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EMPLOYMENT, WAGES AND CONDITIONS OF WORK IN  
THE CASHEW PROCESSING INDUSTRY

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4

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CASHEW PROCESSING INDUSTRY

This paper is an attempt to study, in some detail, some of the major issues in employment, wages and conditions of work in the cashew processing industry where more than a lakh of workers are employed of which, female labour constitutes about 94 percent. Cashew processing is one of the major traditional industries of Kerala and has historically developed into a localised industry, in and around the district of Quilon. In spite of the very high profitability in cashew processing (See table 1), the industry has been beset with a number of problems: (a) inadequate supply of raw nuts and consequent underemployment of workers, (b) differential nature of the problems of organised and unorganised labour with regard to employment and wages and, (c) the discrimination of female labour vis-a-vis male labour in employment, payment of wages and conditions of work in both the organised and the unorganised sectors. The present study mainly focusses attention on the latter two problems.

Employment in the Cashew Processing Industry

The total number of workers employed in the cashew processing industry are seen to have been rising over the years, and the current figures varying from 1.2 to 1.3 lakhs; the figures reported may contain, however, a large element of over-statement since, from 1970-71 on, the allocation of imported raw nuts has been made on the basis of the number of workers employed. The number of

Table 1

Rates of surplus in cashew processing and other selected industries

Item	Year									
	1962	1963	1964	1965	1966	1967	1968	1969	1970	1973-74
Surplus generated in cashew processing	117	233	325	272	557	432	381	232	272	585
Surplus per worker per annum	168	318	426	333	725	636	480	298	377	592
Working Capital-Fixed Capital ratio	2.5	2.7	2.6	4.0	5.0	3.2	5.3	3.0	2.2	5.0
Gross Output-Capital ratio	9	9	9	6	7	12	7	11	9	6
Rate of surplus = $\frac{\text{Surplus}}{\text{Fixed+Working Capital}}$	71	120	124	69	109	121	66	59	67	62
Rates of surplus in other selected industries										
Coir manufacturing	44	36	36	72	72	42	76	32	30	30
Cotton Textiles	35	23	20	17	11	10	8	12	16	56
Tiles	43	32	25	29	27	33	33	23	27	40
Tea manufacturing	41	65	52	81	61	78	48	63	73	66

Source: Worked out from ASI data reproduced in Industries, Industrial Labour and Infrastructure, State Planning Board, Trivandrum, 1975.  
op. cit.

workers reported to be engaged in the different states for the two years 1972-73 and 1973-74, for which data are available, are given in Tables 2 and 3.

Data on the total number of days employed are not available. However, the number of days on which employment can be provided can be derived on the basis of the quantum of man days required for processing a specified quantity of raw nuts.<sup>1</sup>

In Table 4 we have worked out, on the basis of the quantity of nuts processed and the number of workers on the payroll, average day days of annual employment per worker for the period 1962 to 1974-75. Since the proportion of nuts processed in Kerala has been declining over the years, the number of days employed has also been decreasing. The observed decrease is also due, at least partly, to increase in the number of workers employed.<sup>2</sup>

The number of days of employed alone do not, however, indicate how high the earnings of workers are, since they depend as much on the wage rate as on the number of days employed. It is the question of determination of the wage rate which has become a central issue in the cashew processing industry. The farming out of the processing work to the "unorganised" sector and the gradual shifting of the processing activity to the nearby state are intimately related to the issue of wage rates payable to cashew workers.

Table 2

## Estimates of state-wise break-up of workers in cashew processing industry

State	No. of factor-ies *	Labour strength (as per muster roll)	1972-73				1973-74	
			No. of factories **	Accepted labour strength	"Eligible" factories	Accepted labour strength	"Eligible" factories	Accepted labour strength
1	2	3	4	5	6	7	8	9
Kerala	288	1,30,800	214	1,08,480	185	1,16,878	178	1,07,116
Tamil Nadu	107	46,400	107	46,400	51	25,096	51	25,335
Karnataka	8	5,600	8	5,593	5	5,120	5	5,120
Andhra Pradesh	37	1,694	37	1,694	6	235	7	476
Maharashtra	15	1,300	15	1,300	-	--	-	--
Goa	9	550	9	550	-	--	-	--
	464	1,86,344	390	1,64,017	247	1,47,329	241	1,38,047

\*Number of factories who made actual claims for imported rawnuts from the Cashew Corporation of India (CCI) in 1972.

\*\*Number of factories furnished by the CCI as per its verification conducted in 1972.

Estimates of total number of workers in the Cashew processing factories

Year	As per "Proforma" companies submitted by companies to the CCI	As per "data sheets" submitted by companies to the CCI	As per muster roll	As per CCI verification	Workers in "eligible" factories (as accepted by CCI)	Workers in "eligible" factories in Kerala	
						As per CCI	As per Cashew Special Officer, Kerala
1969-70	1,35,751	1,04,603	-	-	-	-	-
1970-71	-	1,22,623	-	-	-	-	-
1971-72	-	1,56,720	-	-	-	-	-
1972-73	-	-	1,86,344	1,64,017	1,47,329	1,16,878	-
1973-74	-	-	-	-	1,38,047	1,07,116	-
1974-75	-	-	-	-	-	1,21,570	1,45,950

Table 4  
Estimates of average days of employment in cashew processing factories  
in Kerala

Year	Kernels produced in Kerala (Tons)	Total Export of kernels from India (Tons)	Man-days required for processing* (3) (in lakhs)	Man-days required for processing** (2) (in lakhs)	No. of workers in Kerala	Average days of employment (5)/(6)
1	2	3	4	5	6	7
1962	34,512(74)	46,436	223.822	166.347	68,930	241
1963	44,193(82)	53,394	257.359	213.010	73,219	290
1964	54,131(102)	52,645	253.749	260.911	76,316	341
1965	48,429(90)	53,793	259.282	233.427	81,432	286
1966	50,170(103)	48,616	234.329	241.819	76,907	314
1967	49,198(94)	52,256	251.874	238.580	70,017	340
1968	48,914(80)	60,491	291.567	235.765	79,186	297
1969	45,742(72)	62,678	302.108	220.476	97,494	226
1970	38,692(71)	54,074	260.637	186.495	90,034	188
1971	43,809(73)	59,985	289.128	211.159	(99,034)	(213)
1972	NA	64,542	311.092	NA	-	NA
1973-74	38,927(74)	52,293	252.052	187.628	98,780 (1,08,480)	190 (173)
1974-75	41,650(64)	65,025	313.421	200.753	1,08,480	185

\*Number of man-days required for producing one ton of kernels=482 days (worked out on the basis of data obtained from the Cashew Special Officer for 1975).

Source: Column (2) is obtained by dividing the value of output (given in Industries, Industrial Labour and Infrastructure, State Planning Board, 1975) by the price of kernels

Column (3) is obtained from Cashew Statistics, Cashew Export Promotion Council, Cochin.

Column (6) is obtained from Industries, Industrial Labour and Infrastructure, op.cit. and from Cashew Corporation of India, Cochin for the last two years.



Determination of Wages

Before we go into the question of wage rates and related issues, it is necessary to understand the type of employment involved in cashew processing. Of the total workers, women account for 94 per cent. Arduous operations like roasting and heating under conditions of high temperature are performed by men while women perform operations which require patience and extreme care, like shelling, peeling and grading. The break-up of employment according to categories is given below<sup>3</sup>:

Shelling	42%
Peeling	42%
Grading	10%
Roasting	2%
Heating	1%
Other work	<u>3%</u>
Total	<u>100%</u>

Cashew processing industry originally developed in and around Quilon utilizing the available cheap local labour. In spite of the fact that it is female employment that predominates in the industry, unionisation of labour started in the early forties. Four major trade unions, viz. Centre for Indian Trade Unions (CITU), United Trade Union Centre (UTUC), All India Trade Union Congress (AITUC) and Indian National Trade Union Congress (INTUC) have by now come to stay. The conditions of work and the rates of wages in the cashew processing industry remained extremely poor till the period of unionisation; it is the organised struggle waged for a decade by the trade unions that led the Government



ultimately to the introduction of Minimum Wages. The first Minimum Wage notification issued in 1953 was followed by revisions in 1960, 1967 and quite recently in 1975. The purpose of the Minimum Wages was to secure to the workers subsistence wages comparable to those prevailing in similar activities; the employers did not, however, easily reconcile to the idea of paying Minimum Wages and used all methods at their command to evade them. There ensued a real, though often indirect, struggle between the employers and the workers which ultimately has resulted in the employers gaining more powers than ever before. The bargaining power of the workers has always been relatively weak due to several factors: the existence of a large reserve of unemployed labour, the preponderance, among the employed, of women whose spatial mobility is less than that of men and whose ability to organise struggles has always been restricted by social and cultural factors, the absence of any time constraint in performing the processing operations (unlike in agriculture) and the enormous economic and political power wielded by the employers (who numbered hardly 25 families).

When Minimum Wages were introduced, the main method of evasion used by the employers was the diversion of nuts to the "unorganised" sector (called Kudivaruppu i.e. cottage processing). This was rendered possible by the existence of unemployed and poverty-stricken workers in large numbers willing to work for low wage rates. Though by cottage processing is meant processing in households, in actual practice it was also carried out in factories themselves. The only

effective difference between factory processing and cottage processing was that, in the latter, workers were paid at the "cottage rates" which were usually half the wage rates prevailing in factories during the normal working periods. When cottage processing began to be practised extensively by the employers, workers who were better organised resisted it under the aegis of their unions. Consequently, in 1967, the Government of Kerala legally banned cottage processing. But the legal ban did not really put a stop to this practice and it still continues. However, the proportion of employers resorting to "cottage processing" has fallen, not merely because not every one could afford to defy the law but also due to the existence of a cheaper labour market in the nearby district of Kanyakumari in Tamil Nadu. No Minimum Wage legislation for cashew workers exists in Tamil Nadu and the market wage rates in that State are much lower than in Kerala. Moreover, the employment of children, paid at wage rates much lower than those of adults, is also practised in Tamil Nadu on a large scale. Since the fixed capital investment required in cashew processing is low, employers from Kerala have set up several factories in Kanyakumari, usually referred to as dummy factories.

A survey conducted among cashew workers in 1977 also revealed that a number of factories resort to methods such as paying wages at less than the minimum rates fixed by law even during normal working days, and underweighting the output of piece-rate workers but at the same time,



Table 6Cost of living index for Quilon and Kerala

Year	Quilon	Kerala
1956	384	383
1960	455	458
1961	493	478
1962	NA	NA
1963	NA	NA
1964	NA	NA
1965	NA	NA
1966	686	673
1967	731	729
1968	787	783
1969	812	817
1970	847	851
1971	849	857
1972	903	909
1973	1090	1096
1974	1445	1442
1975	1491	1501

Source : State Planning Board, Statistics,  
for Planning, Trivandrum.

Table 7

Daily wages of different categories of cashew workers  
as per Minimum Wage Notifications (Rs)

Category	Sex	1953	1960	1967	1975
<u>Piece-rate</u>					
Shelling	Female	1.15(100)	1.49(100)	3.24(100)	8.00(100)
Peeling	Female	1.31(114)	1.84(123)	3.80(117)	9.26(114)
<u>Time-rate</u>					
Grading	Female	1.25(109)	1.56(105)	2.92(90)	7.43(92)
Roaster	Male	-	2.66(179)	4.28(132)	10.70(131)
Borma workers (Heater)	Male	-	2.66(179)	4.33(134)	10.70(131)
Other work	Male	1.87(163)	2.21(148)	4.02(124)	9.18(115)
Weighted average wage rate per day	-	1.26	1.68	3.48	8.56

Note: Figures in bracket indicate the difference between the wage rates of workers in shelling and other categories.

Table 8

Difference between minimum wage rates and actual (as per ASI) wage rates of cashew workers

Year	Average wage rate (as per Minimum Wages)	Average wage rate paid (as per ASI)
1953	1.26	-
1960	1.68	1.23(73)
1961	1.83	1.28(70)
1962	-	1.58
1963	-	1.40
1964	-	1.22
1965	2.31	1.56(68)
1966	2.48	1.54(62)
1967*	3.48	1.69(49)
1968	3.71	2.15(58)
1969	3.83	2.90(76)
1970	3.96	3.12(79)
1971	3.96	-
1972	4.18	-
1973-74	4.93	3.79(77)
1974	6.34	-
1975	8.56	-

Note: Figures in bracket in the last column indicate the actual wage rate as a percentage of minimum wage rate.

\*Year in which "cottage processing" was banned in Kerala.

keeping account books in fact by recording payment of full legally prescribed wages to the workers. The Minimum Wages prescribed for different types of work and the weighted average wage rate per day are presented in Tables 5 and 7. It may be noted that workers engaged in shelling and grading are the lowest paid. A comparison of the Minimum Wages (worked out on the basis of the cost of living index) and the wages reported to have been paid (as reported in the Annual Survey of Industries), presented in Table 8, shows that the latter ranged from one-half to three-fourths of the former. However, it should be pointed out that the actual wages paid could be much less than those reported and such a conjecture was corroborated by our sample survey. Therefore both in terms of the number of days employed and the wages actually paid, the workers have been hit adversely. With regard to wage rates, the only exceptions to this general rule were a couple of private companies and the state-owned Cashew Development Corporation which employ about 30,000 workers.

Inter-State Differences in Wage Rates and the consequent  
shifting of the Processing Activity

Obviously, the existence in Kerala of a partially unorganised labour market and in Tamil Nadu, of a totally unorganised labour market and the prevalence in Tamil Nadu of market wage rates considerably lower than in Kerala enabled the employers to continue their exploitation of labour. The spatial shifting of the processing activity started on a significant scale from 1967. This was soon followed by the ban imposed on the movement of raw nuts from Kerala to Tamil Nadu. The quantity of raw nuts imported into the country



did not increase either. Further, in September 1970, the Central Government decided to canalise the entire import of raw nuts through a state agency called the Cashew Corporation of India Ltd. (CCI). The big processors were able to get criteria favourable to them for the allocation of raw nuts formulated by the CCI, by which at least 20 percent of the imported nuts were allotted to factories outside Kerala, mainly in the district of Kanyakumari in Tamil Nadu. They also resorted to the practice of reporting inflated figures of the number of workers under them with a view to securing for themselves the maximum allotment of raw nuts. Eligibility to allotments from imported nuts was confined to

those actual users who had participated in both direct import of raw nuts and export of kernels during the period 1968, 1969 and upto 1.9.1970 and were included in a pro-forma submitted to the Cashew Corporation of India.

Consequently, the small processors who had earlier depended on the traders for their requirements of imported nuts were denied any allotment. Thus there emerged, as per the classification of the CCI, two groups of processors: (i) "eligible users" who were mainly large scale importers/processors, and (ii) "non-eligible users" comprising the small processors.<sup>6</sup>

But the existence of a cheap labour market in Tamil Nadu (often below the subsistence level) was so attractive that the risks involved in defying the law relating to movement of raw nuts outside Kerala appeared to the employers to be worth undertaking.<sup>7</sup> The process of shifting was facilitated to some extent by the political influence enjoyed by a few big processors. Since 1971

though the absolute level of wages has increased both in Kerala and Tamil Nadu; cottage rates continued to be nearly 50 per cent and Tamil Nadu rates 30 per cent of the Minimum Wage rates.

Wage differences existed not merely between different sectors of the industry but even among different categories of work. This fact has been brought out sharply by our sample survey; see Tables 9 and 10. The wage differentials among the different categories of work indicate a clear discrimination against female labour in both the factory and the cottage sectors. The reason why male workers engaged in roasting and heating secure a higher wage even in the cottage sector are: (i) in the cottage sector, they are employed on a daily-wage basis (as opposed to the monthly-wage basis in the factory which ensures a higher monthly earnings) and, (ii) the male workers need to be kept in good humour during the period they are in the cottage sector lest they should create problems for the employer because of the legal ban on the cottage processing.

Table 10 shows that in the cashew industry, the factory sector in Kerala pays the highest wage rates; the cottage sector in Kerala pays lower rates; but the lowest rates were paid in the factory sector in Tamil Nadu. The mean wage in Tamil Nadu is only 38 per cent of that in the factory sector in Kerala. If we include also the non-wage benefits payable to factory sector workers in Kerala the proportions of the mean wage in the cottage sector, and in the factory sector in Tamil Nadu would decline further to 50 percent and 30 percent respectively.

Table 9

Wage rates of workers according to category of work in  
different sectors of the industry (Wage rate  
in Rs.)

Category of work	Quilon		Kanyakumari		Sex
	Factory	Cottage	Factory	Unit	
Roasting (R)	7.40	8.25	5.41	Per day	Male
Shelling (S)	0.76	0.59	0.36	Per Kg.	Female
Peeling (P)	0.94	0.56	0.38	Per Kg.	Female
Grading (G)	4.75	3.57	2.28	Per day	Female
Heating (H)	7.40	7.50	5.25	Per day	Male

Table 10

Average daily earnings\* for a standard day (8 hours) for  
different categories of workers (in Rs.)

Sector	Category						Wage
	R	S	F	G	H	Other work	
A. Factory sector in Quilon	7.70	7.06	7.57	7.50	8.30	8.16	7.38
B. Cottage Sector in Quilon	7.50	3.45	4.00	3.90	7.50	7.50	3.97
C. Factory Sector in Kaynakum	5.50	2.31	2.83	2.64	5.50	7.83	2.82
Percentage of B to A	97	49	53	52	90	92	54
Percentage of C to A	71	40	37	35	66	96	38
Percentage of C to B	73	67	71	68	73	104	71

\* Daily earnings include non-wage benefits also

Given such differences in the wage rates, it is no wonder that the incentive to smuggle raw nuts to places outside the state remains strong. The real difficulty lies in estimating the quantum of raw nuts farmed out for "cottage processing" and processing in Tamil Nadu. Table 4 gives some indication of the decline in the quantity processed in Kerala; it does not however, present the true picture because some companies do part of the processing of raw nuts in factories in Kanyakumari (mainly shelling and peeling) and the rest of the operations (grading and packing) in Kerala. The kernels thus produced are then shown as the output exclusively factories in Kerala.

It has to be remembered that the diversion of raw nuts to places outside Kerala has taken place in a big way after 1967 when "cottage processing" was legally banned in Kerala. Data relating to the quantity of raw nuts processed in Kerala and Tamil Nadu for recent years have been difficult to obtain. In Tables 11 and 12 we have presented some figures (and indices) of cashew processing in Kerala and Tamil Nadu.

They show the decline in the quantity of raw nuts processed and the quantum of employment in Kerala and the corresponding increase in both in Tamil Nadu. Since 1973, the trend has been rapidly on the increase though data of the kind presented in Table 11 are not available for the period.

Based on data obtained on quantity processed and number of workers employed in factories "eligible" for allocation of imported raw

nuts in Kerala for 1975 we have worked out the approximate quantities of raw nuts diverted for processing to Tamil Nadu and to cottage processing in Kerala; see Table 13. It seems that more than 60 per cent of the raw nuts produced in Kerala are processed outside the factory sector in the State. It is quite likely that a major proportion of this processing done outside the factory sector in Kerala (of nearly 71 thousand tons of raw nuts) was conducted in Tamil Nadu because: (i) The wage rates in the factory sector in Tamil Nadu are lower than those even in the cottage sector in Kerala and (ii) cottage processing is legally banned in Kerala. As a result of this diversion, the volume of employment lost to the workers in the factory sector in Kerala works out to 75 lakh man-days for 1974-75, the loss amounted to 70 days of work per person employed in Kerala.

The smuggling of raw nuts into Tamil Nadu is done by employing highly ingenious techniques: first, the imported nuts contained in bags bearing the mark of COI, allotted to factories in Kerala are taken out under the guise of nuts already allotted to factories outside the state; then, the locally grown raw nuts are processed in Kerala in place of the imported nuts smuggled out. The monopoly procurement introduced by the Kerala Government in 1976 has, however, made smuggling of imported nuts difficult, once their allocation has been made. At present smuggling takes place mainly in raw nuts produced domestically; first, they are purchased from growers and then diverted to places outside the state.<sup>8</sup>

Table 11

Number of factories, labour strength, employment, etc. in Kerala and Tamil Nadu: 1963 to 1973-74.

		1963	1964	1965	1966	1968	1973-74
Number of factories	K	153	163	164	168	177	279
	T	3	4	4	5	11	107
Number of persons	K	76,506	79,335	84,549	79,695	81,598	1,03,026
	T	1,295	1,215	1,898	2,179	3,396	25,335*
Number of mandays (in lakhs)	K	200.21	203.28	202.75	173.72	178.83	168.03
	T	3.46	3.20	4.75	5.42	8.28	NA
Quantity processed (in M.T)	K	1,73,015	1,80,772	1,80,810	1,64,969	1,93,743	1,41,538
	T	1,473	2,429	2,608	4,046	3,276	21,342

Source : Annual Survey of Industries

Note : \*Data supplied by the Cashew Corporation of India, Cochin.

Table 12

Index numbers of number of factories, labour strength, employment, etc. in Kerala and Tamil Nadu:1963 to 1973-74

Item		1963	1964	1965	1966	1968	1973-74
Factories	K	100	106	107	109	115	182
	T	100	133	133	166	366	3566
Persons	K	100	103	110	104	106	134
	T	100	93	146	168	262	1956
Man-days	K	100	101	101	86	89	83
	T	100	92	137	156	239	NA
Quantity processed	K	100	104	104	95	111	81
	T	100	164	177	274	222	1448



Table 13

Estimate of raw nuts diverted from the factory sector  
in Kerala: 1975 (in tons)

(1)	Export of kernels from India	59,174
(2)	Domestic consumption of kernels	10,000
(3)	Total sale of kernels	69,174
(4)	Rawnut equivalent of kernels	3,14,050
(5)	Rawnuts imported	1,33,047
(6)	Domestic supply of raw nuts to the processing industry (4) - (5)	1,81,003
(7)	Quantity of raw processed in Kerala by "eligible" factories	1,44,604
(8)	Share of imported nuts in (7) (78% of total imports)	1,03,776
(9)	Domestic raw nuts processed in Kerala	40,828
(10)	Kerala's domestic production of rawnuts	1,12,000
(11)	Quantity of raw nuts taken cut for processing in Tamil Nadu and Cottage processing in Kerala (10) - (9)	71,172

Table 14

Month-wise distribution of employment in cashew pro-  
cessing factories in Kerala in 1975

Month	Jan	Feb	Mar	Apr	May	Jun	Jly	Aug	Sep	Oct	Nov	Dec
No. of days	4	5	3	11	13	14	21	14	15	7	9	10

Conditions of Work and Socio-Economic Characteristics of  
Workers

A sample survey was conducted among the cashew workers employed in factories in Guilon to obtain some insight into the conditions of work and socio-economic characteristics of workers. It showed that except in the factories in the state-sector and a very small number of factories in the private sector (which together account for nearly 30 per cent of the employment), the conditions of work prevailing in most of the factories were appalling. Workers toiling under conditions of high temperature like those engaged in roasting and heating were provided with hardly any protective device. Since the fumes emitting from the roasters are not chimneyed out properly, they spread over the entire work area affecting the worker's health adversely. It is significant to note that two-thirds of the workers engaged in roasting complained of lung diseases.

Most of the work sheds, especially those in which women are engaged in shelling operations, did not have even proper ventilation. House-keeping was extremely poor and often the structures were old and dilapidated. Though the Factories Act provides for the enforcement of certain basic facilities like canteen, lavatory, sanitation, creches, etc., a large number of factories do not either observe the rules at all or observe them only in a highly unsatisfactory manner. Factory Inspectors are supposed to be visiting the factories periodically to ensure proper implementation of the provisions of the Factories Act. But it would seem that the conditions

of work have hardly undergone any change for the better over the years.<sup>9</sup>

One of the indices of the conditions of work would be the state of health of the workers. Among the workers interviewed, 65 per cent reported poor health, 26 per cent indifferent health and only 9 per cent good health. However, further probing revealed that a large percentage were suffering from various types of lung diseases. Those who reported as suffering from other diseases were reluctant to disclose the nature of disease; later we came to know that they suffered from diseases of the uterus. Since the women workers employed in operations like shelling have to sit in a particular posture for long hours at a stretch, it needs to be investigated whether this factor has any causal link to diseases of the uterus.

The socio-economic characteristics of the workers were found to be, in general extremely, poor. The fact that they offer themselves for very low rates of wages is itself sure evidence of such a state of affairs. Of the total workers in the sample, 35 per cent were illiterate; but the percentage varied from one type of workers to another. Illiteracy was the highest among workers engaged in shelling and roasting, say, 50 per cent. Most of them belonged to the socially backward communities and the scheduled castes. Persons belonging to the scheduled castes were found employed mainly in the shelling and roasting operations and to some extent also in peeling. Poor workers belonging to the so-called forward communities are engaged mostly in operating like peeling, heating, grading and

packing. Very few workers belonging to such communities were found employed in shelling. Nearly 56 per cent of the workers had a household size of more than 5 members; but many such households had more than one earning member. One fifth of the workers possessed no land; even the lands in which they had their hutments belonged to others. Workers belonging to this category of the landless were found employed mainly in operations like roasting, shelling and peeling. Of the remaining four-fifths, all but 7 per cent owned land below 50 cents.

The attitude of the workers towards the employers, government agencies (like the Employment Insurance Scheme) and trade unions was seen to be by no means cordial. Though conscious of the various malpractices resorted <sup>to</sup> by the employers (like under-weighting the output of piece-rated workers, employing workers only on condition of low wages, etc.), workers are incapable of resisting them and often afraid even to disclose them lest they should be deprived of their present jobs, and the paltry incomes accruing from them. The working of the ESI Scheme and the attitude of the doctors and other personnel employed under that scheme came in for severe criticism. The workers are of the view that their legitimate claims to medical and other benefits are seldom granted by the employers, possibly as a result of the connivance of the persons working in the ESI scheme with the employers.

Most of the workers felt very strongly about the need to organise themselves under trade unions; they also recognised that the unions had, in earlier years, played an important role in

securing for them better conditions for work and other benefits (like fixing of working hours, minimum wages, etc.). But very few among the workers had a good word to say about the unions as they are functioning at present. According to them, most unions are in league with the employers and the employers have, by and large, succeeded in "buying up" the unions by throwing to them a few crumbs from the amounts clipped from the legitimate share of workers.<sup>10</sup>

(This paper is part of a larger study on Cashew Industry being carried out by the author. The author would like to record his grateful thanks to K.N. Raj for the valuable comments on an earlier draft. Help received from P.R. Gopinathan Nair and Thomas Isaac in the form of suggestions and comments for improvement is also gratefully acknowledged. However, the author alone is responsible for the views expressed and the errors that might have remained.)

Notes and References

1. This was worked out on the basis of the quantity of nuts processed in Kerala and the number of days of employment in 1975 obtained from the Cashew Special Officer, Quilon. It was found that the number of man-days required for processing one ton of raw nuts is 106 (i.e. 432 days for producing one ton of kernels).
2. It should be noted here that the number of workers were inflated for reasons mentioned earlier. In order to eliminate this error, at least partly, we have taken the number of workers accepted by the Cashew Corporation of India rather than the number shown in the muster roll for the years 1973 to 1975.
3. Information obtained from a sample survey conducted in 1977. The reliability of the data is corroborated by the result of an earlier survey which gives the break-up in the following manner: Shelling (41%), Peeling (45%), Grading (8%), Roasting, Heating, etc. (6%). see John Thomas Chirayath, A Study on the Cashew Industry in Kerala, Labour and Industrial Bureau, Trivandrum, 1965.
4. The basis of the weights attached is the proportion of labour time spent in each category of work for a given unit of output.
5. The state-owned Cashew Development Corporation was started in 1969 and this fact probably accounts for the decline in the difference between Minimum Wages and actual wages since 1969.
6. An interesting feature of the criterion laid down by the CCI, subsequently legalised by the Central Government through a Public Notice (1973) which amended the Import Export Policy relating to raw nuts, was that while the eligibility for allocations was determined on the basis of earlier actual "user status" of processors, the allocations were made on the basis of the number of workers in factories operated by them. If an "eligible user" leased in factory A from a "non-eligible user", he would be entitled to get additional quota of imported nuts (allocated on the basis of number of workers in the muster roll); but if factory A were to remain in the hands of the "non-eligible user" no allotment of imported nuts would be made. This led to a situation of leasing in of factories from the "non-eligible users" by the "eligible users", i.e. from small processors by the large processors, on terms and conditions stipulated by the latter.

7. The cost of production per bag (80 kg) as per Minimum Wage rates, cottage rates and processing in Tamil Nadu worked out for 1971 are presented below.

Item	Rs.	P.	Rs.	P.
Roasting	0	80		
Shelling	13	30		
Peeling	12	50		
Grading	3	40		
Heating and other work	1	00		
Total	31	00		
Non-wage benefits (ESI, PF, paid holidays, bonus, etc.)	10	50		
Cost of factory processing (as per Minimum Wages) (A)			41	50
Cost of cottage processing (B)			20	00
Cost of processing in Tamil Nadu (C)			12	00
Value of output @ Rs.10.30/kg			182	00
Value of raw nuts @ Rs.1.63/kg			130	00
Gross profit in (A)			10	50
Gross profit in (B)			32	00
Gross profit in (C)			40	00

8. From the point of view of a state like Kerala with enormous stake on employment of a lakh of workers, the erection of inter-state barriers could, perhaps, be justified. But from an all-India point of view such inter-state barriers do create problems. In the case of cashew industry the objective conditions which give rise to such inter-state problems are (a) the wide disparity in wage rates between different states and also in the degree of organisation of labour and (ii) the very high labour-intensive nature of these industries which makes capital 'foot-loose' so that capital moves in to places where it can secure higher surplus.
9. The Minimum Wages Advisory Committee for Cashew Industry (1959) in its report lamented the non-observance of many of the provisions of the Factories Act by large number of factories. Conditions have hardly changed even after 20 years. See, Government of Kerala, Report of the Minimum Wages Advisory Committee, for Cashew Industry (1959), Trivandrum.
10. A detailed account of the results of our sample survey among the cashew workers relating to their social background, age composition, level of education, health, etc. are given in an Appendix . We have also felt it necessary to incorporate in the Appendix the views of a representative sample of the workers on conditions of work, employment, trade unions, working of ESI hospitals, etc.



## Appendix

### A SURVEY OF WORKERS IN THE CASHEW PROCESSING INDUSTRY

With a view to ascertaining the socio-economic status of workers engaged in the cashew processing industry, a sample survey was conducted, in the beginning of 1977, in Quilon where the industry is concentrated. The survey brought into sharp focus the social and economic backwardness among them arising from differences in caste and community and in educational attainments. The survey was also intended to probe into the conditions of work in the industry and the state of health of workers. This appendix is intended to present, in brief, the method and the results of the survey.

At the time of the survey about 141 factories were reported to be working in Quilon. A sample of 17 working factories, constituting about 12 percent, was selected from the list of factories classified according to size-groups. Even though 300 workers were originally selected at random, a few incomplete schedules had to be rejected at the time of final compilation; the total sample came therefore only to 294. On an average, 17 workers were covered per factory; due care was taken to see that the sample of workers from different categories confirmed approximately to their respective weights in the processing activity. The following Table 1 gives the selection of sample factories from different size-groups.

Table 1: Number of factories covered by the sample survey

Labour Strength	No. of factories	Sample taken
Less than 200	11	2
200 - 500	47	5
500 - 1000	69	7
Above 1000	14	3
	141	17

The survey was conducted with the help of a detailed schedule drawn up for the purpose. Factories selected for the survey were visited and the addresses of selected workers for study belonging to different categories of work were obtained. This was followed by visits to the houses of the workers by investigators for interviewing. Apart from filling up of schedules, the investigators were also instructed to observe closely the general environment in which the workers live and the level of their political, social and economic awareness and to record their impressions. It must be pointed out here that the observations made by the investigators were extremely useful and gave the kind of qualitative information normally missed in interviews. Such items of information were further cross-checked through informal discussions with workers, employers, officials and union workers connected with the cashew processing industry.

Caste, Education and Age

The cashew processing activity may be divided into seven categories: roasting, shelling, heating, peeling, grading, packing and other work. The first two categories involve handling of roasted nuts and hence it is difficult for workers engaged in them to keep their body and clothes clean. The remaining operations are relatively clean. It is interesting to note that nearly three-fourths of the workers belong to the scheduled castes and that they, as well as half of those belonging to other "backward communities", were employed in the first two categories of work particularly in shelling; the forward castes and Muslims constituted only 14 percent and 8 percent respectively of the workers engaged in these categories of work. Workers belonging to these latter communities were concentrated in the peeling section (see Tables 2 and 3).

The educational status of workers, given in Table 4, is closely associated with their social background. Although the general level of illiteracy among the workers is not above the average for Kerala (35 percent of the workers were reported to be illiterates), 55 percent of the illiterate workers were engaged in what was described earlier as 'unclean' operations like roasting and shelling in which the scheduled castes and other backward communities were mostly employed. The majority of the literate, 67 percent of those who had

education upto the primary school level, 73 percent upto middle school level and 65 percent upto secondary school level were employed in 'clean' operations like peeling, grading, etc. Of the total workers, 44 percent were educated upto the primary school, 15 percent upto the middle school and 6 percent upto the secondary school level. Thus, higher social status, which is associated with better education, fetches 'better' jobs in the processing factories.

The age-composition of workers revealed the absence of child labour in the cashew industry in Kerala, unlike in the nearby district of Kanyakumari in Tamil Nadu where employment of children was reported to be a normal practice. While none of the male workers was below 20 years of age, 8 percent of the female workers belonged to the age-group of 15 to 19 years. 85 percent of the workers, both male and female, were in the age-group of 20 to 49 years. The proportion of workers above 50 years of age was only 7 percent among women and 16 percent among men (See Table 5).

Economic Status : Land owned, Family-size and Income

The fact that the majority of workers in the cashew processing industry, socially backward as they are, belonged also to the economically most disadvantaged section, has been brought out by the survey. Only 7 percent of the workers owned, on the average, more than 0.5 acres of land; 20 percent were landless who lived in huts put up on

Caste	Nature of work							Total	
	Roast- ing	Shell- ing	(2)+(3)	Heat ing	Reel- ing	Grad- ing	Pack- ing		Other work
(1)	(2)	(3)		(4)	(5)	(5)	(7)	(8)	(9)
Forward Castes	5	4	9(14)	8	30	11	4	3	55(86)
Other backward Castes (Hindus)	8	49	57(47)	7	33	17	5	2	64(53)
Muslims	1	2	3(8)	4	24	4	2	3	37(92)
Scheduled Caste	7	42	49(72)	3	14	2	-	-	68(100)

Note: Figures in brackets indicate percentages



Table 4 : Educational attainments of cashew processing workers

Level of Education	Nature of work								Total
	Roasting	Shelling	Heating	Peeling	Grading	Pecking	Other work		
Illiterate	3	48	5	34	5	1	1	103(35)	
Primary	10	33	12	43	23	7	2	130(44)	
Middle	1	11	2	18	6	3	3	44(15)	
Secondary	1	5	3	6	-	-	2	17(6)	
College	-	-	-	-	-	-	-	-	
Total	21	97	22	101	34	11	3	294(100)	

Note: Figures in bracket indicate percentages



others' lands; the rest, namely 73 percent, possessed tiny plots varying in extent between 0.01 to 0.50 acres. It is significant that the workers belonging to the poorest sections - half of the landless and those who owned below 0.10 acres - were employed in the shelling and roasting operations (see Table 6). This should be read along with our earlier finding that most of the workers belonging to socially backward sections worked in these operations.

The average family of the workers was found to consist of five members, with 56 percent of the families having a size higher than the average. The average number of earning members per family was two. The figures relating to the number of earning members and family-size are presented in Table 7. The fact that the income earned by a single member is far below the subsistence requirements of the family will be evident once we look into the factors determining the income of the families.

During the year which preceded our survey, a worker was employed on the average for about 80 to 90 days which meant an annual income of Rs.400 to 450. On an average there were two earning members in the family; in some cases the other earning member was also a worker in the cashew processing industry. It was however reported that on the average that a worker family earned Rs.30 per month from such alternative occupations.



Table 5: Age-composition of male and female workers

Age Group	Nature of work							Total
	Roasting	Shelling	Heating	Peeling	Grading	Packing	Other work	
<u>MALE</u>								
Upto 14	-	-	-	-	-	-	-	-
15 - 19	-	-	-	-	-	-	-	-
20 - 29	2	-	4	1	-	2	1	10(15)
30 - 49	16	2	14	-	2	7	5	46(69)
Above 50	3	1	4	-	-	1	2	11(16)
Total (males)	21	3	22	1	2	10	8	67(100)
<u>FEMALE</u>								
Upto 14	-	-	-	-	-	-	-	-
15 - 19	-	13	-	4	2	-	-	19(8)
20 - 29	-	33	-	39	4	-	-	76(34)
30 - 49	-	39	-	53	23	1	-	116(51)
Above 50	-	9	-	4	3	-	-	16(7)
Total (Females)	-	94	-	100	32	1	-	227(100)
Grand Total	21	97	22	101	34	11	8	294

Note: Figures in brackets indicate percentages

Table 6: Distribution of Cashew workers according to size of land owned

Nature of work	Size of Land Owned (in cents)					Total
	Landless	1 - 10	11 - 20	21 - 50	above 50	
Roasting	6	7	5	2	1	21
Shelling	24	41	14	18	0	97
Heating	4	4	4	6	4	22
Peeling	22	33	22	17	7	101
Grading	2	10	10	8	4	34
Packing	1	3	4	2	1	11
Other work	1	1	0	3	3	8
Total	60 (20)	99 (34)	59 (20)	56 (19)	20 (7)	294 (100)

Note: Figures in brackets indicate percentages

Table 7: Number of earning members and family  
size of cashew workers

Number of Earning Members	Family Size (Number of members)						Total
	1	2	3	4	5	above 5	
1	3	7	8	15	9	16	58
2	0	6	18	16	31	100	171
3	0	0	1	0	11	27	39
above 3	0	0	0	0	3	23	26
Total	3(1)	13(4)	27(10)	31(11)	54(18)	166(56)	294(100)

Note: Figures in brackets indicate percentages

State of Health

The state of health of the workers may be treated as one of the reliable indicators of their level of living. In our survey, workers were classified into those keeping good health, indifferent health, and poor health. Only very few, hardly one-tenth, of the workers reported as in good health. Of the total, 65 percent were reportedly to be in poor health. Those belonging to the categories of indifferent and poor health were further probed to understand the nature of their ailments and the period for which they have had them. Nearly one-half of these workers reported lung diseases; of the remaining, a large proportion suffered from diseases of the uterus. Since many of the women engaged in shelling complained of uterus diseases it needs to be investigated whether there is any causal connection between their squatting position during shelling operations and such ailment. Two-thirds of the workers who had complaints about their health conditions had been suffering for more than three years. The information collected on the state of health of the workers is summarized Tables 8 and 9.

As mentioned earlier, the investigators recorded a large number of interesting, though disturbing, observations. There were of course overtones of emotions, not quite unexpected from investigators who were undergraduate or graduate students hardly exposed previously to the realities of an unfamiliar grim world. A sample of the observations made by them is reproduced towards the end of this Appendix.

Malpractices by the employers have come to stay. Workers gave an impression of utter helplessness. Hardly one percent of the respondents had a good word to say about the trade unions, whatever their hue and colour. In the absence of any alternative sources of gainful employment, lack of work in the processing industry has reduced them to a state of perpetual misery and starvation.

The malpractices resorted to by the employers take many forms: wrong recording of output weighed, creating bad blood among workers by bribing a few, underpayment of wages, etc. The employer, by virtue of his position, is often socially and politically powerful. He easily gets away with whatever he does to the workers.

The employers keep their accounts and official records with great care and to the satisfaction of the inspecting official. However, they conceal more than they reveal about the real state of affairs.

Almost all the respondents had severe criticism against the Employees State Insurance Scheme and the Trade Unions. Both employers and ESI doctors were blamed for their callousness and the consequent deprivation of workers of their legitimate medical facilities. Trade Unions were criticised for their failure in ventilating the grievances of workers and helping in the amelioration of their conditions.

Most of the workers were not only aware of the different family planning devices but also adopted them. However, a few entertained

Table 8: State of health of workers in different processing operations

State of Health	Nature of work							Total
	Roasting	Shelling	Heating	Peeling	Grading	Packing	Other work	
Good Health	2	12	1	8	2	0	0	25(9)
Indifferent health	6	26	3	28	12	2	0	77(26)
Poor Health	13	59	18	65	20	9	8	192(65)
	21	97	22	101	34	11	8	294(100)

Note: Figures in brackets indicate percentages

Table 9: Nature of disease and period of suffering of cashew workers

Nature of disease	Period of suffering (years)	Nature of work							Total
		Roasting	Shelling	Heating	Peeling	Grading	Packing	Other work	
Males	Less than 1	2	0	0	6	1	0	0	9(5)
	1 to 3	5	7	2	2	2	1	1	20(12)
	Above 3	5	15	5	17	8	2	1	53(31)
Females	Less than 1	2	4	1	3	0	0	0	10(5)
	1 to 3	2	8	0	9	0	1	0	20(12)
	Above 3	2	21	2	25	9	0	1	60(35)
Total		18	55	10	60	20	4	3	172

Note: Figures in brackets indicate percentages

some fears about the consequences of sterilization; for instance, a few workers who had undergone sterilization seemed to entertain the suspicion that some of their ailments were on account the operation. Some workers hesitate to undergo the operation for fear of adverse consequences.

#### Concluding Remarks

The survey has thus clearly brought out that the workers engaged in cashew processing belong to one of the most socially and economically backward sections in the society. 94 percent of the workers are women, and most of them belong to the scheduled castes and other backward communities. The general level of their education is low; they own nothing but a few cents of land in which they have their hutments; their health is generally poor, and they often suffer from one ailment or another. Employment opportunities in alternative occupations are almost non-existent. On the whole, innumerable social and economic disabilities cripple them to a state of perpetual misery and the struggle to riggle out may be arduous and long.



A few excerpts from the reports of the investigators are given to illustrate the points made in the text. The investigators were selected at random from among the post-graduate and senior undergraduate students of economics in one of the colleges in Quilon. They were given training for a day on the procedure of filling up the schedules and the care to be taken for obtaining information. They were specifically instructed to record their general impressions without being influenced by the response of the workers.

"Sri Pali (worker) cooperated with us in giving the answers. In his opinion the owner of the factory is cheating the poor workers. When a worker processes 10 kg of kernels he will record only 5 kg and payment is made only for 5 kg. Because of such malpractices the owner is known as 'Malayil Kallan' (Big thief)"

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"Smt. Theamma lives very close to the factory. She is in good terms with the owner. So she is enjoying more freedom than other workers. She was afraid of giving more details to us... Even though she is a member of the trade union she is keeping it as a secret. With her help the owner is trying to create confusion among the workers in the factory. The owner gives her some additional amount occasionally. Thus he is exploiting the poor and illiterate woman"

\*\*\*\*\*

"Kum. Santhi is coming from a very poor family. She is struggling for her survival. This condition is rather exploited by the owner. Though she has many grievances, the concerned Labour Officer, though aware of the fact, is least interested to go into them. She is often cheated when weighing is done of the kernels processed. The ignorance about their rights is well exploited by the factory owner. He himself is a politician. He has much influence at the ministerial level. With the help of that influence he is wearing the coat of a saint and does the work of a devil. Even when the worker is aware of her rights, she is forced to work due to poverty".

\*\*\*\*\*

"She (the worker) goes to 'cottage processing' (working in the factory premises at lower rates of wages and without any other non-wage benefits) because there is no work in other factories. The owner is a corrupt person. He is a leader of a political party. He has much influence at the ministerial level. They need support of persons like him. So nobody, officers or trade union leaders, is capable of raising a voice against him. Thus he rules these poor workers like a king without a kingdom".

\*\*\*\*\*

"Kum. Vanaja, now 16, had to stop studying while she was in the high school and start going to work in this cashew factory two years ago. The reason: poverty. She said that her attendance card, wages card, etc. are kept in the factory office itself and such cards with wrong entries are shown to the officials during inspection. Her house is a small mud hut thatched up with coconut cudgels on top, in a 20 cent plot."

\*\*\*\*\*

"Smt. Thevi has been working in this factory for the last 30 years. At present there are three trade unions. But she says there is only one union. The management is trying to create two more unions with the help of their 'cliques'. Though the real union is trying to do something to better the conditions of work, it is not always so. Some leaders are cheating the poor workers like other trade unions. The ESI doctors do not sanction leave when the workers are ill. Only those who could give money to the doctors enjoy the benefit of leave. Most of the ESI doctors are mere tools in the hands of the management of the factory".

\*\*\*\*\*

"Smt. Valli put forward three complaints against the management. They are as follows. First of all trade unions do not show much interest in workers' problems. They are supporting only the owners. Unions only collect subscriptions from the workers. Secondly, workers don't get paid holidays. Thirdly, they are not provided leave with salary even when they are ill. She also said that there is hardly any employment opportunity outside cashew processing".

\*\*\*\*\*

"Smt. Vani made a number of complaints. She has no land. They are now occupying a small plot of about 7 cents as Kudikidappu (hutment dwelling). They have not yet received the pattayam (title deed). The trade unions do not take up the problems of workers. They are mere puppets in the hands of owners. She has skill and ability to work but there are no other sources of employment. She asked us to go and see the ESI hospital and the behaviour of doctors towards the workers. The doctors won't recommend leave even when workers are ill."

\*\*\*\*\*

"Kum. Ramani was ready to give answers to the questions. She has some knowledge about the factory and the surroundings. According to her the trade unions are not willing to do anything for the betterment of the poor workers. The leaders of the trade unions are on the part of the factory owner. She also complained about the working of the ESI. The doctors do not sanction leave for the poor workers. They are also on the part of the factory owners."

\*\*\*\*\*

"Smt. Leelamma said that the workers are cheated in various ways. The owners never show the correct weight of the kernels processed by the workers. Her employer collects 95 paise per worker every week as contribution to the ESI but they never get any benefit out of that scheme. While they have to go to the factory at 8 am the ESI hospital opens only at 8.30 am and closes at 5.30 pm. Therefore when a worker goes to the hospital he/she loses that day's work. Another complaint was that the hospital never supplies effective medicines. This worker as found very weak in health".

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"Sri. Madhan has two children. He has not yet adopted any family planning measures. He fears that, by doing so, he will become a prey to some chronic disease. He cites many instances in which many people are suffering. So he is against family planning."

\*\*\*\*\*

"Though Mrs. Sarojini is 51, she is very active. But her health is very poor. As she is sitting and doing her work for long hours now suffers from stomach ache and uterus trouble".

\*\*\*\*\*

"There are four members in Smt. Annamma's family. The family is in a pitiable condition. Her children suffer from diseases due to malnutrition. Her husband is also very weak. She says that the owner behaves politely to the workers so as not to let out the secret processing in the factory. The factory has no name or registration. The owner processes the raw nuts of some big cashew processors/exporters on a commission basis. The mesthiris (contractors who get workers for the owner) takes a share of wages of the workers. If anybody refused to give his share he will not get work in that factory. For the same reason, the workers are also afraid of organising themselves under a trade union. They are also cheated while weighing the processed kernels. Last year the owner gave Rs.5 to 15 per head to the workers before Onam (the State festival of Kerala) in lieu of bonus. The wage rates which are half the minimum wages payable are fixed before one enters for work. Workers are forced to agree to such rates because the alternative is no work".

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"Kum. Latha, a young girl of 16, started work in the cashew processing factories last year. She is a regular worker of Company A but, whenever work is not available in their factory she goes to factory B to work under 'cottage processing'. She was very reluctant to talk about 'cottage processing', because she feared that she might lose her work if the owner comes to know about it. There are three factory workers in her family with an average monthly income of Rs.350".

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