Where's your mother?"

"She's ill," replies Sameena, "She's been in bed for the past four days. That's why we couldn't roll any beedis. But, please, give me this week's money. Amma has already deposited the beedis we rolled between the 3rd and 5th of this month."

Saddu Miyan checks Ameena Bi's account. He totals the number of beedis deposited. He then deducts a certain figure from this



Fig.1 Sameena and the contractor



Fig. 2 Sameena trimming leaves

amount to cover the poor quality beedis, which will be removed during sorting. The total comes to 2500 beedis. He pays Sameena at the rate of Rs 31 for every 1025 beedis that have been rolled.

"Your mother has leaves and tobacco for 800 beedis," Saddu Miyan tells Sameena. "Make those beedis quickly. Otherwise return the leaves and tobacco."

- **Can you calculate how much money Saddu Miyan gave to Sameena?**

By evening, Ameena Bi felt much better. So Sameena soaked some leaves for rolling beedis the next day. This is important, as dry leaves tend to crumble into pieces while rolling.

Sameena's father, too, rolled beedis. He could make over a thousand beedis in just 5 or 6 hours. Those days Sameena was a little child. Her mother and father worked. They

rolled over 1500 beedis each day. Three years ago, her father began coughing. He fell victim to asthma. He made less and less beedis each day. Soon there were traces of blood in his cough. The doctor told him that he had tuberculosis, a disease, which commonly afflicts those who roll beedis for a living. He tried various cures but nothing worked and he died two years ago.

Sameena Helps Her Family

The next day Sameena and her mother bring out the frame and begin trimming leaves for beedis with a pair of scissors. Working together, they trim 300 leaves in an hour. They put the trimmed leaves in a moistened sack. Sameena tells her mother to take a break and rest a while. She has her lunch, picks up her tray and settles down to roll beedis. On one side is the sack of moistened leaves. The tobacco is placed in the middle of the tray and a bunch of trimmed leaves from the sack is placed on one side. The spool of thread is fixed to a piece of stiff wire attached to the edge of the tray. The bamboo tray, frame, scissors, knife, all belong to Ameena Bi.

- **Identify the tools in figures 2 and 3.**
- **List the raw-materials required for making beedis.**
- **Who owns the tools required for rolling beedis?**

Sameena picks up a leaf, snips off its stalk with the scissors, puts a pinch of tobacco on it and then rolls the leaf into a tube. She has to be careful with the tobacco while spreading it evenly over the leaf - neither too densely, nor too sparsely.

She then ties the beedi with thread at its inhaling end. Then, flipping it over, she punches in the other end. She places the rolled beedi to one side of the tray. If a leaf gets torn or a beedi bends, she sets it aside. When 25 beedis are ready, she ties them in a bundle and places it on the floor. Her little fingers move swiftly. She stops every now and

then to attend to her mother. She manages to make about 50 beedis in an hour. She sings softly to herself to keep up her spirits while working-

*I lift a leaf
Fill it with tobacco
Roll it
Tie it at one end
Punch it at the other
Place it on the tray.
This little beedi
This match-like beedi
Is ready, is ready.
All these beedis
All our beedis.*

When the tobacco in the tray is finished, she takes more of it out of a nearby container. She must use the tobacco carefully. The contractor weighs out the tobacco for every 1000 beedis. If she rolls less than a thousand beedis with that tobacco, he deducts money from her wages.

Sameena sits until evening and manages to roll about 300 beedis. Before finishing work for the day, she remembers to soak the remaining leaves in water, for the next day.

The following day, Ameena Bi also rolls beedis. Altogether, 800 beedis are ready. Ameena Bi sends Sameena to Saddu Miyan to deposit these and collect a fresh lot of leaves, tobacco and thread for another 1000 beedis.

- *How are beedis made? Describe the process in your own words.*
- *If Sameena and her mother together make about 800 beedis in a day, how much money would they earn for the day?*
- *If they work for about 25 days in a month how much would they earn for the month?*
- *Does Sameena give beedis to Saddu Miyan or sells them to him? What is the difference between the two?*
- *What is the difference between the way*



Fig. 3 Sameena making beedis

in which the work of the brass-smith is organised and the way in which the work of the beedi-maker is organised?

Illness Among the Beedi Makers

Beedi rollers who work all day long fall prey to several illnesses. Working with tobacco causes the head to feel heavy. The eyes are strained. Breathing becomes difficult. Illnesses of the lungs and even lung cancer occur with greater frequency. Rapid and continuous finger movements lead to stiffness and knotting of the finger muscles. Their capacity for work is reduced as a result of such illnesses, and so are their earnings.

THE CONTRACTOR

Saddu Miyan himself was a beedi maker some years ago. But of late, he concentrates on his work as a contractor. However, other members of his family continue to make beedis.

There are many big beedi factories. The



Fig. 4 A contractor weighing tobacco

factory owners appoint contractors to get the beedis rolled. Saddu Miyan is one such contractor working for the owners of Arrow Brand Beedi Factory. It is from the factory that he gets the raw materials and it is in the factory that he deposits the beedis that have been rolled.

About 30,000 beedis are deposited in Saddu Miyan's house each day. Saddu Miyan and his son Rafiq count the beedis and sort them. These are then taken to the factory.

Saddu Miyan goes to the factory with his stock of beedis. The munshi checks his accounts. The factory owner pays Saddu Miyan at the rate of Rs 31 per 1000 beedis. He pays for all the beedis because the defective ones have already been sorted out by Saddu Miyan.

Saddu Miyan, however, does not pay the beedi rollers at the rate of Rs 31 per 1000 beedis. Instead, he pays Rs 31 for every 1025 beedis. The additional 25 beedis per 1000 beedis are meant to make up for the defective pieces, which will be removed during sorting.

However, there are seldom so many defective beedis. The extra beedis are sold by him.

The factory owner gives Saddu Miyan a commission for overseeing the various tasks of collecting beedis, distributing tobacco and leaves, etc.

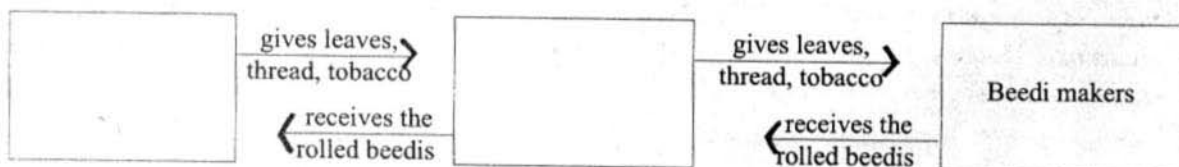
Putting out system

This contract system of manufacturing goods is also known as the putting out system. The main manufacturer does not organise the work in his/her factory, but gets this done through others by 'putting it out', i.e. the work, though controlled by the owner, is done outside the premises and not directly under owner's supervision.

Families like Sameena's make and deposit their beedis with contractors like Saddu Miyan. These beedis made by them do not belong to them, i.e. they cannot independently sell to someone else. The factory owner has provided all the raw materials such as tobacco, tendu leaves and thread to the families through the contractor. The rolled beedis therefore belong to the owner. Even the contractors cannot sell these beedis. These rolled beedis are collected by the contractor and delivered back to the factory owner.

Rs 31 per 1000 beedis is the current rate fixed by the government by law. However, not all beedi manufacturers pay at this rate. They may pay only Rs 28 in some instances and Rs 25, in others. Often, the contractor takes his cut from this amount. So, in some cases the beedi maker may finally get as little as Rs 25 to Rs 22 per 1000 beedis.

In the diagram below fill in the blank spaces by studying the flow of the raw materials and finished goods.



THE FACTORY OWNER

The Arrow Brand Beedi Factory, where Saddu Miyan brings his beedis, belongs to Manmohan. It is the month of April. So Manmohan is away in the forest for the purchase of tendu leaves. His younger brother Anand is looking after the factory in his absence.

Every year the Forest Department organises the collection of tendu leaves. It then sells them (by auction) to factory – owners and traders. Manmohan had gone to participate in the auction sale. The tendu leaves purchased by him would be loaded into trucks and despatched to the factory. The sacks are unloaded there and stored in his godowns.

Since the tobacco stocks in the factory are also low, a second brother - the middle one - has gone to Hyderabad for fresh stocks. Anand, in the meanwhile, has already phoned Bombay for a supply of thread. Thus, you can see that the factory owners organise the collection of raw materials.

At the factory, the sorted beedis are toasted in an oven. The room containing the oven is nearby. This room is extremely hot. The workers have to work in this intolerable heat the whole day. They place the bundles of beedis on trays. These trays are placed in the oven. From time to time, the bundles are turned over in the trays so that the beedis can be evenly toasted on all sides. If they aren't properly toasted they do not burn well when lighted. After toasting, further sorting is done.



Fig. 5 Packaging

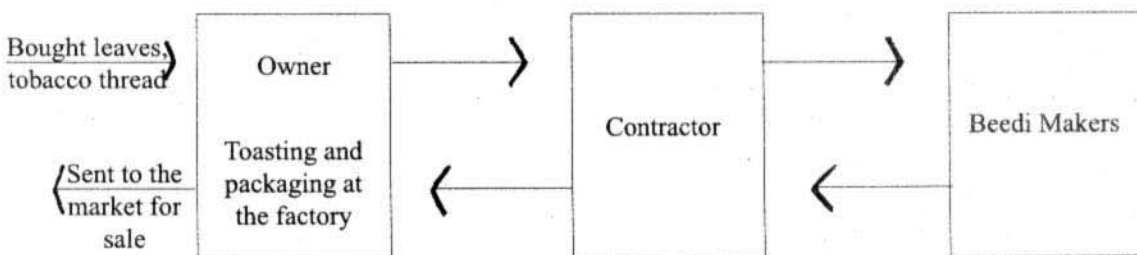
During toasting, beedis can bend or break. Some do not toast enough while others get over toasted. All such beedis are sorted out.

The beedis are then packed in another room. Workers sit with paper, paste and labels to wrap the bundles of toasted beedis.

The factory workers who do the toasting, sorting and packaging are paid daily wages. They, too, are eligible for all the benefits under the Factories Act which card holding beedi rollers are supposed to receive. On discussing these issues with the workers we were told that compared to the earlier times, they now get benefits such as paid leave, bonus, etc. But, other benefits such as medical facilities, scholarships for children, compensation for serious illnesses, etc. have not yet been made available to the workers.

Every day about 3,00,000 beedis are packaged in Manmohan's factory. These beedis are sold in nearby villages and towns. There is considerable demand for Arrow Brand beedis. The factory owner makes good profit from the sales.

Study the flow diagram given in this page and fill in the missing elements.



You have seen how Saddu Miyan collected beedis made by Sameena and other workers and brought them to the factory. The rest of the work was done in the factory, where the beedis were packed and despatched to the markets to be sold.

- **Compare the beedi makers and the brass-smiths and correct the incorrect statements that you may find here-**
- **The beedi makers sell the beedis they make.**
- **The brass-smiths sell the utensils they make.**
- **The beedi makers buy the required raw materials themselves.**
- **The brass-smiths get their raw materials from the contractors.**
- **The raw material required for making beedis belongs to the contractors.**
- **What is the difference in being paid on a daily basis and being paid on the basis of each piece produced? Discuss.**
- **If the factory owner was to buy manufactured beedis from the contractor, what are the tasks he would not have to perform?**

THE CONTRACT SYSTEM

The contract system enables work to be distributed easily. The basic, important functions such as purchasing the tendu leaves, toasting the beedis and organising the selling of the beedis are done by the owner himself. Other functions are given on contract to other people.

Where the owner organises all the functions related to the production, he has to bear the responsibility of various matters such as getting the work done, paying the workers, etc. In a contract system, these responsibilities are taken over by the contractor. The owner is relieved of these. The owners are able to say

that the workers who roll beedis at home are the employees of the contractors. Actually the workers employed in a factory are liable to get legal benefits according to the Factory Act. Thus by not recognising the contractor's workers as the factory's workers, the owners evade the laws made by the government. The workers working for the contractor are paid less and do not get the rights and benefits that are theirs according to the Factory Act.

The beedi workers waged a struggle for their rights in the law courts. It is because of their struggle that the rights of the beedi workers producing at home were recognised. The court decided that the workers of the contractors are actually working as workers of a factory owner. It was then decided to give them cards to recognise their status.

THE LEGAL RIGHTS OF BEEDI WORKERS

The benefits that are due to the beedi workers are as follows -

1. 12 % of the worker's wages (that is, Rs.12 on every Rs.100 earned) should be deposited in the bank. The beedi manufacturer, in turn, should deposit the same amount of money in the account of each worker. This account is called the provident fund. The money in this fund is for the benefit of the worker. Only those holding cards are eligible for this fund.
2. Those possessing cards are also eligible to receive work on a regular basis. They cannot be denied work by the contractor.
3. Those possessing cards can receive free medical treatment, scholarships for their children and interest-free loans to build houses.
4. If they are victims of fatal diseases like TB and cancer, the factory owner should provide them with a minimum living wage.

The first two benefits listed above are

normally given to all card-holding workers these days. The third and fourth benefits are seldom given to all. Further, although generally the entire family makes beedis, the benefits are given to only the one member of the family who holds the account. This is a major limitation of the law.

However, the biggest limitation is that majority of beedi makers are not card holders. The law says that if beedis are deposited in the name of any individual for longer than three months, then that individual becomes eligible for a card. Once he gets a card he becomes eligible for all these benefits. To prevent this, the name under which the beedis are deposited is changed every 2-3 months. For example, if the beedis of one family are deposited in the name of Mallu in any one month, they are deposited in the name of his brother Sohan in the subsequent month, and then perhaps, in the name of his wife and so on.

Apart from not getting the benefits, those who do not possess cards can also be refused work at any time.

- *What benefits does a card-holding beedi worker normally get? What benefits should he get?*
- *Discuss with your teacher whether the brass-smiths can get benefits of a similar kind?*
- *Why are the names of the beedi workers who do not hold cards, changed in the contractor's account very often?*

You would clearly have recognised many of the differences between the way work is done by the brass-smiths and by the beedi workers. The artisan can sell the goods made by him to any trader. But in a contract system such as beedi rolling, the beedi maker has to return the rolled beedis to the factory owner from whom he/she gets the raw material such as tobacco, leaves and threads. Since the owner supplies the raw material he is able to ensure that the manufactured goods will be returned to him. Thus in a contract system the producer does

not have the freedom to sell as she or he thinks fit and often does not get a fair return for the labour put in by him or her in making the goods.

In order to find ways to enable the producers to get fair returns for the work done by them, some people form what is called a co-operative. The co-operative helps sell the goods of the producers and pays them as much as possible of the money earned by selling the goods.

- *Discuss with your teacher the advantages that a producer may get if he sells his goods through a co-operative.*

There are over 300 beedi factories in Madhya Pradesh alone. About 15 lakh people work in this industry. The Arrow Brand beedi factory we visited is a small factory. Altogether, around 20 crore beedis are made each day in Madhya Pradesh. Lakhs of people are engaged in rolling beedis in places like Sagar and Jabalpur. Even in Bhopal, there are about 10,000 beedi workers.

There are many other industries in which manufacturing is done at home as in the beedi industry. The making of handloom cloth, ropes, carpets are examples of such industries.



Women and manufacturing at home

There are many women like Ameena Bi who work for some manufacturing industry or the other at home. Many women make paapad, matches, pickles, paper-bags, tie and dye cloth etc. from their homes.

Make a list of such jobs that women do for industries on the basis of your experiences.

It is not easy to work for industries at home. The women have already to attend to all the domestic chores. In addition they have to find the time to do the manufacturing jobs. They squeeze the time to do all this by working late hours - from morning to night. The traders and contractors take advantage of their poverty and helplessness by making them do work at very low payments. They do not get any of the benefits that are the legal rights of industrial workers. At places, the women workers have formed organisations and struggled to get better wages and benefits. It is the result of such struggles that the beedi workers today have the card system.

Child labour

Sameena used to help her mother in making beedis, but she also went to study at school. However, many children help their parents at home to earn money and are not able to continue their studies as they would have liked to.

What kind of circumstances would force children to drop out of school? Discuss.

What will help to change this situation?

EXERCISE

1. What are the raw materials for the beedi industry? Who arranges for them?
2. Discuss what is happening in figure 1 on page 109. What can you understand about the work of a contractor from this picture?
3. Describe how Sameena made beedis in 5-6 lines.
4. Depict the process of making beedis by arranging the statements given below in the right sequence in a diagram -
 - a. People made beedis at home and gave them to the contractor.
 - b. The contractor distributed tendu leaves, threads, tobacco to the beedi workers.
 - c. The contractor paid the beedi workers at the rate of Rs 31 for every 1025 beedis.
 - d. The contractor delivered the beedis to the factory owner and took his payment.
 - e. The owner got the beedis toasted in the oven and also got them sorted.
 - f. The owner gave tobacco, thread and tendu leaves to the contractor.
 - g. The beedi bundles were sent to the paan shops and other shopkeepers.
 - h. The owner got the label of his factory pasted on the beedi bundles.
 - i. The owner organised the buying of tobacco, tendu leaves and thread.
4. Unlike the brass-smith why does the beedi worker not sell the beedis made by him or her?
5. Explain the statement - "the work of Saddu Miyan is that of a contractor."
6. If a contractor enters the work of a brass-smith, how will the organisation of the brass-smith's work change? What would be the effect on getting the raw material, making the utensils, selling them, etc.?

7. The work of getting the beedis rolled can also be done in a factory - why is it still organised at the homes of workers with the help of the contractors?
8. Explain the differences between card-holding and non-card-holding workers in the beedi industry.
10. What are the various operations that take place in a beedi factory? Explain them in your own words.

Diseases Caused by Tobacco

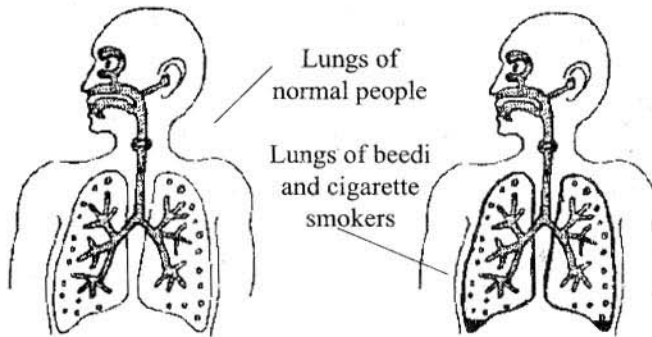
You learned in this chapter how Sameena's father got tuberculosis (TB) while working with tobacco and died. Even her mother does not keep well. This is common with the workers who make bidis. Fine particles of tobacco go into the eyes, nose and mouth while making beedis. Tobacco has several poisonous chemicals which make beedi workers ill. If just holding tobacco makes you feel so bad then think of what it must be doing to those who smoke or chew tobacco regularly!



Small ulcers develop on the inner lining of the mouth of those who chew tobacco or paan or supari or lime. These ulcers gradually become cancerous. Large numbers of people die every year in our country of cancer of the lips, throat and tongue.

The cigarette and beedi smoke which goes into the mouth, nose and respiratory organs irritates them. That is why smokers cough so often. Cigarette and bidi smoke deposits poisonous sediments like tar on the lungs of the smoker. Gradually it becomes more and more difficult for the smoker to breathe; and many people develop cancer of the lungs.

Smoking beedis or cigarettes can cause heart attacks. They can also cause various other heart diseases.



The smoke from a lit cigarette or beedi also goes to those sitting near the smoker. This "passive smoking" does even more damage than that caused to the smoker. People who live with smokers are prone to get cough, bronchitis, heart diseases and cancer.

That is why the Kerala High Court has ordered that anybody found smoking in public places should be fined Rs 500. Many people have been fined for this.

You must have seen the attractive advertisements given by the companies which make cigarettes. They spend a lot of money on these advertisements. They want more and more people to start smoking. In the USA and other western countries the number of smokers is decreasing so these big companies are now trying to increase the number of smokers in third world countries like India.

Hari first used to chew tobacco. Now he has begun to buy pan masala pouches. You want to tell him that this habit is not good for him. How will you say this to him in a letter?

