

30

STANDING COMMITTEE ON LABOUR

(2011-12)

(FIFTEENTH LOK SABHA)

MINISTRY OF LABOUR AND EMPLOYMENT

*[Action taken by the Government on the
Recommendations/Observations contained in the
Seventeenth Report (Fifteenth Lok Sabha) on
'Welfare of Beedi Workers']*

THIRTIETH REPORT



LOK SABHA SECRETARIAT

NEW DELHI

April, 2012/Vaisakha, 1934 (Saka)

THIRTIETH REPORT

STANDING COMMITTEE ON LABOUR

(2011-12)

(FIFTEENTH LOK SABHA)

MINISTRY OF LABOUR AND EMPLOYMENT

*[Action taken by the Government on the
Recommendations/Observations contained in the
Seventeenth Report (Fifteenth Lok Sabha) on
'Welfare of Beedi Workers']*

Presented to Lok Sabha on 3rd May, 2012

Laid in Rajya Sabha on 3rd May, 2012



LOK SABHA SECRETARIAT

NEW DELHI

April, 2012/Vaisakha, 1934 (Saka)

CONTENTS

	<u>PAGE (S)</u>
COMPOSITION OF THE COMMITTEE	(iii)
INTRODUCTION	(v)
Chapter-I	Report
Chapter-II	Recommendations/Observations which have been accepted by the Government
Chapter-III	Recommendations/Observations which the Committee do not desire to pursue in view of the Government's reply
Chapter-IV	Recommendations/Observations in respect of which replies of Government have not been accepted by the Committee and which require reiteration
Chapter-V	Recommendations/Observations in respect Of which replies of the Government are Interim in nature

APPENDICES

- I. Minutes of the sittings of the Standing Committee on Labour held on 30.4.2012
- II. Analysis of the Action Taken by the Government on the recommendations contained in the Seventeenth Report (Fifteenth Lok Sabha)

COMPOSITION OF THE STANDING COMMITTEE ON LABOUR

(2011-12)

SHRI HEMANAND BISWAL - CHAIRMAN

2. Shri Raj Babbar
3. Shri Dara Singh Chauhan
4. Dr. Virendra Kumar
- **5. Shri Pakauri Lal
6. Shri Narahari Mahato
7. Shri Hari Manjhi
8. Shri P. Balram Naik
9. Smt. Mausam Noor
10. Shri Jayaram Pangi
11. Shri Sanjay Dina Patil
12. Shri S. Pakkirappa
13. Shri Mahendra Kumar Roy
14. Ms. J. Shantha
15. Shri Bhausahab Rajaram Wakchaure
- *16. Shri Konakalla Narayana Rao
- ****17. Shri T.K.S. Elangovan
18. Vacant
19. Vacant
20. Vacant
21. Vacant

RAJYA SABHA

22. Shri D. Bandyopadhyay
23. Shri Mohd. Ali Khan
24. Shri Aayanur Manjunatha
25. Dr. E. M. Sudarsana Natchiappan
- ***26. Shri Rudra Narayan Pany
27. Smt. Renubala Pradhan
28. Shri Ranbir Singh Parjapati
29. Shri Rajaram
- ***30. Shri Praveen Rashtrapal
31. Shri G. N. Ratanpuri

* Nominated *w.e.f* 25th November, 2011.

** Ceased to be Member of the Committee consequent upon his nomination to Standing Committee on Coal & Steel *w.e.f.* 3rd January, 2012.

*** Retired *w.e.f.* 02.04.2012 and 03.04.2012 respectively.

**** Nominated *w.e.f.* 12th April, 2012.

SECRETARIAT

- | | | | |
|----|-------------------------|---|---------------------|
| 1. | Shri Devender Singh | - | Joint Secretary |
| 2. | Shri Ashok Sajwan | - | Additional Director |
| 3. | Smt. Archana Srivastava | - | Executive Officer |

INTRODUCTION

I, the Chairman of the Standing Committee on Labour (2011-12) having been authorized by the Committee to submit the Report on their behalf, present this Thirtieth Report on the action taken by the Government on the recommendations contained in the Seventeenth Report of the Standing Committee on Labour (Fifteenth Lok Sabha) on 'Welfare of Beedi Workers'.

2. The Seventeenth Report was presented to Lok Sabha and also laid in Rajya Sabha on 24.3.2012. The Ministry of Labour and Employment furnished their replies indicating action taken on the recommendations contained in that Report on 19.3.2012. The Report was considered and adopted by the Standing Committee on Labour at their sitting held on 30.4.2012.

3. An analysis of the action taken by Government on the recommendations contained in the Seventeenth Report of the Standing Committee on Labour (Fifteenth Lok Sabha) is given in Appendix-II.

4. For facility of reference and convenience, the observations/recommendations of the Committee have been printed in bold type in the body of the Report.

**New Delhi,
30th April, 2012,
10 Vaisakha, 1934 (Saka)**

**HEMANAND BISWAL,
CHAIRMAN,
STANDING COMMITTEE ON LABOUR**

CHAPTER-I

REPORT

This Report deals with the action taken by the Government on the recommendations/observations contained in the Seventeenth Report (Fifteenth Lok Sabha) on 'Welfare of Beedi Workers'.

2. The Seventeenth Report was presented to Lok Sabha and also laid in Rajya Sabha on 24th March, 2011. It contained 18 recommendations/ observations. Replies of Government in respect of all the recommendations have been received and categorized as under:-

- | | | |
|------|---|--|
| (i) | Recommendations/Observations which have been accepted by the Government –
Rec. Sl. Nos.1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 15, 17 - Para Nos. 1.18, 1.19, 1.20, 1.21, 1.22, 1.23, 2.11, 2.12, 2.13, 2.14, 2.15, 3.5, 3.6, 4.8 and 5.14 | Total - 15
(Chapter-II) |
| (ii) | Recommendations/Observations which the Committee do not desire to pursue in view of the Government's reply
- NIL - | Total - 0
Chapter-III |

- (iii) Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration – **Total -1**
Chapter-IV
Rec. Sl. No. 14 - Para No. 4.7
- (iv) Recommendation/Observation in respect of which replies of the Government are interim in nature - **Total-2**
Rec. Sl.No. 16 and 18 - Para No. 5.13 and Chapter-V
5.15

3. The Committee desire that action taken replies in respect of recommendations/observations contained in Chapter I and final action taken replies in respect of the recommendations contained in Chapter V for which interim replies have been given by the Government may be furnished to them at the earliest but in any case, not later than three months of the presentation of this Report.

Amendment to the Beedi Workers Welfare Cess Act, 1976

(Recommendation Para No. 1.18)

4. The Committee had found that the only source of finance of welfare schemes for beedi workers under BWWF was the Cess collected on manufactured beedis. At Present, the cess is collected @ 0.5% per thousand beedis manufactured *w.e.f.* 01 April, 2006. The Committee had strongly felt that the Beedi Workers Cess Act, 1976, which was last amended in 1998 need urgent amendment since the rate of cess cannot be increased beyond Rs.5/- per thousand manufactured beedis. The Committee had, therefore, recommended that a suitable proposal be mooted to the Ministry of Finance *de-novo*, specifically expressing the serious concern of the Committee, for amending the Beedi Workers Welfare Cess Act, 1976 to enhance the rate of cess with provision of periodic revision. The Committee had also recommended that in the meantime, till the Cess Act is amended, additional budgetary support be obtained from the Ministry of Finance for funding the Beedi Workers Welfare Fund so that welfare activities of beedi workers are not impeded.

5. In their action taken reply furnished to the Committee, the Ministry of Labour & Employment stated as follows:

Ministry of Finance has been requested vide letter dated 22.7.2011 to enhance the rate of cess. A D.O reminder was issued on 12.12.2011. Last reminder issued on 10.2.2012. Proposal has also been sent to the Controller of Accounts,

Ministry of Labour and Employment for allocation of additional fund.

6. The Committee note that though the Ministry had pursued the matter with the Ministry of Finance but without any results. Since lack of funds is badly affecting the welfare activities of beedi workers, the Committee reiterate that the matter may continue to be pursued with the Ministry of Finance till adequate budgetary support is extended for the welfare of beedi workers.

Withdrawal of exemption to Beedi Manufacturers

(Recommendation Para No. 1.19)

7. Keeping in view the exemption available under Section 3A of the Beedi Workers Cess Act, 1976, to the manufacturers of less than 20 lakh unbranded beedis in a year, a number of manufacturers were splitting their business into smaller units to enjoy the exemption limit and escape payment of cess. While dismissing the argument of Ministry of Finance that the withdrawal of exemption should put a big administrative burden on the Central

Excise Department, the Committee recommended that the Ministry might move a fresh proposal to the Ministry of Finance emphasizing the considered view of this Committee since all the welfare activities of the beedi workers are financed through the cess collection only.

8. In their action taken reply furnished to the Committee, the Ministry of Labour & Employment stated as follows:

Ministry of Finance has been requested vide letter dated 22.7.2011 for withdrawal of exemption given to beedi manufacturers. A D.O. reminder was issued on 12.12.2011. Last reminder issued on 10.2.2012.

9. The Committee are concerned about the plummeting corpus of Beedi Workers' Welfare Fund (BWFF) which incessantly is in deficit. Since all the welfare activities for the beedi workers are dependant upon and are financed through BWFF, the Committee desire the Ministry to take up the matter with the Ministry of Finance with unflagging resolve till the exemption given to beedi manufacturers is withdrawn.

Issuance of Identity Cards and Identification of Beedi Workers

(Recommendation Para No. 1.21 & 1.22)

10. The Committee had noted that there were number of players running illegal beedi companies through contractors and sub-contractors thereby showing lesser employees in their records whereas a large number of people are actually working under them through their contractors and sub-contractors. In the absence of direct linkage with a particular employer those workers were deprived of all the benefits under the Beedi Workers Welfare Fund. The Committee had, therefore, recommended that the Government should initiate immediate steps to bring awareness amongst the workers engaged in beedi rolling about their legitimate rights and all beedi workers be issued Identity Cards irrespective of the fact whether they were registered with any contractor or sub-contractor.

11. The Committee had noted that as per the estimation of the Ministry, there were around 55 lakh workers all over the country engaged in beedi rolling by the registered companies. This figure might go beyond one crore if unregistered small companies too are taken into account. The Committee had, therefore, recommended that a proper mapping should be done for identifying the beedi workers engaged by those unregistered small companies and also under contractors and sub-contractors for issuance of Identity Cards so that they are able to avail the welfare schemes meant for them.

12. In their action taken reply furnished to the Committee, the Ministry of Labour & Employment stated as follows:

Principal Secretaries of the State Governments have been requested vide letter dated 21.6.2011 for necessary action. All WCs have also been requested vide letter dated 21.6.2011 for necessary action.

13. The Committee are of the considered view that mere writing letters to State Governments will not achieve the desired result unless the matter is pursued vigorously. Further the matter needs to be discussed at conference of State Labour Secretaries or Labour Ministers or at every such common for a so that Identity Cards are issued to all the beedi workers with a view to preventing their exploitation and to facilitate them to avail the benefits of welfare schemes meant for them.

Evaluation studies of the schemes under BWWF

(Recommendation Para No. 1.23)

14. The Committee had found that no evaluative study had been undertaken by the Ministry in the recent past to assess the performance of various schemes under BWWF except an evaluative study in respect of only two of the welfare schemes, *viz.*, hospitals and housing. The Committee had felt that all the schemes under BWWF were vital and need periodic evaluation so that not only their impact and the shortcomings be known but also those could be restructured suitably. The Committee had, therefore, recommended that evaluation studies of all the schemes under BWWF be conducted within a definite timeline and their reports furnished to the Committee along with the action taken by the Government thereon. The Committee would also like to be apprised of the outcome of the evaluation study being conducted in respect of housing and hospitals for the beedi workers.

15. In their action taken reply furnished to the Committee, the Ministry of Labour & Employment stated as follows:

Evaluation studies have been conducted by the Ministry *viz.*
(A) Survey for assessment of Identity Cards of Beedi Workers in Malda and Murshidabad in West Bengal (B) Revised Integrated Housing Scheme (RIHS), 2007 for Beedi Workers in various states of India (C) Scheme of Financial Assistance for education under Beedi, Cine and Mine Workers Welfare Funds

– Impact evaluation and enhancement (D) Up gradation of Beedi worker’s Hospitals. All the above reports have been received. Welfare commissioners have been advised to take necessary actions on the suggestions/recommendations.

16. The Committee are happy to note that the Ministry have conducted evaluative studies for housing, education and hospitals besides survey for assessment of Identity Cards in Malda and Murshidabad Distts of West Bengal. The Committee desire that they may be furnished a copy each of the above reports alongwith the action taken or proposed to be taken by the Government. The Committee also desire that the mapping of beedi workers for assessment of Identity Cards be finished without any further delay.

Stipulation of depositing Rs.5000 by the beedi worker for grant of subsidy

(Recommendation Para No. 4.7)

17. The Committee had found that to avail the subsidy of Rs.40,000/- under the Revised Integrated Housing Scheme (RIHS),

the worker had to deposit an amount of Rs.5,000/- which was released to him alongwith the 2nd instalment. The Central Advisory Committee (CAC), in one of their recommendations, advocated the need to waive of the workers' contribution of Rs.5000. The Committee had endorsed the recommendation of the CAC that necessary steps be taken to do away with this stipulation of depositing Rs.5000 by the beedi worker for grant of subsidy.

18. In their action taken reply furnished to the Committee, the Ministry of Labour & Employment stated as follows:

The issue was examined and it was felt that in order to induce ownership in the scheme some contribution would be required to be taken from the beneficiary.

19. Considering the distressful financial conditions of the beedi workers and the recommendation of the Central Advisory Committee, the Committee find the reply of the Ministry unacceptable. The Committee feel that sense of ownership would arise once the beneficiary gets the subsidy to construct his own house. The Committee, therefore, reiterate that the contribution of beedi workers be waived off.

Evaluation Study of Revised Integrated Housing Scheme

(Recommendation Para No. 4.8)

20. The Committee had noted that an evaluation study of the existing RIHS was conducted by an external agency. The Committee had desired to know the status of the evaluation study time of submission of the and also the recommendations made by them.

21. In their action taken reply furnished to the Committee, the Ministry of Labour & Employment stated as follows:

The society for Regional Research and Analysis, Gurgaon has submitted its report in November 2010. Welfare Commissioner's have been advised to take the necessary action. The recommendations/suggestions of the report are as under:

(i) There should be regular monitoring of the scheme to have periodical reviews in order to timely address the problems if any and to avoid long delays. Effective monitoring is very important as there are very old pending cases (ii) Advertisements in local newspapers and TV channels should be placed for creating better awareness. Panchayats can also

be used to create awareness by sending leaflets related to the scheme to the panchayats with the request to put it on their notice board (iii) Houses constructed under the scheme should have some sign boards/some identification marks on the house of clear identification of the house from those constructed under other schemes and/or by using own money (iv) It is very difficult to get non-encumbrance certificate and the documents related to ownership of land. Panchayat letter certifying the possession of the land by the beneficiaries should be considered for land ownership and that of Notary Public in place of non-encumbrance certificate.(v) Most beedi workers with a few exceptions have income below Rs. 6500 per month as required to be eligible for the scheme. Therefore, the requirement of income certificate may be waived. (vi) Application for accessing RIHS 2007 requires the design/map of the proposed house. In many places the photocopies of predrawn maps are available and the beneficiaries buy and enclose these maps. None of the beneficiary has used the design enclosed with application in building their house. These maps are available in a high cost of upto Rs. 100 in some places. The Labour Commissioners may get a house design/map drawn keeping in mind the local house types in their respective areas and should give a copy to the beedi workers who are selected to provide grant and should be asked to follow the design.(vii) It has been observed in most of the states that the period of 18 months for the completion of the

house is not enough for various reasons. Increasing the period from 18 to 24 months may be considered for individual houses and 30 months for Group Housing Schemes. (viii) The subsidy amount is released in two installments. After getting the administrative approval of the house, release of first installment and utilization certificate of the first installment, the approval of the second installment may be accorded by the Welfare Commissioner. In case required, extension of first 6 months may also be awarded by Welfare Commissioner.(ix) The decision as regards to the maximum amount of Rs. 1.0 lakh to be spent on the construction was taken some years back. The construction cost has increased over that period and the ceiling may be revised to Rs. 1.5 lakh because many beneficiaries have spent more than one lakh rupees. (x) Beedi workers should be encouraged to form cooperative societies and construct group houses wherever possible. This is easy to monitor the progress and quality of construction of number of houses constructed at one place by one contractor than those constructed by the individually scattered at different places. (xi) The implementation of RIHS 2007 requires lot of work and more staff than available in the states with the Ministry of Labour and Employment. Active partnership of the states, which have staff in various administrative units, will help in efficient implementation of the scheme. Such an arrangement will need periodic monitoring by the Welfare Commissioners

and the officers of the Ministry of Labour and Employment based in Delhi as well as in respective states/ regions.

22. The Committee find that the study commissioned by the Government has made a number of valuable suggestions which if accepted, would lead to effective implementation of the scheme. The Committee desire that the recommendations made by the Society for Regional Research and Analysis, Gurgaon be given serious consideration and the bottlenecks in the Scheme as pointed out by them be corrected without further delay.

CHAPTER-II**RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT****(Recommendation Para No. 1.18)**

The Committee note that the Beedi Workers Welfare Fund Act, (1976) (BWFF) is an important legislation enacted by Parliament for the benefit of beedi workers. The Beedi Workers Welfare Fund, set up under the said Act, is financed through a levy of cess by the way of excise duty on manufactured beedis. The Committee find that the cess so collected is the only source of finance of welfare schemes for beedi workers under BWFF. Till the year 2006-07, the BWFF had surplus funds and from the year 2007-08, the corpus of BWFF plummeted, went in deficit and continues to be in deficit. At Present, the cess is collected @ 0.5% per thousand beedis manufactured *w.e.f.* 01 April, 2006. The Committee note that the expenditure on the welfare schemes is increasing every year and due to paucity of funds, the Ministry is finding itself handcuffed to run smoothly even the ongoing schemes. The Committee further note that during 2009-10, the Ministry of Finance allocated an additional sum of Rs. 40.05 crore as budgetary support to fund the backlog of scholarships given to the children of beedi workers under the Welfare Fund. The Committee strongly feel that there is an urgent need to amend the Beedi Workers Cess Act, 1976, which

was last amended in 1998 and under which the rate of cess cannot be increased beyond Rs.5/- per thousand manufactured beedis. The Committee feel that since the cost of living has gone up considerably, the rate of cess too needs revision. The Committee, therefore, recommend that a suitable proposal be mooted to the Ministry of Finance *de-novo*, specifically expressing the serious concern of the Committee, for amending the Beedi Workers Welfare Cess Act, 1976 to enhance the rate of cess with provision of periodic revision. The Committee also recommend that in the meantime, till the Cess Act is amended, additional budgetary support be obtained from the Ministry of Finance for funding the Beedi Workers Welfare Fund so that welfare activities of beedi workers are not impeded.

REPLY OF THE GOVERNMENT

Ministry of Finance has been requested vide letter dated 22.7.2011 to enhance the rate of cess. A D.O reminder was issued on 12.12.2011. Last reminder issued on 10.2.2012. Proposal has also been sent to the Controller of Accounts, Ministry of Labour and Employment for allocation of additional fund.

(Recommendation Para No. 1.19)

The Committee note that under Section 3A of the Beedi Workers Cess Act, 1976, exemption in cess is granted to the manufacturers of less than 20 lakh unbranded beedis in a year. Taking advantage of this provision, a number of unscrupulous manufacturers are splitting their business into smaller units to

enjoy the exemption limit and escape payment of cess. According to the Ministry, its proposal to the Ministry of Finance to withdraw the exemption was not agreed to on the ground that withdrawal of exemption shall put a big administrative burden on the Central Excise Department to collect the cess from a large number of small manufacturers who would also be put to hardship. Since all the welfare activities of the beedi workers are financed through the cess collection only, the Committee dismiss the argument of apprehended administrative burden of the Ministry of Finance being untenable as withdrawal of such an exemption will not only bring in funds to the depleted corpus of the BWFF but also tax the profits of those beedi manufacturers who are thriving at the cost of poor beedi labourers. The Committee, therefore, recommend that the Ministry move a fresh proposal to the Ministry of Finance emphasizing the considered view of this Committee so that the exemption given to beedi manufacturers of less than 20 lakh unbranded beedis in a year is done away with.

REPLY OF THE GOVERNMENT

Ministry of Finance has been requested vide letter dated 22.7.2011 for withdrawal of exemption given to beedi manufacturers. A D.O.reminder was issued on 12.12.2011. Last reminder issued on 10.2.2012.

(Recommendation Para No. 1.20)

The Committee note that about 6 lakh beedi workers have not been issued identity cards till date which is depriving them to have access to the welfare fund and availing benefits under the schemes meant for them. On the other hand, the Committee are perturbed to note that about 24.8% identity cards were of questionable validity in Malda and Murshidabad districts of West Bengal as revealed by the sample survey conducted by Shri Ram Centre of Industrial Relations and Human Resources, New Delhi in the year 2009. In the view of the Committee, if this is the position of only two districts of one State, then the percentage of fake/duplicate identity cards might be, obviously, far more had the survey traversed other States too where beedi rolling is a profession. The Committee attribute it to the fact that multiple agencies are involved in the issuance of identity cards. The Committee, therefore, recommend that the work of issuance of identity cards be allocated block / district wise to only one agency so as to avoid duplicity and stringent action be taken against the unauthorized agencies found issuing the fictitious identity cards. The Committee note that issuance of identity cards is an ongoing process but certainly it cannot remain infinitely so and vigorous efforts must be made to complete it within the year 2011 atleast to cover the identified beedi workers. The Committee would like to be informed of the progress achieved in the matter before June, 2011.

REPLY OF THE GOVERNMENT

Matter is under consideration. All Welfare Commissioners have been requested to take necessary action. Till 31.07.2011, 51.28 lakh beedi workers have been issued identity cards against 49.82 lakh upto 31.12.2009.

(Recommendation Para No. 1.21)

The Committee note that there are a number of players running illegal beedi companies through contractors and sub-contractors. These employers show in their records a very small number of people working under them whereas a large number of people are actually working under them through their contractors and sub-contractors. Resultantly, these workers are not registered in the main employers' muster roll and are, therefore, not directly linked with a particular employer. Eventually, in the absence of their registration with any employer these workers are deprived of all the benefits under the Beedi Workers Welfare Fund. The Committee, therefore, recommend that the Government initiate immediate steps to bring awareness amongst these workers engaged in beedi rolling about their legitimate rights and all beedi workers be issued Identity Cards irrespective of the fact whether they are registered with any contractor or sub-contractor.

REPLY OF THE GOVERNMENT

Pr. Secretary's of the State Governments have been requested vide letter dated 21.6.2011 for necessary action. All WCs have also been requested vide letter dated 21.6.2011 for necessary action.

(Recommendation Para No. 1.22)

The Committee further note that as per the estimation of the Ministry, there are around 55 lakh workers all over the country engaged in beedi rolling by the registered companies. This figure might go beyond one crore if unregistered small companies too are taken into account. The Committee, therefore, recommend that a proper mapping should be done for identifying the beedi workers engaged by these unregistered small companies and also under contractors and sub-contractors for issuance of Identity Cards so that they are able to avail the welfare schemes meant for them.

REPLY OF THE GOVERNMENT

Pr. Secretary's of the State Governments have been requested vide letter dated 21.6.2011 for necessary action. All WCs have also been requested vide letter dated 21.6.2011 for necessary action.

(Recommendation Para No. 1.23)

The Committee find that no evaluative study has been undertaken by the Ministry in the recent past to assess the performance of various schemes under BWFF. According to the Ministry, an evaluative study in respect of only two of the welfare schemes, *viz.*, hospitals and housing was being conducted. The

Committee feel that all the schemes under BWWF are vital and need periodic evaluation so that not only their impact and the shortcomings be known but also these could be restructured suitably to ensure decent standard of life and enjoyment of leisure by the beedi workers and their families. The Committee, therefore, recommend that evaluation studies of all the schemes under BWWF be conducted within a definite timeline and their reports furnished to the Committee along with the action taken by the Government thereon. The Committee would also like to be apprised of the outcome of the evaluation study being conducted in respect of housing and hospitals for the beedi workers.

REPLY OF THE GOVERNMENT

Evaluation studies have been conducted by the Ministry viz.(A) Survey for assessment of Identity Cards of Beedi Workers in Malda and Murshidabad in West Bengal (B) Revised Integrated Housing Scheme (RIHS), 2007 for Beedi Workers in various states of India (C) Scheme of Financial Assistance for education under Beedi, Cine and Mine Workers Welfare Funds – Impact evaluation and enhancement (D) Up gradation of Beedi worker’s Hospitals. All the above reports have been received. Welfare commissioners have been

advised to take necessary actions on the suggestions/recommendations.

(Recommendation Para No. 2.11)

2.11 The Committee note that the medical facilities are being provided to 55 lakh identified beedi workers through 7 hospitals and 204 dispensaries all over the country. The Ministry have admitted that these hospitals are inadequate to cater to the needs of the beedi workers. Still worse, most of these hospitals are located at far off places and beyond the access of beedi workers due to which they are not in a position to avail the medical facilities. The Committee find that common problems associated with beedi rolling are respiratory, asthma, body ache, headaches, eyestrain, tuberculosis and spondilitis. These affect the beedi rollers and others involved in the manufacturing of beedis too. The Committee, strongly feel that these workers need specialized, accessible, affordable and regular medicare. The Committee, therefore, desire that some alternative arrangements be made urgently for extending specialized medical treatment to the beedi workers who suffer from these ailments. Besides, arrangements also be made to ferry these workers to the hospitals as often they cannot afford to go to the hospitals for treatment for want of money.

REPLY OF THE GOVERNMENT

A decision has been taken to cover beedi workers under Rashtriya Swasthya Bima Yojna which covers all pre-existing

diseases and Rs. 100 is given at the time of discharge of the patient for transport expenses.

(Recommendation Para No. 2.12)

The Committee note that the accommodation in all the seven hospitals, meant for beedi workers, is not commensurate with their population. Not only this, even these hospitals are also not well-equipped to cater to the medical requirements of the beedi workers and there is an acute shortage of medical and para-medical staff in these hospitals. A 30 bedded hospital at Bihar Sharif which was constructed long back but is still not operational for want of medical staff. Such an apathy and indifference speaks volumes about the Ministry's concern for the health and well-being of beedi workers. The Committee, therefore, recommend that vacancies of medical and para-medical staff in all the hospitals be filled up by December, 2011 positively and the Committee apprised.

REPLY OF THE GOVERNMENT

Ministry of Health, which is cadre controlling authority for medical officer, has provided medical staff for the hospitals but only few of these have joined. Welfare Commissioners have also been

advised to fill-up post on contract basis and make arrangement for other staff.

(Recommendation Para No. 2.13)

The Committee note that after the amendment in the Employees State Insurance (Amendment) Bill, the ESI Corporation has agreed in principle to extend the medical benefits to the Rashtriya Swasthya Bima Yojna (RSBY) beneficiaries. The spare capacity of ESIC hospitals is also being utilized for the persons willing to avail such services on payment basis. The Committee recommend that in view of the financial crunch in the BWWF, possibilities be explored and negotiations made with the ESIC to utilize their extant healthcare infrastructure for beedi workers too rather than opening new hospitals for them in the areas covered by the ESIC.

REPLY OF THE GOVERNMENT

ESIC has been approached to examine the feasibility extending facility in ESIC hospitals to beedi workers. 4 new hospitals and 40 dispensaries have also been approved in the country for Beedi Workers..

(Recommendation Para No. 2.14)

The Government is running flagship programmes like Rashtriya Swasthya Bima Yojna (RSBY) and Aam Admi Bima Yojna (AABY) in the health sector. Beedi workers who are in the BPL category are eligible for coverage under the RSBY and the rural landless worker can get coverage under the Aam Admi Bima Yojna. The Committee are of the considered view that almost all the beedi workers can well be covered under either of these schemes. Hence, the hospitals earmarked for the beneficiaries of these schemes can also be utilized for the medical needs of the beedi workers. The Committee, therefore, desire that beedi workers particularly those in rural areas be made aware of these facilities so that they need not necessarily depend only on those hospitals meant for them and which are far off/inaccessible.

REPLY OF THE GOVERNMENT

All Welfare Commissioners have been requested vide letter dated 21.6.2011.

(Recommendation Para No. 2.15)

The Committee find that an amount of Rs.10,000/- for natural death and Rs.25,000/- for accidental death is being paid to the heirs of the beedi workers. The premium is paid from the Beedi workers Welfare Fund to the Life Insurance Corporation of India (LIC). As the compensation is very low and keeping in view the limited funds, this amount cannot be enhanced as it would entail enhanced premium, the Committee are of the view that once the

arrangements are made with the ESIC and other hospitals for the beedi workers as suggested in para 2.14 above, the funds so saved can well be utilized to enhance the amount atleast to Rs.50,000/- for natural death and Rs.1,00,000/- for accidental death.

REPLY OF THE GOVERNMENT

A proposal in this regard is under consideration of the Government.

(Recommendation Para No. 3.5)

The Committee note that scholarships are given to the wards of beedi workers studying in various classes starting from 1st standard and also undergoing professional courses. The scholarship per child per annum ranges from Rs.250 to Rs.8,000. The Ministry confessed that *“the amount of Rs.8,000/- for professional degree course is not justified.”* Accordingly to the Ministry, the flagship programme of Sarva Shiksha Abhiyan (SSA) of the Central Government has become so popular that all schools running for the wards of beedi workers have been closed down due to this Sarva Shiksha Abhiyan and the funds are now being utilized for disbursement of scholarships. The Committee, therefore, desire that the Ministry step up the amount of scholarships commensurately so that the wards of the beedi workers could pursue the professional degree courses.

REPLY OF THE GOVERNMENT

Proposal for enhancement of scholarship to the professional degree courses is under consideration of the Government.

(Recommendation Para No. 3.6)

The Committee note that the entire family of a beedi worker must work for the whole day to meet the target of rolling 1000 beedis to secure full day wage. In such a pernicious circumstance, children forego per force their education to supplement their family income. The Committee, therefore, desire that a suitable mechanism be evolved and awareness campaign launched so that the children of beedi workers could get at least the elementary education under the Sarva Shiksha Abhiyan.

REPLY OF THE GOVERNMENT

All Welfare Commissioners have been requested for necessary action.

(Recommendation Para No. 4.8)

The Committee note that an evaluation study of the existing RIHS is being conducted by an external agency. The agency was given a time frame of six months for submission of its report. The Committee desire to know the current status of the evaluation study and likely time of submission of the report by the agency. The Committee also desire that they may also be apprised of the recommendations made by the agency.

REPLY OF THE GOVERNMENT

The society for Regional Research and Analysis, Gurgaon has submitted its report in November 2010. Welfare Commissioner's have been advised to take the necessary action. The recommendations/suggestions of the report are as under:

(i) There should be regular monitoring of the scheme to have periodical reviews in order to timely address the problems if any and to avoid long delays. Effective monitoring is very important as there are very old pending cases (ii) Advertisements in local newspapers and TV channels should be placed for creating better awareness. Panchayats can also be used to create awareness by sending leaflets related to the scheme to the panchayats with the request to put it on their notice board (iii) Houses constructed under the scheme should have some sign boards/some identification marks on the house of clear identification of the house from those constructed under other schemes and/or by using own money (iv) It is very difficult to get non-encumbrance certificate and the documents related to ownership of land. Panchayat letter certifying the possession of the land by the beneficiaries should be considered for land ownership and that of Notary Public in place of non-encumbrance certificate. (v) Most beedi workers with a few exceptions have income below Rs. 6500 per month as required to be eligible for the scheme. Therefore, the requirement of income certificate may be waived. (vi) Application for accessing RIHS 2007 requires the design/map of the proposed

house. In many places the photocopies of predrawn maps are available and the beneficiaries buy and enclose these maps. None of the beneficiary has used the design enclosed with application in building their house. These maps are available in a high cost of upto Rs. 100 in some places. The Labour Commissioners may get a house design/map drawn keeping in mind the local house types in their respective areas and should give a copy to the beedi workers who are selected to provide grant and should be asked to follow the design.(vii) It has been observed in most of the states that the period of 18 months for the completion of the house is not enough for various reasons. Increasing the period from 18 to 24 months may be considered for individual houses and 30 months for Group Housing Schemes. (viii) The subsidy amount is released in two installments. After getting the administrative approval of the house, release of first installment and utilization certificate of the first installment, the approval of the second installment may be accorded by the Welfare Commissioner. In case required, extension of first 6 months may also be awarded by Welfare Commissioner.(ix) The decision as regards to the maximum amount of Rs. 1.0 lakh to be spent on the construction was taken some years back. The construction cost has increased over that period and the ceiling may be revised to Rs. 1.5 lakh because many beneficiaries have spent more than one lakh rupees. (x) Beedi workers should be encouraged to form cooperative societies and construct group houses wherever possible. This is easy to monitor the progress and quality of construction of number of houses constructed at one

place by one contractor than those constructed by the individually scattered at different places. (xI) The implementation of RIHS 2007 requires lot of work and more staff than available in the states with the Ministry of Labour and Employment. Active partnership of the states, which have staff in various administrative units, will help in efficient implementation of the scheme. Such an arrangement will need periodic monitoring by the Welfare Commissioners and the officers of the Ministry of Labour and Employment based in Delhi as well as in respective states/ regions.

(Recommendation Para No. 5.14)

During their study visit to Kolkata, they also came across glaring instance of the Minimum Wages Act. The Committee are appalled to note that the workers are getting merely Rs.41/- per thousand beedis rolled on the basis of bi-partite agreement reached in the year 2005 between the Employers' Association and the Workers' Union notwithstanding the fact that State Government of West Bengal has fixed Rs.113.97 (the minimum in the State of West Bengal) as minimum wages for per 1000 beedis rolled or Rs.113.02 per day. The Committee are disconcerted to note that unscrupulous employers are exploiting the poor workers by making a mockery of the Minimum Wages Act. The Committee, therefore, desire that the State Governments be vigorously persuaded to adopt atleast the Minimum Floor Level Wages besides framing stricter norms against the beedi manufacturers/contractors who indulge in such wanton malpractices.

REPLY OF THE GOVERNMENT

All State Governments have been requested to adopt atleast the National Floor Level Minimum Wages.

CHAPTER-III

**RECOMMENDATIONS/OBSERVATIONS WHICH THE COMMITTEE
DO NOT DESIRE TO PURSUE IN VIEW OF THE GOVERNMENT'S
REPLY**

NIL

CHAPTER-IV

RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH REQUIRE REITERATION

(Recommendation Para No. 4.7)

The Committee find that under the Revised Integrated Housing Scheme (RIHS), a uniform subsidy of Rs. 40,000/- is provided to the beedi workers who have atleast completed one year of service and who have approx of 60 sq. yard of land. In order to avail the subsidy, the worker has to deposit an amount of Rs.5,000/- which is released to him alongwith the 2nd instalment. The Central Advisory Committee (CAC), in one of their recommendations, advocated the need to waive of the workers' contribution of Rs.5000. The Committee find that often it is very difficult for a poor beedi worker to arrange even Rs.5000 and failing which he would be deprived of the subsidy of Rs.40,000 under the RIHS. The Committee endorse the recommendation of the CAC that necessary steps be taken to do away with this stipulation of depositing Rs.5000 by the beedi worker for grant of subsidy.

REPLY OF THE GOVERNMENT

The issue was examined and it was felt that in order to induce ownership in the scheme some contribution would be required to be taken from the beneficiary.

CHAPTER-V**RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT ARE INTERIM IN NATURE****(Recommendation Para No. 5.13)**

During their study visit to Kolkata in June, 2010, the Committee were anguished to find rampant exploitation of beedi workers on a multiple of scores like under payment of wages on per thousand beedis rolled by them, rejection of beedis rolled on one pretext or the other, denial of social security benefits/schemes, avoidance of full payment and denial of other statutory amenities/facilities. The Committee deplore that the Ministry instead of finding a concrete way out to ensure that the contractors do not debunk and mock at the statutory protections, replied that the implementation of the Beedi and Cigar Workers (Conditions of Employment) Act, 1966 fell under the domain the State Governments. Such a specious argument is not acceptable and the Union Government cannot be allowed to shirk their responsibility of upholding the laws of the republic intended to safeguard the vital interest and well being of poor beedi workers. The Committee, therefore, recommend that Government undertake comprehensive review of all the labour laws in order that statutory protections to the poor workers including beedi workers do not remain *pious platitudes* but enforced substantially in accord with the legislative intent.

The Committee were also informed by the Ministry that 'as per the decision of CAC, V. V. Giri National Labour Institute has been requested to undertake a study and suggest amendments to the Beedi and Cigar Workers Act, 1966'. The Committee are of the view mere amendments to the Act will not yield the desired results as implementation/execution of the provisions of the Act would still rest with the State Governments. The Committee also find that Deputy Labour Commissioners and Regional Labour Commissioners merely act as conciliation machinery and have no prosecution powers at present due to which implementation of the Act becomes more or less ineffective. The Committee, therefore, strongly feel that the office of the Chief Labour Commissioner be given adequate statutory powers to ensure proper implementation of the labour laws through its enforcement machinery, i.e. the Deputy Labour Commissioners (C), Regional Labour Commissioners and Assistant Labour Commissioners positioned in different States. The Committee further recommend that it must be made mandatory for all RLCs and ALCs in the States to make regular field visits and conduct surprise checks every month to detect any violation of the labour laws by the beedi manufacturers and submit their reports to the Chief Labour Commissioner for suitable action against the guilty manufacturers. The Committee would also like that the Government place annually a review on the implementation of statutory protections given to the labour under each enactment.

REPLY OF THE GOVERNMENT

Letter sent to NLI to undertake a study and suggest amendments to the Beedi and Cigar Workers Act, 1966.

(Recommendation Para No. 5.15)

The Committee observe that an amount of Rs.5,000/- each is granted to widow/widower of beedi worker for solemnizing the marriages of first two daughters. The Committee find this amount rather too paltry to solemnize a marriage. The Committee, therefore, recommend that this amount be enhanced atleast to Rs.25,000/-.

REPLY OF THE GOVERNMENT

The matter will be placed before central advisory committee in the next meeting.

New Delhi;
April, 2012
Vaisakha , 1934 (Saka)

HEMANAND BISWAL
CHAIRMAN
STANDING COMMITTEE ON LABOUR.

MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON LABOUR HELD ON 30TH APRIL, 2012.

The Committee met from 1500 hrs. to 1600 hrs in Room No.116, Parliament House Annexe, New Delhi to consider and adopt the draft Reports on Demands for Grants for the year 2012-13 of the Ministry of Labour and Employment and Ministry of Textiles and Action Taken Report on the Seventeenth Report on 'Welfare of Beedi Workers'.

PRESENT

Shri Hemanand Biswal - Chairman

MEMBERS

LOK SABHA

2. Shri Dara Singh Chauhan
3. Dr. Virendra Kumar
4. Shri Narahari Mahato
5. Ms. Mausam Noor
6. Shri Jayaram Pangi
7. Shri Mahendra Kumar Roy

RAJYA SABHA

8. Shri D. Bandyopadhyay
9. Shri Mohd. Ali Khan
10. Dr. E.M.Sudarsana Natchiappan
11. Shri Rajaram
12. Shri G.N. Ratanpuri

SECRETARIAT

- | | | | |
|----|-----------------------|---|---------------------|
| 1. | Shri Devender Singh | - | Joint Secretary |
| 2. | Shri Ashok Sajwan | - | Additional Director |
| 4. | Smt. Bharti S. Tuteja | - | Deputy Secretary |

2. At the outset, the Chairman welcomed the Members and apprised them about the draft Reports on Demands for Grants for the year 2012-13 of the Ministry of Labour and Employment and Ministry of Textiles and Action Taken Report on the Seventeenth Report on 'Welfare of Beedi Workers'.

3. The Committee then took up the draft Reports one by one in the following order and after detailed deliberations, the Committee adopted the draft Reports without any modification:

- (i) Draft Report on Demands for Grants of the Ministry of Labour and Employment for the year 2012-13;
- (ii) Draft Report on Demands for Grants of the Ministry of Textiles for the year 2012-13; and
- (iii) Action taken by the Government on the Recommendations/Observations contained in the Seventeenth Report (Fifteenth Lok Sabha) on 'Welfare of Beedi Workers'

4. The Committee then authorized the Chairman to finalise the Reports and to present the same to both the Houses of Parliament.

The Committee then adjourned.

(Vide Para No. 3 of the Introduction)

**ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON
RECOMMENDATIONS CONTAINED IN THE SEVENTEENTH REPORT OF THE
STANDING COMMITTEE ON LABOUR (FIFTEENTH LOK SABHA)**

	Total	Percentage
I. Total number of Recommendations	18	
(i) Recommendations/Observations which have been accepted by the Government –		
Rec. Sl. Nos.1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 15, 17 - Para Nos. 1.18, 1.19, 1.20, 1.21, 1.22, 1.23, 2.11, 2.12, 2.13, 2.14, 2.15, 3.5, 3.6, 4.8 and 5.14	15	83.4%
(ii) Recommendations/Observations which the Committee do not desire to pursue in view of the Government's reply	NIL	0%
(iii) Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration –		
Rec. Sl. No. 14 - Para No. 4.7	1	5.6%
(iv) Recommendation/Observation in respect of which replies of the Government are interim in nature -		
Rec. Sl.No. 16 and 18 - Para No. 5.13 and 5.15	2	11%

