“BUSINESS ETHICS, RELATED POLICIES AND PRACTICES: A CASE STUDY OF BEEDI INDUSTRY WITH SPECIAL REFERENCE TO NIZAMABAD DISTRICT OF ANDHRA PRADESH”

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Abstract

Purpose: The basic purpose of this paper is to know the meaning, need and importance of business ethics, various policies related to beedi industry and workers for betterment of industry, workers and society and how they follow the business ethics and how they practice the related policies for it.

Design/Methodology/approach: The technique of disproportionate stratified random sampling is adopted to collect the primary and secondary data through questionnaires, field survey observations and various records from the government agencies and other agencies. The sample size is 150 people related to selected beedi industry; it includes beedi rollers, Sorters, Roasters, Packers, Administrative Staff, Management/Owners and Trade union leaders.

Findings: The result of analysis reveals that there are various occasions where will fully or deliberately rules are ignored and various exploitative practice are practiced in the beedi industry which need to be addressed by the policy makers and honestly implemented by the enforcing authorities of the government in the interest of all the stake holders of beedi industry.

Research Limitation/implications: Beedi industry is an unorganized industry in which Workers mostly i.e. 90% are women who are illiterates or semi-literates and who do not know about the various rules, provisions and benefits given to them by the government it is the main limitation of the study. Most of the beedi industries are in remote areas where
people do not have any other means of work except this so worker and other related people do not give the real picture of the prevailing situation it is another limitation of the study.

Practical implications: This study will be helpful in understanding the exploitative and other unethical practices prevailing in the beedi industry and will provide the scope/way to improve the same and implement the business ethics in the large interest of the society.

Originality/Value: This study is a systematic arrangement of practices prevailing in the beedi industry and will explain the need of business ethics to be followed in this unorganized sector to benefit the society as a whole.

Keywords: Beedi Industry, Ethics, Policies, and Practices

Paper type: Research Paper

I- INTRODUCTION OF THE STUDY:

A- INTRODUCTION TO BUSINESS ETHICS:

Ethics refers to the moral principles and values that govern the behaviour of a person of group. Ethics helps us in deciding what is good or bad, moral or immoral fair or unfair in conduct and decision-making. In other words, ethics serve as a moral compass to guide our action. There are many sources for an individual’s ethics. These include family background, religious beliefs, community standards and expectations etc.

Business Ethics:

Business ethics is the application of general ethical principles and standards to business behaviour Fred R. David Defines business ethics as “principles of conduct within organizations that guide decision-making behaviour”. Business actions are judged by the general ethical standards of society, not by a special set of its own rules made by a business.

Definitions of Business Ethics:

Rogene A. Buchholz “Business ethics refer to right or wrong behaviour in business decisions”.
Postm Fredrick and Lawrence “Business ethics is the application of general ethical ideas to business”.

Walasquez “Business ethics is a specialized study of moral right or wrong. It concentrates on moral standards as they apply to business policies, institutions and behaviour”

**DIMENSIONS OF HUMAN ACTION:**

![Diagram of Dimensions of Human Action](image)

**HIGH** ← ↳ **AMOUNT OF EXPLICIT CONTROL** ↳ **LOW**

The first is the domain of codified law. In which values and standards are written into the legal system and enforceable in the occurrence. The domain of free choice pertains to behaviours about which law has no say and for which an individual or organization enjoys complete freedom. Between these two domains lies the domain of ethics. This domain has no specific laws, yet it does have standards of conduct based on shared principles and values about moral conduct that guide an individual or company.

In the domain of free choice, obedience is strictly to oneself. In the domain of codified law, obedience is to laws prescribed by the legal system. In the domain of ethics, obedience is to unenforceable norms and standards. An ethically acceptable decision is both legally and morally acceptable to the larger community.

**Factors affecting Ethical Choices:**

When managers are accused of unethical behaviour, the blame is usually placed on the individual manager or on the company situation. Most people belief that individuals
Ethical or unethical business practices usually reflect the values, attitudes, beliefs and behaviour patterns embedded in the organizational culture. Thus ethics is a much an organizational issue as a personal-issue. Let us examine how both the manager and the organization shape ethical behaviour.

1. **The manager**: Manager brings specific personality and behavioural traits to the job. Personal needs, family influence, religious background, educational, background, friends’ neighbours, all shape a manager’s value system. Specific personality characteristics, such as ego strength, self-confidence, and a strong sense of independence may enable managers to make ethical decisions.

   Thompson and Strickland divide managers into three categories with regard to ethical and moral principles in business affairs. They are:

   - **The Moral Manager**: He is dedicated to high standards of ethical behaviour.
   - **The Immoral Manager**: He is actively opposed to ethical behaviour in business and wilfully ignores ethical principles in decision-making.
   - **The Amoral Manager**: There are two types:
     
     a. Intentionally Amoral Manager
     
     b. Unintentionally Amoral Manager

     i. **Intentionally Amoral Manager**: Consciously believes that business and ethics are not to be mixed because different rules apply to the different realms of business and life.

     ii. **Unintentionally Amoral Manager**: He does not pay much attention to the concept of business ethics because he is casual or careless about ethical dimensions of decisions and business actions.

2. **The organization**: The values adopted within the organization are important because all ethical decisions are made within the context of our interactions with other people and the
social networks within the organization. In organizations, an important influence on ethical behaviour is the norms and value

**Elements of building an Ethical organization:**

- Role Models
- Code of ethics
- Reward and evaluation system
- Policies and procedures
- Ethics training
- Ethics audit
- Appointment of a chief ethics officer

**Necessity of Business Ethics:**

“Doing the right thing” matters to employers, employees, stakeholders, and the public. To companies and employers, acting legally and ethically means saving billions of dollars each year in lawsuits, settlements, and theft.

**Effect of unethical Practices:**

- Deterioration of relationships
- Damage to reputation
- Declining employee productivity, creativity and loyalty
- Ineffective information flow throughout the organization
- Absenteeism

**Therefore, business ethics are needed for the following reasons:**

- To give fair and equitable treatment to the employees
- To charge fair prices from the customers
- to use fair weights for measurement of commodities
• To pay taxes to government and other bodies honestly
• To earn reasonable profit
• To become a good corporate citizen
• To develop a long term relationship
• To protect the interest of stakeholder

**Guidelines for Managing Ethics in the Workplace:**

The following guidelines ensure the ethics management program is operated in a meaningful fashion:

1. Recognize that managing ethics is a process
2. The bottom line of an ethics program is accomplishing preferred behaviours in the workplace.
3. The best way to handle ethical dilemmas is to avoid their occurrence in the first place
4. Make ethics decisions in groups, and make decisions public, as appropriate
5. Integrate ethics management with other management practices
6. Use cross-functional terms when developing and implementing the ethics management program.
7. Value forgiveness
8. Note that trying to operate ethically and making a few mistakes is better than not trying at all

**Issues in Corporate Climate:**

Various researchers in the fields of human resources and organizational psychology have attempted to describe the effects or consequences of organizational climate. Gordon and Cummins argued that considerable research has shown that various climate issues are clearly related to company profit. They listed thirteen issues as follows
The organization has clear goals
The organization has defined plans to meet its goals
The planning system is formal
Planning is comprehensive
Information for decision-making is available
Information for decision-making is used
Good lateral communications exist
Overall communications are good
Units understand each other’s objective
clear measures of managerial performance exit
Managers are clear about the results expected of them
benefits are competitive
Compensation is related to performance

**Basic Principles in Ethics:**

Business ethics are the key to profits. If clients and customers don’t trust you, and your business ethics; they will not do business with you. Would you but from a company you did not trust? Of course not!

Business ethics have become a hot-button topic. There are often ethical conflicts between making money, and doing what is right. There can be dilemmas about doing what is best for your employer. What’s best for your own career, and what’s best for the customer. Business ethics is about negotiating these mine-fields. Following are the basic principle for positive business ethics:

✔ business Ethics are build on personal Ethics
✔ Business Ethics are based on Fairness
✔ Business Ethics require Integrity
Nature and Theory of Ethics:

Nature: Business ethics is the application of general ethical principles and standards to business behaviour. Fred R. David defines business Ethics as ‘Principles of conduct within organizations that guide decision-making behaviour’. Business actions are judged by the general ethical standards of society, not by especial set of its own rules made by a business

Approaches to Ethics:

Whenever ethical dilemma arises, there are four approaches to guide our action. These are as follows:

1. Utilitarian approach
2. Individualism approach
3. Moral-rights approach
4. Justice approach

- **Utilitarian Approach:** According to this approach, moral behaviour is one that produces the greatest good for the greatest number

- **Individualism Approach:** According to this approach, acts are moral when they promote the individual’s best long-term interests, which ultimately lead to the greater good.
• **Moral-Right Approach:** According to this approach, the fundamental rights and liberties should be respected of those people affected by it. Six moral rights should be considered during-making:
  - The right of free consent
  - The right of privacy
  - The right of freedom of conscience
  - The right of free speech
  - The right to due process
  - The right to life and safety

• Justice Approach: According to this approach, moral decisions must be based on equity, fairness and impartiality. Four types of justices are of concern to managers:
  - Distributive justice
  - Procedural justice
  - Compensatory justice
  - Natural duty principle

**Approaches to Company’s Ethical Conduct:**

A company’s ethical conduct can take any of the following basic forms:
  - Unconcerned or Non-Issue Approach
  - Damage Control Approach
  - The Compliance Approach
  - Ethics Culture Approach

**B - INTRODUCTION TO BEEDI INDUSTRY:**

Bidi or Beedies are slim, hand-rolled, unfiltered cigarettes. They are also called “beeris” in countries such as Bangladesh. A beedi consists of about 0.2 gram of sun-dried
and processed tobacco flakes, rolled in a tendu leaf (Diosyros melanoxylon) or tamburni leaf and held together by a cotton thread. The tobacco rolled in beedies is different from that used in cigarettes and is referred to as beedi tobacco. Dark and sun-dried tobacco varieties are used in beedi production. Beedies are available branded and unbranded.

The tendu leaf constitutes 60% of the weight of the beedi. The beadi is four to eight cm in length. The diameter at the closed end is 0.6-0.8cm and the width at smoking end is 0.7-0.9cm. The relatively low combustibility and non-porous nature of the tendu leaves requires more frequent and deeper puffs by the smoker to keep beedies lit, and is therefore harder on the smoker’s lungs than cigarettes rolled in paper. Tar levels delivered by beedies are high, at 45-50 mg/beedi. One study found that beedies produced approximately three times the amount of carbon monoxide and nicotine and approximately five times the amount of tar as cigarettes. In India, a beedi costs as little as 25-30 Paise and bundle of 25 beedies costs Rs.7 -8, thus beedies are known as the “poor man’s cigarettes” as they are smaller and cheaper than cigarettes.

Tribal people of ancient India used to smoke tobacco in a pipe made from leaves of trees, from where the practice of wrapping tobacco in a leaf probably originated. Beady smoking was mentioned as early as 1711. The description referred to a product the size of the little finger, containing a small quality of tobacco wrapped in the leaf of a tree and sold in bundles. Beedies first appeared along the east coast of India in the early part of the eighteen century and were sold in bundles of 10 to 25 beedies.

In India, the beedi industry is regarded as being in the ‘unorganized’ sector. The term ‘unorganized’ is used particularly in India, and has no formal definition. It is a commonly used in two different contexts firstly to describe the system of industrial production, and is similar to the definition of enterprises in the informal sector. The Central Statistical
Organization separates each major sector into ‘organized’ and ‘unorganized’ for purposes of calculation of value added. In that sense, it has a statistical rather than a conceptual usage. However, the term more or less concludes with the definition of the informal sector proposed by the 15th International Conference of Labour Statistics.

In the beedi industry, a large number of unregistered and home-based enterprises coexist with factory-based manufacturing enterprises. A complete census or a comprehensive nationwide database capturing important statistics of registered and unregistered enterprises is not available. The only available database is partial and fragmented, which makes it difficult to construct a time series on production and employment in this industry encompassing all types of enterprises.

There is an importance difference in the organic composition of capital between the beedi and the cigarette industry. The manufacture of cigarettes falls within the organized sector where the production process is factory based and capital intensive. The industry is dominated by the presence of a few multinationals or big companies such as Imperial Tobacco Company of India Limited, Godfrey Philips and Vazir Sultan Tobacco Limited. The beedi industry, on the other hand, is domestically owned. The production process is highly labour intensive and is critically dependent on the availability of cheap labour.

However, the conditions of work in the beedi industry raise serious concerns about unethical labour practices which run contrary to the spirit of the Declaration on Fundamental Principles and Rights, at Work- a declaration adopted by the International Labour Conference in June 1998. The Declaration calls on ILO member States to respect and promote freedom of association and collective bargaining, the abolition of all forms of forced or compulsory labour, the effective abolition of child labour, and the elimination of all forms
of discrimination in respect of employment and occupation. Isolated case studies and media reports indicate that the

Beedi Industry employs a large number of women and children in inhospitable and exploitative conditions. Labour laws are grossly flouted. The worker’s living conditions are also poor. The industry therefore presents a typical case where concerned social action on the part of the government, workers, employers, civil societies and international organizations is needed to promote and realize the goal of decent work.

Another concern, which has been voiced frequently in the media and by the beedi associations and the trade unions, relates to the future prospects of the beedi industry. Fears have been expressed regarding uncertainties facing this industry due to competition with the cigarette industry and likely impact on the beedi market of tobacco-free initiatives and anti-tobacco legislation. Competition with cigarettes is likely to be fierce when restrictions on import of cigarettes into India are withdrawn, in compliance with World Trade Organization obligations. Any threat to this industry, if real, has very serious implications in terms of loss of income and craning opportunities for millions of poor unskilled workers consisting of women and children in overwhelming proportions. These workers, with hardly any savings or asset base no insurance coverage, would be thrown into destitution.

Devising an appropriate social policy and a plan of action to remedy the continuing evils of exploitative practices in this industry and protect the workers from any threat of prospective, unemployment through sustainable diversification strategies and skill development require a diagnostic study on the working and living conditions of the workers. Assessing the threat potential and possibility of their rehabilitation through employment diversification strategies through the strategies of modern management in entire beedi industry
C - **BEEDI INDUSTRY IN NIZAMABAD:**

Andhra Pradesh is the largest beedi producer after Madhya Pradesh. It has 6, 25,000 beedi workers (1995) of whom most are in the Telangana region. Out of these, about 4, 21,000 are in the Nizamabad district alone. Beedi manufacturing in Nizamabad started in 1901. Manufacturers like Bandi Laxami Bai Beedi Factory, Shamal Gangaram Beedi Lal Lappa Narayana and Tara Sahab all started manufacturing beedis here in the 1920s. However, the total strength of labour of these factories did not exceed 2, 00,000. Prior to 1947, two manufacturers from Gujarat, Messrs. Kishan Lal Ram Swaroop and Shah Himmat Lal set up production but their output was also very meagre. Still later, two manufacturers of Char Bhai Beedi Saiyed Lal Beedi and Police Mallaiah Beedi also started production in the same district.

After 1952, many came from Gujrat as well as from Maharastra. Heera Lal Prabhu Ram (Gujrat), Sable Wagire (Sambaji Beedi) and Thakur Savrkar (Langar Beedi) all started production in 1952. However, they were also small manufacturers. Desai Brothers then entered the fray in 1953 and even today is the largest beedi producer here. Since then, every year one or two manufacturers have been setting up business in the area, and within a decade beedi rolling became one of the main occupations after agriculture. In Nizamabad 90% of the employers are from Maharastra and Gujarat, and they said that they preferred Nizamabad, partly because labour laws were enforced much less strictly than in their home states, and partly because workers were so disciplined there. Beedi rolling is still a major occupation here and the survey revealed that there had not been any decrease in the number of workers.

Managing the old and unorganized beedi industry through the modern management process is also an attempt to manage the resources, i.e. raw materials, finance, inventory,
human resource and system of production is the need of the hour; therefore, present study is concentrated on the managerial aspect of the beedi industry in Nizamabad.

Management is a complex and ever challenging function, whatever may be the nature and size of the business. Management of Beedi industry assumes more significance because it is the study of an unorganized sector in which 90% workers are women at basic level of productions. This study is important because the Beedi Industry is historical, agro-forest based, located in the areas of workforce availability, and 100% labour oriented which requires simultaneous functioning of various levels of management to manage Inventory, Manufacturing, Marketing, Finance and Human Resource of Beedi Industry.

The Nizamabad district is highly dominated by the beedi industries, established more than 100 years ago, by the most of the managements/owners from outside of Andhra Pradesh and especially from Gujrat and Maharastra, and other parts of the country because of availability of cheap labour and flexible legislation with regard to beedi industry. This industry provides employment to more than 6 lakh people directly and indirectly officially and unofficially who have no other means of work. It also adds to the importance of the study.

The present research covers the Beedi Industries in Nizamabad district with a view to study Management of Beedi Industry in the areas of managing Material or Inventory, Manufacturing or Production, Marketing, Finance and Human Resources. This study will cover the Origin and history of beedi industry nature and type of Management practiced in Beedi Industries in Nizamabad, various legislations and welfare measures applicable to this industry as a whole.

Nizamabad is highly dominated by beedi works/industry; provide large number of employment to the people who are illiterate or semi literate. According to various estimates and studies, the employment alone in Nizamabad district is in between 6 Lakhs to 10 Lakhs.
This aspect gives good scope to the researcher to carry out research work on the subject matter of management of beedi industry existing in Nizamabad district. Since Beedi Industry is an unorganized sector, located in backward areas and workers do not have other means of work therefore, they depend on this work specially women. The rate of Literacy and bargaining power is low and most of them do not know the various rules, provisions and welfare measures enacted by the government for them it is one of the limitations the study. Most of the Head Offices are situated out of the state of Andhra Pradesh therefore, Owners are not easily accessible as and when required, which leads to dependency up on the information given by the Managers, workers of various branches Government Officials and by trade union leaders.

II- OBJECTIVE/PURPOSE OF THE STUDY:

1. To know the basic meaning, nature, need, principles etc. of Business Ethics
2. To know the Historical back ground of the beedi industry in India and in Nizamabad
3. To know the related rules/policies prevailing in the beedi industry
4. To find the actual practices/ethical issues prevailing in the beedi industry
5. To find the findings, offer suggestions and draw the conclusions for the betterment of the workers, industry and society in order to implement and practice business ethics

III - RESEARCH METHODOLY OF THE STUDY:

The technique of disproportionate stratified random sampling is adopted to collect the primary and secondary data through questionnaires, field survey observations and various records from the government agencies and other agencies. The sample size is 150 people related to selected beedi industry; it includes beedi rollers, Sorters, Roasters, Packers, Administrative Staff, Management/Owners and Trade union leaders other people who are directly and indirectly connected/related to beedi industry. And review of good number of related research materials directly or indirectly related to ethics and beedi industry
IV- RELATED RULES/POLICIES IN BEEDI INDUSTRY:

Beedi industry is highly labour-intensive and most of the beedi workers belong to lower socioeconomic groups. The industry engages about 4.4 million workers, of whom nearly two-thirds are home-based women and one percent is children, unofficial sources claim this figure is actually 7-8 million. The figures would be even higher if those engaged in tendu leaf collection were also included. The beedi industry provides seasonal and part-time vocational employment, spread over 13 states and three union territories. Government of India and respective states brought many acts in the interest of millions of workers but the fact remains same that how seriously they are implemented by both government agencies and managements of beedi establishments. These acts are as follows

A. Government Legislation:

- Beedi and Cigar Workers (Conditions and Employment) Act, 1966
- The Beedi Workers Welfare Fund Act, 1976
- The Beedi Workers Welfare Cess Act, 1976
- The Minimum Wages Act, 1948
- The Employees Provident Fund and Miscellaneous Provisions Act, 1952
- The Employees State Insurance Act, 1948
- Payment of Wages Act, 1936 (Vide Sec 28 of the B&CW (CoE) Act,1966)
- Industrial Employment (Standing Orders) Act, 1946 (Vide Sec.37 of the B&CW (CoE) Act,1966)
- Maternity Benefits Act, 1961 (Vide Sec.37 of the B&CW (CoE) Act, 1966)
- Chapter IV and Section85 of the Factories Act,1948 (Vide Sec38 of the B&CW (C0E) Act,1966)
- Workmen’s Compensation Act,1923;
• Payment of Gratuity Act, 1972

Every act listed above as their name indicates assures the such benefit to the workers now it is the duty of management to implements above acts without any second thought and similarly the responsibility of Trade Unions to aware/make management to implement above acts as they are in the large interest of workers upon whom entire industry depends due the labour oriented nature of industry. And government agencies should also enforce these rule and regulations up on the industry.

B. Welfare Measures for Beedi Workers:

Ministry of Labour, Government of India envisages implementing various welfare schemes meant for the Beedi workers working in Beedi industry. The government of India enacted welfare fund acts and framed rules thereunder to implement various welfare schemes from time to time. Following are the welfare measures initiated for the Beedi Workers by respective governments.

• Starting of Static-cum-Mobile Static Dispensaries
• Scheme for Reservation of Beds in T.B. Hospitals
• Scheme for Domiciliary Treatment of T.B
• Scheme for Treatment of Beedi Workers Suffering from Cancer
• Treatment of workers suffering from mental diseases
• Scheme of leprosy relief for beedi workers
• Grant of financial assistance to beedi workers
• Scheme for reimbursement of expenditure as a financial assistance to beedi workers suffering from Heart diseases
• Scheme for reimbursement of expenditure as financial assistance to beedi workers for kidney transplantation etc
• Scheme for payment of monetary compensation for sterilization to the beedi workers
• Maternity benefit scheme for female beedi workers
• Group insurance scheme for beedi workers
• Scheme for grant of subsidy/financial assistance to co-operative societies

All the above benefits/facilities are for beedi workers because they and their family members in case of home based workers suffer from the tobacco related diseases. There are good numbers of hospitals across the beedi producing states but the proportionate number are not adequate. Similarly these facilities require long official procurers and hospitals are situated far away from the workers work and hope places this discourage them to avail the facilities and the working hours and days are also similar which causes loss of work on that day. But for prolonged and serious diseases they consult and in this case also they are given appointment numbers ranging from 10 days to 30 days in between these days condition may worsen at the cost of life too.

V - FINDINGS OF THE STUDY:

1. There are varying estimates of female involvement in beedi rolling. One source estimated that women constitute 76% of the total employment in beedi manufacture. The All India Beedi Tobacco Workers Federation pegs the figure at 90% to 95%. In Nizamabad 90% rolling of beedies is done by women workers only including childrens.

2. Beedi Industry is male-dominated, where the manufacture, the contractor and the consumers are male and only the beedi rollers are female. This often makes women subject to social and economical exploitation.
3. In Nizamabad some women engage in beedi rolling as full-time occupation and are able to roll 800-1000 beedies during an 8-12 hour day. Other women work part-time while taking care of household activities roll 400-500 of beedies a day.

4. It is difficult to establish employer-employee relationship because beedi rolling is carried on through thekedars or contractors or commission agents who take raw material from the head office/branch office and distribute to the workers and collect the rolled beedies from workers to return to the head office/branch office as the case may be.

5. Due to non-establishment of employer-employee relationship workers are not eligible to various benefits, welfare such as ESI, EPF, BWWF, Bonus, Gratuity provided by the government for them and they are paid very low wages as compared to registered workers.

6. Thekedars/middlemen/commission agents exploit the female workers by various ways and female workers do not raise their problems with any one, due to threat of employment.

7. Working conditions at factory are not good, they work without proper ventilation, basic facilities such as toilets, urinals, water and unhygienic conditions, sometimes women rollers work under iron sheds at a temperature of 45 degrees in summer.

8. Most of the beedi industries do not maintain the records of workers. Some of them record less than the actual this will lead to difficulty in calculating wages and in implementation of various rules, welfare schemes for them.

9. Wages are not paid in time as well as different wage structure is followed by the different establishments. And in case of unbranded beedis there is no limit of exploitation in various grounds.
10. Beedi rolling workers are issued less materials, due to these practice workers cannot complete the given task. Sometimes workers purchase raw materials from outside to complete the task of rolling beedis to retain the employment.

11. Beedi rollers also suffer with the problem of inferior quality of raw material due this also they cannot finish the task and there is more chance of rejection of beedis due to inferior quality of raw materials issued to them.

12. Another major method of exploitation/unethical practice is the outright rejection of beedis by the thekedars/supervisors. Though there is a provision under the act to reject only 2.5% but in actual practice they reject more than 10% and there is no standard is followed in this regard.

13. Exemption given by the government to manufacturers who produce less than 20 lakh beedis per annum from various taxes is taken for granted and many big manufacturers break their firm in to smaller one to claim exemption and resort to exploitations.

14. In recent years, multinational cigarette companies have shifted their focus to the huge market in developing countries especially vulnerable groups such as youth and women this leading to loss of work and gradually employment due to competition and less demand for beedi as compared to other tobacco products.

15. The demand for facilities under the health scheme reigning supreme over the demand for other facilities reflects the poor state of health of the beedi workers. Their state of poverty increases their vulnerability to tobacco-related and other occupational diseases.

16. While the beedi workers Welfare Fund has the potential to contribute towards the betterment of the living conditions of the workers, the size of the fund is too meagre to meet the needs of such large numbers.
17. The industry and the trade unions share the pessimism that the beedi industry’s prospects for survival in the long run are scanty. So far the current profile of the industry signals that production and consumption of beedi are declining over time. Although there is no statistical evidence available to this effect. There is a consensus among the stakeholders that the industry is on a downhill journey.

18. Every manufacturer agrees that the leaves are of poor quality and that the labour is nowhere at fault, but they are helpless: after cooperatives were set up the quality of tendu leaf has deteriorated and the bidding system is such that they are forced to pay the rates without seeing to the quality of the goods. So whatever they receive they pass on to the end of the production chain in the same manner as labour.

19. Trade unions in Nizamabad had raised the issues several times with management as well as government and their negotiation had led to some improvement; previously the amount of material given had been even less i.e. 500grm for 1000 beedies.

20. Administrative workers i.e. Mangers, Accountant and Cashiers are appointed from the own relations or from the family members or friends of the owners/managers. And they are paid high salaries as compared to other workers who do not belong to their family members or friends this is one of the examples of unethical practice prevailing in beedi industry.

21. Productivity of the beedi industry is low due to the working conditions at the work place and conditions at home. All the internal and external working conditions are not encouraging all of them are affected with low profile and bad unethical practices.

VI - SUGGESTIONS:

1. Beedi industry is a major employer in the unorganized or informal sector, after agriculture and construction particularly of women i.e. 90% and children from poor
families. The decline in the prospects of this industry will entail grave social/ethical consequences if thousands of workers are thrown out of jobs therefore it should be managed with full professionalism and business ethics.

2. Government, local bodies and civil societies and workers at all the levels need to be completely involved in the programme of action of any move of diversification for suitable employment all the needs of the workers honestly addressed.

3. While it is important to hear the voice of women workers in such initiatives it is to be recognized that existing circumstances and lack of exposure may condition their choices. It is therefore necessary to widen their array of options.

4. Timely implementation of all the government rules regulations, provisions, welfare measures and giving all benefits honestly itself is enough to say there is a ethical practices prevailing in the industry.

5. Proper and timely payment of wages and benefits will improve the morale of the all the workers in the beedi industry which is one the ethical practice required.

6. Production of beedies should take place in a healthy environment, with all provisions as stipulated in the various acts will also bring society's acceptance to beedi industry.

7. Medical/health facilities must be in a reachable distance and in proportion to number of beedi workers in that reason and can be utilized on even holidays which will improve the health of the workers.

8. Proper storing and issue system of material will assure safety and quality of raw materials which will increase the qualitative production of beedies this results in benefit to both workers and industry.

9. Exploitation of any type should be properly checked by the management or owners or managers to encourage workers for better and more production of beedies.
10. Government should withdraw the exemption given to manufacturer with less than 20 lakh beedies in a year because it is mostly misused which will harm the interest of workers who depend on this industry.

11. Government should use proper check on thousands of unregistered beedi manufacturing units to bring them in to the folds of the law so that they can also avail benefits under the various acts.

12. Government should give more benefits to the beedi workers and their childrens to promote a good society for the future of nation.

13. Employment at all levels including at the managerial/supervisory should be offered to even outside people i.e. non-relatives and friends this will create good working environment and will open the opportunities to other aspirants.

14. Government Financial Institution should come forward to assist the workers of beedi industry to fulfil their financial requirement for social causes i.e. House construction, Marriage of their childrens, Children’s Education, Heath and other requirements this will uplift their socio-economic conditions.

15. The systematic identification of beedi workers, especially home based workers: this is important if the benefits under the Beedi Workers Welfare Fund are to be availed. The access to and improvement of benefits under the BWWF needs to be ensured.

**VII – CONCLUSIONS:**

The Beedi industry from its beginning is in the form of unorganized sector. It started at a small scale, gradually it spread across the country especially to the places where the workers are available and raw materials are available to some extent. It provides employment to officially 4.4 million workers who do not have any other means of work and most of them are womens, who are illiterates and semi-literates. Due the fact of illiteracy and female workers participation exploitation practices take place at various stages which we
term as unethical practices i.e. non practice of ethics. The basic objective of unorganized sectors is to earn maximum profits in this thinking they feel that the practicing ethical standards may cause them reduction in their profitability. The Corporate responsibilities of beedi industry is very much high because it deals with the product which is no way useful to the healthier society it only generates profits and entire benefits goes to the management though millions of workers are engaged they get very nominal in case of each worker after the great hardship at the cost of health and life of workers and their family members due to regular contact with the tobacco.

Business unethical practices in the beedi industry existing in the various forms and in various states causing great loss to workers, society and government as they are the immediate stakeholders of the industry these are issuing inferior and inadequate raw materials to beedi rollers, rejection of more beedies than stipulated quantity, not showing workers in official record, delay in payment of wages etc. in case of Government they show less production, produce unbranded beedies, black market of beedies with an intention to avoid the payment of taxes. In case of society it a producer of harmful product i.e. tobacco product and both workers and consumers are at risk with this. Only a concern of providing the employment to millions of people without any formal education, training, with social sanctions, household responsibilities etc., is a matter of concern.

Business ethics should be followed by every establishment this will provide/create a good environment and respect towards employers and this leads to a good and healthy economy of the country and international reputation to the nation. Therefore, Business ethics should be part and parcel of objective of the every business whatever may be its nature, size, scope etc. If business follows the ethics ultimately all the stakeholders will also follow the ethics in their respective situations and this creates a ethical business, customers, employees, society and nation,
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