

Profiting off the Backs of Bidi Workers

An In-depth Look at the Exploitative Tactics of Bangladesh's Bidi Industry



A 2021 investigation reveals bidi industry's manipulation and exploitation of low-level factory workers to stage nationwide protests against tax increases.

INTRODUCTION

Bangladesh has seen a steep decline in bidi smoking in recent years. From 2009 to 2017, bidi use among adults decreased from 11.2% to 5%.¹ Bidi sales data from 2013 and 2017 provided by the National Board of Revenue show a similar trend, with the total number of bidis sold dropping by 26.7%.² The total number of full-time equivalent bidi workers is 46,916 which is only 0.074% of the total national labor force (63.5 million). A bidi worker's average monthly income is 1,927 BDT, which is extremely low compared to the national average of 13,258 BDT.³ With wages too low for a single earner to support a family, women and children often supplement family income working in bidi manufacturing. Among Bangladesh's list of 38 hazardous occupation sectors, the bidi industry ranks fourth.⁴

Each year ahead of the declaration of the national budget, Bangladesh's streets fill with bidi workers protesting bidi tax increases. These protests appear highly coordinated and often continue after the budget is passed. As these protests in no way serve to improve the workers' well-being, wages, or workplace safety, the research and anti-tobacco advocacy group PROGGA — Knowledge for Progress sought to understand the motivation and structure behind bidi workers' participation. PROGGA's study explores how the protests are repeatedly performed, their level of spontaneity, their sources of financial and other support, and who ultimately benefits.

METHODOLOGY

From December 2020–March 2021, PROGGA carried out a qualitative study consisting of relevant media analysis, 11 focus group/ group discussions (FGDs/GDs), and 4 key informant interviews (KIIs) in the areas of Lalmonirhat, Rangpur, Pabna, and Kushtia in Bangladesh. The purposively selected 92 FGD/GD and KII participants included bidi workers, labor leaders, and representatives of local civil society organizations (i.e., journalists, activists, teachers, service holders). The four geographical areas were chosen based on their concentration of bidi factories and the frequency and intensity of their protests.

KEY FINDINGS

1. Bidi worker tax protests are organized by factory owners. They are not spontaneous.

- To draw national-level attention, factory owners bring workers from all over the country to protest in Dhaka. Factory owners cover the trip expenses and give each worker an allowance.
- Workers from Aziz Bidi and Maya Bidi in Rangpur, and Bangla Bidi in Pabna, reported being taken to protests by their employers.

- Akiz Bidi Company is a primary leader of these protests.
- Akiz-led protests were reported in all four regions included in the investigation
- Protest intensity is comparatively higher in areas near Akiz factories

2. Factory owners use intimidation methods to coerce workers into protesting.

- Factory owners threaten their workers with job loss, revocation of workers' cards, and government shutdown of the bidi industry.
- Workers reported not being allowed to speak and express their own demands during protests.

3. Bidi workers' protests only benefit the bidi industry barons.

- Orchestrated protests reversed the 2019 tax increase on unfiltered bidi and earned factory owners a BDT 28 (per 1,000 sticks) increase in profits.
- Factory owners pocketed most of these excess earnings, giving workers a meager raise of BDT 6 per 1,000 sticks.
- Since 2018, factory owners' profits have increased by BDT 118.8 per 1,000 sticks due to higher retail prices.

4. There are no genuine welfare associations for bidi workers.

- The organizations that falsely claim to be "welfare associations" for bidi workers act only in the interest of factory owners.
- None of the members of these "welfare associations" are bidi workers.

KEY MESSAGES

- Bidi worker protests are orchestrated and funded by the bidi industry and factory owners.
- Bidi factory owners force low-level workers to protest.
- Bidi workers do not benefit from tax breaks for bidis. Instead, they continue to suffer disease and poverty while factory owners pocket the difference.

POLICY RECOMMENDATIONS

- In order to discourage consumption of bidis by the most vulnerable populations, the Govt. should impose higher taxes on bidis to reduce the adverse health burden of bidi use.
- Bidi industry is the one opposing higher taxes on bidis and not the bidi workers themselves. Revenues realized from increasing bidi taxes should be used for the rehabilitation bidi workers and to support alternative livelihoods for them.
- Bidi industry should be more rigorously monitored for compliance with tax and labor laws especially related to use of child labor.
- Government should support bidi factory owners to switch to other businesses and this can be incentivized through loans or other assistance.

References

1. Bangladesh Bureau of Statistics and National Tobacco Control Cell, Global Adult Tobacco Survey (GATS) Bangladesh 2017. Available at: https://ntcc.gov.bd/ntcc/uploads/editor/files/GATS%20Report%20Final-2017_20%20MB.PDF 2. The revenue and employment outcome of bidi taxation in Bangladesh. Dhaka: National Board of Revenue (NBR), Government of Bangladesh; 2019. Available at: https://www.who.int/docs/default-source/searo/bangladesh/pdf-reports/cat-2/biri-study-report-03-12-2019.pdf?sfvrsn=b8fea69_2 3. Labour Force Survey Bangladesh 2016-2017, Bangladesh Bureau of Statistics, Available at http://203.112.218.65:8008/WebTestApplication/userfiles/Image/LatestReports/LFS_2016-17.pdf 4. National Legislation on Hazardous Child Labour, Bangladesh, Available at <https://www.ilo.org/ippecinfo/product/download.do?type=document&id=27077>