WWW.IJRPR.COM

International Journal of Research Publication and Reviews

Journal Homepage: www.ijrpr.com ISSN 2582-7421

Government Welfare Programmes for Beedi Workers in India: A Doctrinal Economic Analysis

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ABSTRACT

The beedi industry constitutes an important segment of India's informal labour economy and provides livelihood opportunities to a large number of economically vulnerable workers, particularly women and workers residing in rural and semi-urban areas. Beedi work is predominantly labour-intensive and, in many cases, home-based and remunerated on a piece-rate basis. While the industry provides employment to persons with limited formal education and skills, beedi workers are exposed to economic insecurity, occupational health risks, inadequate housing, limited access to education and weak social-security protection. Recognising these vulnerabilities, the Government of India has developed a specific legal and welfare framework for beedi workers. The Beedi Workers Welfare Fund Act, 1976 provides an important statutory foundation for welfare intervention, while the Labour Welfare Scheme administered by the Ministry of Labour and Employment presently operates through three principal components, namely health, scholarship and housing. In addition, the Government has implemented skill-development initiatives for beedi workers and their dependants and facilitates access to broader social-security schemes applicable to eligible unorganised workers. This paper adopts a doctrinal approach to examine the legal basis, structure and economic rationale of these interventions. It analyses the Health Scheme, the Educational Scholarship Scheme, the Revised Integrated Housing Scheme, skill-development and alternative-employment initiatives, and broader social-security schemes such as Pradhan Mantri Shram Yogi Maandhan, Ayushman Bharat–Pradhan Mantri Jan Arogya Yojana, Pradhan Mantri Jeevan Jyoti Bima Yojana and Pradhan Mantri Suraksha Bima Yojana. The paper argues that these interventions perform important economic functions by reducing household expenditure, protecting income against social and economic risks, promoting human-capital formation, facilitating asset accumulation and creating opportunities for livelihood diversification. At the same time, the existing framework remains constrained by the informal nature of beedi employment, access barriers and the continuing dependence of workers on low-paid piece-rate work. The paper concludes that a sustainable welfare policy must combine social protection with economic empowerment, skill development and access to alternative livelihoods.

Keywords: Beedi workers, Labour Welfare Scheme, Beedi Workers Welfare Fund, social security, economic welfare, informal labour, human capital, labour law, India.

1. Introduction

The beedi industry occupies a distinctive position within India's informal economy. Beedi production requires relatively little formal education or specialised technical training and consequently provides an accessible source of livelihood for economically vulnerable sections of society. Beedi rolling is frequently undertaken within the worker's home, allowing participation by persons who may face difficulties entering conventional wage employment. Women constitute a particularly important section of the beedi workforce, and the occupation has historically provided supplementary or primary household income to many families.

The accessibility of beedi work, however, is accompanied by significant economic and social vulnerabilities. Workers are commonly remunerated according to the quantity of beedis produced, making income dependent upon productivity and the availability of work. Unlike workers in many formal occupations, beedi workers may not enjoy stable monthly wages, employer-provided social security or comprehensive employment protection. The home-based nature of the work also makes the enforcement of conventional labour protections more difficult.

Health risks constitute another important dimension of the problem. Continuous exposure to tobacco materials, repetitive movements, prolonged sitting and unsuitable working environments can adversely affect workers. Illness has an economic consequence because a worker may simultaneously experience increased medical expenditure and loss of earning capacity. For a low-income household, such a shock can substantially affect consumption, education and savings.

The Government of India has consequently developed a specialised welfare framework for beedi workers. The Beedi Workers Welfare Fund Act, 1976 created a statutory basis for financing welfare measures for persons engaged in beedi establishments. The contemporary welfare framework is principally administered through the Labour Welfare Scheme, under which health, scholarship and housing constitute the major components. The Government

reported in March 2025 that approximately 49.82 lakh beedi workers were registered and that the Labour Welfare Scheme was being implemented through Labour Welfare Organisations operating in 18 regions.

The economic significance of these interventions extends beyond the provision of monetary benefits. Welfare expenditure can affect the economic position of a household by reducing medical and educational expenditure, improving housing assets, preserving labour productivity and protecting households from risks associated with illness, disability, death and old age. Education and skill development can additionally affect the future earning capacity of workers and their dependants.

This paper therefore undertakes a doctrinal analysis of the government welfare framework for beedi workers from an economic perspective. It examines the statutory and policy foundations of welfare intervention, the principal government programmes and their economic rationale, and the limitations that affect their ability to provide long-term economic security.

2. Research Methodology

The present study adopts a doctrinal research methodology. It does not undertake a household survey, statistical analysis, econometric estimation or primary field investigation. The research is based on the examination and interpretation of primary and secondary legal and policy materials.

The principal primary sources include the Beedi Workers Welfare Fund Act, 1976, government notifications, official publications of the Ministry of Labour and Employment, Press Information Bureau releases and official descriptions of welfare schemes. Secondary materials concerning labour welfare, informal employment, social security and the socioeconomic conditions of beedi workers are used to contextualise the legal framework.

The economic analysis is doctrinal rather than empirical. It examines the economic objectives and implications of government interventions by considering concepts such as income security, expenditure reduction, human-capital formation, asset accumulation, labour productivity, risk protection and livelihood diversification. Accordingly, the paper does not claim to measure statistically the actual causal impact of individual schemes. Instead, it evaluates the economic function that the schemes are legally and institutionally designed to perform.

3. Nature of Beedi Employment and Economic Vulnerability

Beedi work is an important example of informal and home-based employment. Its relatively low skill requirements make it accessible to persons who have limited educational qualifications or few alternative employment opportunities. At the same time, these characteristics can reinforce workers' dependence upon low-paid employment.

Piece-rate remuneration is economically significant because income is directly associated with output. A worker who is unable to work because of illness or family responsibilities may experience an immediate reduction in earnings. There is consequently a close relationship between health, working time and household income.

The home-based nature of beedi production creates another economic difficulty. The workplace and household are often the same physical space. Consequently, the costs associated with production may be distributed across the household rather than being borne separately by an employer. Housing conditions, ventilation, sanitation and access to healthcare therefore have direct implications for the worker's productivity and welfare.

The economic vulnerability of beedi workers can also be understood in terms of incomplete social-security coverage. Formal workers may receive employer-supported insurance, pensions or other employment benefits. Informal workers generally have to rely on household savings, family networks or government programmes to manage economic shocks. Government intervention is therefore economically justified where private markets fail to provide affordable protection against health, employment and old-age risks.

4. Constitutional and Welfare Perspective

The welfare of beedi workers can be situated within the broader constitutional commitment to social and economic justice. The Directive Principles of State Policy establish important objectives concerning adequate livelihood, health, education, humane conditions of work and protection of vulnerable sections of society.

Article 38 of the Constitution directs the State to promote the welfare of the people by securing a social order informed by justice. Article 39 contains principles concerning adequate means of livelihood and the distribution of material resources. Article 41 addresses the right to work, education and public assistance in certain circumstances, while Article 42 requires provision for just and humane conditions of work and maternity relief. Article 43 refers to securing a living wage and conditions of work ensuring a decent standard of life.

Although the Directive Principles are not directly enforceable in the same manner as Fundamental Rights, they provide an important normative foundation for labour-welfare legislation and government policy. Welfare schemes for beedi workers can therefore be understood as part of the State's broader obligation to promote social and economic justice.

The economic dimension of this constitutional framework is important. The objective is not merely to provide relief after poverty has occurred but to create conditions in which vulnerable workers can maintain health, develop human capital, accumulate assets and obtain adequate livelihood opportunities.

5. Beedi Workers Welfare Fund Act, 1976

The **Beedi Workers Welfare Fund Act, 1976** is the principal statutory foundation specifically associated with welfare measures for beedi workers. The Act establishes the Beedi Workers Welfare Fund and provides for the financing of welfare measures and facilities for persons engaged in beedi establishments. The statutory purposes include the provision and improvement of educational facilities, housing and recreational facilities, nutrition, health and other welfare measures.

The significance of the Act lies in its recognition that the economic problems of beedi workers require a specialised welfare mechanism. The legislation does not limit welfare to direct income support. Instead, it recognises several dimensions of welfare, including healthcare, education and housing.

From an economic perspective, this approach is significant because poverty is multidimensional. A worker may have employment and earn an income but remain economically vulnerable because a substantial portion of that income is spent on medical treatment, education or housing. Welfare intervention can therefore improve economic welfare by reducing the costs of essential goods and services.

The Fund also reflects the principle that social protection may require collective financing. Individual low-income workers may not have sufficient capacity to purchase adequate insurance, healthcare or housing independently. A statutory welfare fund enables the State to pool resources and direct them towards the needs of a vulnerable occupational group.

6. Labour Welfare Scheme for Beedi Workers

The principal contemporary welfare intervention is the Labour Welfare Scheme (LWS) administered by the Ministry of Labour and Employment. The Government describes the scheme as covering beedi, cine and non-coal mine workers and their family members, with three principal components: health, scholarship and housing.

The Labour Welfare Scheme is administered through the Labour Welfare Organisation under the Directorate General of Labour Welfare. Government information published in 2025 states that the system operates through 18 regional Labour Welfare Organisations and covers approximately 49.82 lakh registered beedi workers.

The structure of the Labour Welfare Scheme reflects a multidimensional conception of economic welfare. The health component protects productive capacity and reduces medical expenditure. The scholarship component reduces educational expenditure and promotes human-capital formation. The housing component contributes to household asset formation and living standards.

Thus, the economic effect of the scheme cannot be assessed merely by asking whether it increases workers' wages. Welfare can increase real economic welfare even when nominal wages remain unchanged. If the government assumes part of the cost of healthcare, education or housing, the household has more resources available for other consumption and saving.

7. Health Scheme for Beedi Workers

The Health Scheme under the Labour Welfare Scheme constitutes one of the most significant welfare interventions for beedi workers. According to the Ministry of Labour and Employment, healthcare is provided through 10 hospitals and 279 dispensaries. The government also provides reimbursement for specialised treatment involving serious diseases, including cancer, tuberculosis, heart disease and kidney transplantation.

The health intervention has a direct economic rationale. Health expenditure represents a potentially large financial burden for low-income households. Serious illness can require expenditure on diagnosis, medicines, hospitalisation, transportation and post-treatment care. At the same time, the worker may be unable to work and therefore lose income.

The Health Scheme addresses both sides of this problem. By providing medical facilities and treatment assistance, it reduces the direct cost of illness. By facilitating access to treatment, it can also help preserve the worker's capacity to earn.

The Government's welfare framework has historically included assistance for diseases such as tuberculosis, cancer, heart disease and kidney-related conditions, demonstrating that the programme is designed to respond to illnesses capable of imposing substantial financial burdens on workers and their dependants.

The economic importance of healthcare is therefore closely connected to labour productivity. A healthy worker is better positioned to maintain regular employment and production. In a piece-rate occupation, illness can have a particularly immediate impact because reduced working capacity may translate directly into reduced earnings.

The Health Scheme can consequently be understood as a form of social insurance against health-related income shocks. It transfers part of the financial risk of illness from an individual low-income household to the publicly administered welfare system.

Nevertheless, the economic rationale also supports a stronger emphasis on prevention. Treatment after the occurrence of occupational illness can reduce the immediate financial burden, but prevention can reduce both medical expenditure and productivity losses over the longer term.

8. Educational Scholarship Scheme for Wards of Beedi Workers

The Scheme for Award of Financial Assistance for Education (Scholarship) to the Wards of Beedi Workers is a specific educational-welfare intervention administered under the Labour Welfare framework.

The scheme provides financial assistance to eligible children of beedi workers from school through higher and professional education. Government information for 2026–27 states that assistance ranges from ₹1,000 to ₹25,000 per student per annum depending upon the class or course. The scholarship is administered through the National Scholarship Portal and transferred through the Direct Benefit Transfer system.

The programme has a particularly important economic rationale because education constitutes an investment in human capital. Poor households may face a substantial opportunity cost in keeping children in education. Direct and indirect educational expenses may encourage children to leave school and enter low-paid employment.

Scholarship assistance reduces the private cost of education and therefore can improve the economic feasibility of continued schooling. At the higher-education level, the potential effect is even more significant because professional and technical education can provide access to occupations with greater earning potential.

From a doctrinal economic perspective, the scholarship therefore performs two functions. In the short term, it reduces household expenditure. In the long term, it seeks to increase the productive capabilities of the next generation.

The programme also has an intergenerational dimension. If children of beedi workers obtain higher education and enter alternative occupations, the household's dependence upon beedi employment may decline. The programme can therefore be understood as a mechanism for promoting economic mobility between generations.

The scale of the education intervention demonstrates its importance within the Labour Welfare Scheme. In 2024–25, the Ministry reported that ₹32.51 crore had been disbursed to 92,118 wards of beedi, cine and non-coal mine workers under the education component.

The economic significance of the scheme is consequently greater than the monetary value of the scholarship itself. It represents public investment in the future earning capacity of workers' families.

9. Housing Assistance and the Revised Integrated Housing Scheme

Housing constitutes the third major component of the Labour Welfare Scheme. The Revised Integrated Housing Scheme (RIHS), 2016 provided financial assistance of ₹1.50 lakh per beneficiary for construction of a pucca house. The Government subsequently converged RIHS with the Pradhan Mantri Awas Yojana (PMAY).

Housing assistance has a distinctive economic character because housing is both a consumption good and a durable asset. A permanent house provides continuing benefits to the household and can increase its economic security.

The importance of housing is especially pronounced for beedi workers because production may occur within the home. Poor housing conditions can affect ventilation, sanitation and working conditions. Improving the physical environment can therefore have indirect effects on health and productivity.

From the perspective of household economics, government housing assistance can reduce the financial burden of constructing a house. It can also facilitate asset accumulation among households that might otherwise lack sufficient savings to undertake such investment.

The convergence of RIHS with PMAY illustrates another feature of welfare policy: sector-specific interventions may increasingly operate within broader national housing programmes. This can potentially expand access, although the practical effectiveness depends on the eligibility requirements and implementation mechanisms of the converged programme.

10. Skill Development and Alternative Employment

Welfare policy cannot be limited to protecting workers within the existing beedi occupation. A major long-term issue is whether workers can obtain access to alternative and more productive employment.

The Government has implemented Skill Development training for Beedi Workers and their dependants under the Pradhan Mantri Kaushal Vikas Yojana (PMKVY). The Ministry of Labour and Employment has stated that, between April 2017 and March 2020, 7,262 beedi workers were trained and 2,746 obtained alternative employment.

Government programme documents have also provided for support intended to make participation in training economically feasible, including stipends to compensate registered workers for wage loss during training, travel assistance and lodging and boarding support where necessary.

This intervention has a different economic rationale from direct welfare benefits. Healthcare and scholarships primarily reduce expenditure and risk, whereas skill development seeks to increase the worker's productive capacity and earning opportunities.

The economic significance of this distinction is important. If welfare merely compensates workers for the disadvantages of low-paid employment, workers may remain dependent on the same occupation. Skill development can potentially alter the structure of household income by creating access to alternative employment.

The programme therefore represents a movement from protective welfare towards productive welfare. Its policy objective is not simply to make low-income employment more tolerable but to provide workers with opportunities for occupational mobility.

However, the doctrinal assessment of such a programme must recognise that training and employment are not identical. Skill development creates a qualification or capability, but actual economic improvement depends upon the availability of suitable employment. Consequently, training programmes should be integrated with placement, entrepreneurship, credit and labour-market support.

11. Pradhan Mantri Shram Yogi Maandhan

The **Pradhan Mantri Shram Yogi Maandhan (PM-SYM)** is a broader social-security programme available to eligible unorganised workers, including eligible beedi workers. The scheme is voluntary and contributory and provides for government matching contributions towards old-age pension. The Ministry of Labour and Employment identifies PM-SYM among the social-security programmes relevant to unorganised workers.

The economic rationale of a pension scheme is based upon life-cycle income security. Workers need income during periods in which they are unable to work because of old age. Informal workers generally lack the employer-sponsored pension arrangements available in many formal occupations.

For beedi workers, this issue is particularly significant because earning capacity is closely related to the ability to continue performing labour-intensive work. As workers age, the ability to maintain output may decline. Without retirement protection, households may become dependent on younger family members.

PM-SYM therefore performs a consumption-smoothing function. It encourages workers to allocate resources towards future income security while providing government matching support. It represents an important extension of welfare policy beyond the worker's immediate working life.

12. Ayushman Bharat–Pradhan Mantri Jan Arogya Yojana

The Government identifies **Ayushman Bharat–Pradhan Mantri Jan Arogya Yojana (AB-PMJAY)** among the broader welfare and social-security programmes that can benefit eligible unorganised workers, including beedi workers.

The economic importance of health insurance lies in protection against catastrophic health expenditure. A serious illness can force a poor household to borrow money, sell assets or reduce expenditure on essential needs. Health protection reduces this risk.

AB-PMJAY can therefore operate alongside the specialised healthcare framework of the Labour Welfare Scheme. The sector-specific scheme is designed around the particular welfare needs of beedi workers, while broader public health insurance can provide additional protection where eligibility requirements are satisfied.

The combination reflects the principle of risk pooling. Instead of requiring each household to bear the entire economic cost of serious illness, insurance distributes the risk across a wider population and provides financial protection to households facing high medical costs.

13. Pradhan Mantri Jeevan Jyoti Bima Yojana

The **Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)** is another broader social-security scheme identified by the Government as available to eligible unorganised workers, including beedi workers.

Life insurance has particular importance for low-income households that depend heavily on the income of one or more workers. The death of an earning member can produce an immediate and substantial decline in household resources.

From an economic perspective, life insurance provides income replacement or financial compensation following a qualifying death. It protects dependants from a sudden reduction in consumption and can reduce the need for distress borrowing or the sale of productive assets.

For beedi-worker households, such protection is significant because household savings may be limited and alternative sources of income may not be immediately available.

14. Pradhan Mantri Suraksha Bima Yojana

The **Pradhan Mantri Suraksha Bima Yojana (PMSBY)** provides another layer of social protection against specified accident risks. The Government includes PMSBY among schemes that can benefit eligible unorganised workers, including beedi workers.

Accident insurance has an economic function similar to life insurance in that it protects households from the financial consequences of sudden adverse events. An accident can lead not only to medical expenditure but also to temporary or permanent loss of earning capacity.

For workers in physically demanding and informal occupations, such insurance is particularly relevant because they may lack employer-funded accident compensation arrangements.

The scheme therefore contributes to the broader objective of reducing household vulnerability to unpredictable economic shocks.

15. One Nation One Ration Card and Food Security

The Government also identifies the **One Nation One Ration Card scheme** under the National Food Security Act among programmes relevant to unorganised workers, including beedi workers.

Food security has a direct economic relationship with labour welfare. For a low-income household, expenditure on food constitutes an important portion of household consumption. Access to subsidised food can therefore protect real disposable income.

The portability element is particularly relevant to workers who migrate or move between locations for employment. Portability enables eligible beneficiaries to access food-security entitlements without being completely dependent upon their original place of registration.

In economic terms, food security functions as consumption protection. It can help households maintain minimum consumption levels even when labour income fluctuates.

16. Economic Welfare as a Doctrinal Concept

Economic welfare should not be equated solely with the amount of money received by a worker. A broader economic understanding includes income, consumption, health, education, housing, assets, employment security and protection against economic risks.

This broader conception is reflected in the structure of government welfare programmes for beedi workers. The Health Scheme reduces the economic burden of illness. The Scholarship Scheme reduces the cost of education. Housing assistance promotes asset accumulation. Skill development seeks to increase employment opportunities. Pension and insurance schemes protect workers against future risks.

Consequently, the economic value of welfare programmes can be greater than the nominal value of the financial assistance involved.

For example, a scholarship may not increase the parent's wage, but it reduces educational expenditure. Similarly, healthcare assistance may not increase employment income, but it can prevent a household from losing income and savings because of illness. Housing assistance can create an asset even though it does not constitute regular income.

This demonstrates the distinction between **nominal income and real economic welfare**.

17. Welfare, Income Security and Informal Employment

One of the central economic problems associated with informal employment is the absence of stable social-security mechanisms. Beedi workers may experience fluctuations in earnings because of illness, household responsibilities, interruptions in work or changes in production.

Government welfare schemes partially compensate for this insecurity. Healthcare reduces the financial consequences of illness. Insurance protects against death and accidents. Pension programmes provide protection during old age. Food-security schemes protect consumption.

The welfare system therefore acts as a mechanism for **income-risk management**. Rather than guaranteeing a fixed wage, it reduces the extent to which adverse events can destroy household economic security.

This approach is especially relevant to informal workers because conventional employer-based welfare mechanisms are often inadequate or unavailable.

18. Welfare and Human Capital Formation

The educational scholarship programme has an important economic connection with human-capital theory. Education increases knowledge, skills and productive capacity. For households associated with low-skilled employment, investment in education can provide a pathway to occupational diversification.

The scholarship scheme reduces the financial barrier to education for children of beedi workers. The economic significance is therefore intergenerational. The government is not merely assisting the current worker; it is investing in the productive potential of the worker's children.

This is important because persistent dependence upon low-skilled occupations can contribute to intergenerational poverty. Educational support can weaken this cycle by increasing opportunities for higher education and alternative employment.

19. Welfare and Asset Formation

Housing assistance differs from cash or consumption-oriented benefits because it contributes to asset formation. A permanent house can provide long-term utility and economic security.

For poor households, asset accumulation is difficult because current income may be largely consumed by basic necessities. Government housing assistance can therefore overcome a savings constraint.

From an economic perspective, the housing component can be viewed as a form of **publicly supported capital formation at the household level**. It creates a durable asset while simultaneously improving living conditions.

The relationship between housing and health also creates indirect benefits. Improved housing may reduce exposure to environmental and occupational risks, thereby reducing future medical costs and productivity losses.

20. Welfare and Labour Productivity

Labour productivity is closely related to health, skills and working conditions. The welfare framework for beedi workers addresses each of these factors to some extent.

Healthcare protects physical capacity. Education improves human capital among the next generation. Skill development can improve the productive capacity of existing workers. Housing can improve living and working conditions.

The economic logic is therefore that social welfare and productivity are not competing objectives. Appropriate welfare expenditure can increase productivity by improving the conditions under which workers and their families live.

This is particularly important in an industry where workers are remunerated according to output. A decline in physical capacity can directly reduce earnings. Consequently, health expenditure can have a productive as well as a social-welfare justification.

21. Welfare and Women's Economic Position

The welfare of beedi workers also has a significant gender dimension because women constitute a substantial proportion of the registered beedi workforce. Government information has reported that women constitute a major share of registered beedi workers.

Home-based beedi work can provide women with access to income while allowing them to remain within the household. However, the apparent flexibility of home-based work may also coexist with long working hours and the simultaneous performance of unpaid domestic labour.

Government welfare programmes can reduce some of the economic vulnerabilities associated with women's participation in beedi work. Healthcare assistance reduces household medical expenditure, educational assistance supports children's human capital, and skill development can create opportunities for alternative employment.

From an economic perspective, improving women's access to productive employment and social protection can strengthen household economic security and reduce dependence upon a single source of income.

22. Relationship Between Welfare and Economic Empowerment

A major distinction can be drawn between **protective welfare** and **productive welfare**.

Protective welfare seeks to reduce the consequences of economic vulnerability. Healthcare, insurance, pensions and food-security measures largely perform this function. They protect households when adverse events occur.

Productive welfare seeks to increase the capacity of individuals to generate income. Education and skill development are examples of this approach. They can potentially change the household's economic position over time.

The welfare framework for beedi workers contains elements of both approaches. The Health Scheme, housing support and scholarships provide immediate protection, while education and skill development can promote longer-term economic mobility.

A comprehensive policy must maintain both dimensions. Protective welfare is necessary because workers face immediate risks, while productive welfare is necessary to prevent permanent dependence upon low-income employment.

23. Legal and Institutional Challenges

Despite the existence of a substantial welfare framework, implementation presents several legal and institutional challenges.

The first challenge is the identification and registration of workers. Since beedi production is frequently home-based and informal, establishing the identity and employment status of workers can be difficult. Effective access to welfare depends upon the ability of the administrative system to identify eligible beneficiaries.

The second challenge concerns awareness. A statutory or administrative entitlement has limited economic value if eligible workers do not know about it or do not understand the procedure for obtaining it.

The third challenge concerns documentation and digital access. The increasing use of digital platforms and Direct Benefit Transfer can improve transparency and reduce leakage, but workers with limited digital literacy may face difficulties in applying for benefits.

The fourth challenge is coordination between sector-specific and general welfare programmes. A worker may potentially qualify for several forms of social protection, but access may depend upon different administrative systems and eligibility conditions.

These issues demonstrate that the effectiveness of welfare law depends not only on the substance of the entitlement but also on the accessibility of the institutional mechanism through which the entitlement is delivered.

24. Need for a Rights-Oriented Approach to Welfare

A doctrinal analysis also raises the question of whether welfare should be understood merely as government assistance or as part of a broader framework of labour rights and social justice.

The statutory recognition of welfare for beedi workers demonstrates that the State accepts a special responsibility towards workers in this vulnerable sector. The economic purpose of such legislation is not simply charity. It is to compensate, at least partially, for structural disadvantages associated with informal and low-income employment.

A rights-oriented approach would therefore require that eligible workers be able to access benefits through transparent, predictable and accessible procedures. It would also require adequate dissemination of information and effective administrative mechanisms.

Such an approach would strengthen the relationship between labour law and economic welfare by ensuring that social protection operates as an institutional entitlement rather than merely as discretionary assistance.

25. Critical Economic Assessment

The welfare framework for beedi workers has considerable economic significance, but its limitations must also be recognised.

First, welfare programmes generally do not directly determine the wage received for beedi production. Consequently, they cannot by themselves eliminate the problem of low earnings.

Second, welfare programmes can reduce the consequences of poverty without necessarily eliminating its structural causes. Healthcare assistance can reduce medical expenditure, but it does not automatically create a higher-paying occupation.

Third, skill development has the potential to increase economic mobility, but its success depends upon the existence of appropriate employment opportunities. Training must therefore be connected with labour-market demand.

Fourth, welfare coverage may be affected by administrative barriers. The economic value of a benefit depends upon the ability of workers to actually obtain it.

Finally, there is a continuing need to strengthen preventive occupational-health measures. A welfare system that primarily treats illness after it occurs may be less economically efficient than one that also addresses the causes of occupational disease.

26. Suggestions

The existing welfare framework should continue to provide targeted healthcare, education and housing support to beedi workers while improving accessibility and administrative efficiency. Since the Labour Welfare Scheme already provides a specialised framework, greater efforts should be made to ensure that eligible workers are properly identified and informed about their entitlements.

The Health Scheme should increasingly emphasise preventive occupational healthcare. Regular health examinations, awareness programmes and measures directed at reducing occupational exposure can complement the existing treatment and reimbursement framework.

The Educational Scholarship Scheme should be strengthened not only through financial assistance but also through educational guidance and career counselling. The ultimate objective should be to enable children of beedi workers to access productive and secure employment outside the traditional low-income occupational structure.

Skill-development programmes should be closely connected with actual employment opportunities. Training providers should be evaluated not simply on the basis of the number of persons trained but on the quality and sustainability of employment opportunities available after training.

Housing policy should continue to recognise the dual function of the dwelling as a residence and, in many cases, a workplace. Housing interventions should therefore take account of ventilation, sanitation and occupational-health requirements.

The convergence between sector-specific welfare programmes and broader social-security schemes should be accompanied by better administrative coordination. Workers should not have to navigate unnecessarily complicated procedures to obtain benefits for which they are legally eligible.

Finally, the government should maintain reliable and publicly accessible information regarding scheme eligibility, benefits, implementation and expenditure. Transparency is essential for ensuring accountability and enabling meaningful doctrinal and policy evaluation.

27. Conclusion

The welfare of beedi workers in India represents an important intersection between labour law, social security and economic policy. Beedi workers occupy a particularly vulnerable position within the informal economy because their employment is frequently home-based, piece-rate and characterised by limited income security. The Government of India has responded to these vulnerabilities through a combination of statutory intervention and welfare programmes.

The Beedi Workers Welfare Fund Act, 1976 provides the principal statutory foundation for specialised welfare intervention. Within the contemporary framework, the Labour Welfare Scheme constitutes the principal government programme specifically addressing beedi workers, with its three major components of health, scholarship and housing. The Health Scheme addresses the economic consequences of illness, the Educational Scholarship Scheme promotes human-capital formation and the housing component supports household asset formation. The Revised Integrated Housing Scheme, 2016, subsequently converged with Pradhan Mantri Awas Yojana, represents the housing dimension of this welfare framework.

The Government has also attempted to address the structural problem of dependence upon low-paid beedi work through skill-development and alternative-employment initiatives under PMKVY. This is particularly important because long-term economic welfare cannot be achieved solely through compensatory benefits. Workers must also have opportunities to increase their skills and obtain alternative sources of income.

Broader schemes such as Pradhan Mantri Shram Yogi Maandhan, Ayushman Bharat–PMJAY, PMJJBY, PMSBY and One Nation One Ration Card supplement the sector-specific welfare framework by providing protection against old-age insecurity, health expenditure, death, accidents and food insecurity, subject to their respective eligibility requirements.

From an economic perspective, the significance of these programmes lies in the fact that welfare is not limited to direct income transfers. Healthcare can protect earning capacity and reduce medical expenditure. Educational assistance can create human capital and facilitate intergenerational mobility. Housing assistance can promote asset accumulation. Insurance and pensions can reduce vulnerability to life-cycle risks. Skill development can create opportunities for occupational diversification.

The central limitation, however, is that welfare cannot by itself resolve the structural problems associated with low-paid informal employment. If workers remain dependent upon low and uncertain piece-rate earnings, social protection can mitigate vulnerability but cannot completely transform their economic position. The long-term objective must therefore be to combine protective welfare with productive economic opportunities.

The appropriate policy direction is consequently one of gradual movement from welfare protection towards economic empowerment. The State should continue to provide targeted health, education and housing assistance while strengthening occupational-health prevention, skill development, alternative employment, social-security coverage and administrative accessibility.

The economic welfare of beedi workers should ultimately be understood in multidimensional terms. A successful welfare framework is one that not only protects workers when they face illness, poverty or economic shocks but also enables them and their families to accumulate human and physical capital and obtain more secure livelihoods. In this sense, the government welfare programmes for beedi workers represent not merely instruments of social assistance but important components of India's broader commitment to social justice, labour welfare and inclusive economic development.

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