I

The Organisation

AIMO is an apex organisation of manufacturers established in 1941 and founded by Bharat Ratna Dr. Sir M. Visvesvaraya, father of modern industrial planning. The organisation has completed 59 years of useful existence and dedicated service to the cause of ‘prosperity through industrialisation’. The organisation has about 1000 members all over India, having 12 State/Regional Boards.

Activities

AIMO is recognised by the Government of India and represented on over 100 Advisory Committees and Councils set up by the Central and State Governments and is consulted on all economic and policy planning issues. It organises delegation to various international bodies including WTO and ILO. The organisation is respected by the policy makers due to the national perspective that has been adopted by the AIMO since its inception.

Interest in FCTC Process

AIMO has several Beedi manufacturing organisations as its members and would like to contribute and share its experience to the FCTC process with a view to adopt a national and balanced approach in the Indian context.

Funds

Generated by member organisations.

II

India and the Beedi Industry

Tobacco is extremely important and relevant in India as almost 30 million people depend on tobacco for their livelihood. Tobacco harvesting and curing, beedi rolling and tendu leaf trade provide employment and livelihood to the poorest of the poor. Tobacco is grown on about 0.3% of arable land in India, mostly in rainfed areas where returns to farmers from other crops are much lower. India is the third largest producer of tobacco in the world. Tobacco Excise and Cess are estimated to fetch collections of Rs.8000 crores (USD 880 million) in 2000/01. An additional revenue of Rs. 400 crores is collected by State Governments through local taxes. Tobacco export earnings were worth Rs.800 crores in 1998/99. Tendu leaf, used for rolling Beedis and grown on Government owned forestland, is valued at Rs.1500 crores - a major source of irreplaceable income for lakhs of tribals in the two states of Madhya Pradesh and Orissa.

These real benefits cannot be ignored, especially in a poor country like India where unemployment levels are very high and the Governments,
both Central and State, are short of resources. According to one study, cigarettes and Beedis generate a total impact of Rs.56000 crores. Tobacco contributes more than 10% of the Union Excise collections and almost 4% of the value of the country’s agri-exports. There is no other crop which generates so much employment, income to farmers, revenue to government and economic multiplier.

III

Pattern of Tobacco consumption in India is unique

Beedi smoking is the most prevalent form of tobacco use among smokers in India whereas cigarettes account for almost 90% of all tobacco use worldwide. In India, Beedis account for 54% and cigarettes, 19% only. The balance 27% is used by chewing tobacco and Gutka. Beedis are mostly made by “home workers” in the unorganised sector and sold unbranded extensively. For such ‘home workers’, there are very few welfare facilities like proper ventilation, lighting, toilets, pure drinking water, crèche, etc. Large Beedi manufacturers get their Beedis made through an intricate network of sub-contractors who, in turn, depend upon household labour for piece-rate based Beedi rolling. Hence, the Beedi manufacture is treated as a cottage industry.

The Beedi industry provides employment to about 6 million workers directly as growers, processors, traders, manufacturers, wholesalers and retailers. There is an estimated 6 million workers employed in Beedi rolling alone

IV

WHO’s Stand

The increasingly belligerent posture of the WHO is causing great concern to developing countries, including India, whose economy depends on tobacco heavily. It is unfortunate that WHO has declared war against tobacco. Being a major tobacco growing country, producing and consuming various tobacco products and employing over 30 million people, AIMO is anxious that WHO does not press hard with its Tobacco Free Initiatives.

V

Indian Prime Minister’s caution

It was keeping the economic importance of tobacco in the Indian context that the Hon’ble Prime Minister of India, in his inaugural address at the WHO conference on Global Tobacco Control in New Delhi on the 7th January, 2000 called for a comprehensive and integrated strategy for tobacco control. He stated that it would be unrealistic to view tobacco purely as a health problem and ignore the economic and social fall-outs of tobacco control.

VI

Government’s Approach

The Union Health Minister reported recently that the countrywide ban on tobacco products will not be applicable to Beedis and Cigarettes but only to ‘Gutka’, a chewing form of tobacco.
VII

AIMO’s concern

Though termed a ‘developing country’, India’s share of 1000 million people living in abject poverty compounded with chronic malnutrition stands at more than 350 million with average monthly income as low as Rs.600, equivalent to US$ 13, constituting 35 per cent of the Indian population. About seven million people live below the poverty line. The latest report of the United Nations’ Development Programme on human development indicates that 61.5 per cent of the Indian population is falling under the category of multi-dimensional measure of human deprivation known as ‘capability poverty’. India has to still seriously address itself to the problems of health, education, social security, agricultural labour and even land reforms. Clean drinking water is a luxury to the rural poor in India. Adult literacy is 54 per cent. Primary Health Centres, not to speak of hospitals, run without doctors or medicines. Roads exist on paper. Infant mortality rate is 71 per 1000 live births. There are 9 million blind persons in India. Indian cities are being labeled as the most polluted cities in the world. The world’s largest democracy is expected to become its most populous country soon.

VIII

FCTC’s Specific Proposals

Harmonisation of Excise Taxes with at least 70 per cent of the package price

The WHO expects that this process will lead to a fall in consumption and a rise in the revenue of the exchequer simultaneously. If at all this step results in a fall in consumption, a rise in revenue is unlikely to happen. There are several countries where, consequent to a rise in taxes, the contraband trade has increased. How such contraband trade would be controlled then is a moot question.

Smuggling

There is no doubt that stricter controls should be in force.

Global Ban on sponsorship and advertising

The act of smoking a cigarette or a beedi is an action of exercise of adult choice as a consumer. What right does the State have to intrude into this domain of adult consumer choice? Is not the State thereby arrogating to itself the right of being the moral dictator of the society, consequently ruining the means of livelihood of millions of people whose sustenance depends on tobacco alone? The view expressed by WHO that ‘smoking’ is a ‘communicated disease’ (since the desire to smoke is spread allegedly by advertising) or describing tobacco as an ‘epidemic’ is quite distressing.

Packaging measures - Difficult to enforce

The majority of sales of cigarettes in urban areas and of both cigarettes and beedis in rural areas in India are in stick form and as such, this measure to disclose all ingredients on the package is meaningless. This step is most appropriate to be followed in
developed countries.

**Blowing Smoke**

‘The Economist’ dated the 22nd July, 2000 reported, in its article titled ‘Blowing Smoke’: “Americans’ obsession with punishing tobacco firms is wrong-headed, and an obstacle to rational debate about illegal drugs”. It observed “……..Yes, tobacco is addictive and damages your health. Yet, every smoker for the past 34 years has known this, because each packet of cigarettes sold in the United States has carried a warning to that effect. Long before that, most people knew that smoking was not the healthiest of pursuits. Neither is drinking lots of alcohol, driving fast or eating junk food. Many of life’s pleasures, unfortunately, are both unhealthy and habit-forming, but people do have a choice about whether to take them up in the first place…….”

**Conclusion**

As the prevalence of tobacco consumption, the consumption pattern, urban and rural divide, food habits, culture and traditions, nutritional status, mix of religions and regional disparities are all very different from the Western world, the Western thinking and approach to this subject cannot be extrapolated to Indian conditions.

Tobacco has become an easy whipping boy. It draws away the focus from the main health issues facing the world.

Protecting World Health is a question of priorities. Recently, WHO has reported India having the maximum number of HIV positive victims in the world. Viral malaria and tuberculosis are on the rise. Should WHO not fight against more life-threatening diseases in a poor country like India?

World Bank’s observations regarding alternatives for unemployment are unrealistic and impracticable in the Indian context.

**Suggestion**

Tobacco is a personal choice product for informed adults and, therefore, minors should be discouraged from its use. The issue of annoyance caused to the non-smokers due to the smoke emitted by tobacco smokers needs to be resolved. There must be strict enforcement to counter the contraband, the inevitable, consequence of raising excise taxes. These concerns could be effectively addressed through a self-regulated and consensual approach.