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EVOLUTION OF UNIONISATION AND CHANGES IN  
LABOUR PROCESSES UNDER LOWER FORMS OF  
CAPITALIST PRODUCTION

A Study of the Cashew Industry of Kerala

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1. Introduction

This paper attempts to analyse the process of wage bargaining and its implications for the conditions of labour and the organisation of production in the cashew processing industry of Kerala. This industry partakes of the characteristics of lower forms of capitalist production: it is characterised by technology employing manual methods of processing despite the fact that it is engaged in commodity production and employs wage labour. A peculiar feature of this industry is the employment of women in large numbers (nearly 100,000) on piece-wages under conditions of close control and strict supervision.

Analytically, this industry may be classified under what Marx has called the process of formal subordination of labour.<sup>1/</sup> Formal subordination of labour to capital is associated with that stage of capitalist production in which the objective of the capitalist is to maximise absolute surplus value using traditional technology.<sup>2/</sup> However the organisation of the cashew processing industry differs from those under formal subordination of labour in the sense that the former has done away with even the semblance of autonomy of production units. In this respect, it stands closer to large scale industries in which real subordination of capital exists. But the large scale production units in the cashew industry do not employ modern technology; they are called "factories" in the sense of workshops in which large numbers of persons work under strict supervision of the employers or their agents.

Unionisation of labour which began in the cashew industry quite early

has led to frequent confrontation of labour with employers. Bargaining has conferred on the workers several benefits, wage and non-wage. However, the present conditions of the industry indicate that in this long drawn struggle between organised labour and capital, the latter has managed to emerge victorious without taking to capital-intensification or technological improvements. In a situation of surplus labour supply, employers seldom find reasons to resort to methods of labour replacement even in the face of strong unionisation and hard bargaining in order to enlarge their profits. In fact, the outmoded labour intensive methods themselves and all the crude forms of exploitation seem to be perpetuated by the employers in this industry with impunity.

Such a result might look paradoxical. An analysis of the actual processes at work is however likely to throw up clues to resolve this paradox. Such an effort calls for a close examination of the nature and character of unionisation in the cashew industry. Before we take up this task, it is however necessary to trace first the origins, growth and general features of the cashew industry.

## 2. The Origins and Growth of Cashew Processing Industry

Even though according to official classification, cashew processing is a traditional industry, it has a history of only half a century. Starting from humble origins when the export of cashew kernels was only a few tonnes (to New York in 1925), the industry grew rapidly and was firmly established in a period of about ten years as a result of the growing demand for cashew kernels in the foreign markets (mainly the USA) and the availability of cheap labour in Kerala possessing the requisite skills in processing. The

growth of the industry as reflected in exports is given in Table 1. The industry remained however, highly localised. Till the mid-sixties nearly 90 percent of the total world exports was accounted for by the factories in the Quilon district of Kerala. Emergence of cashew processing factories in recent times in the East African countries and Brazil has been, however, bringing down the share of Kerala: nearly 70 percent by early 'seventies and to 50 percent by the end of the decade.

The cashew processing industry continues to occupy, however, an important place in the economy of Kerala because it accounts for more than half the employment in the factory sector in the State.<sup>2/</sup> More than 100,000 workers are employed in this industry of which women account for about 94 percent. The rates of gross profits in the industry is perhaps the highest among similar agro-processing industries in Kerala.<sup>4/</sup>

In the beginning, the cashew industry utilized the raw cashew nuts grown domestically, mainly in the northern part of Kerala (then Malabar district in the Madras Presidency) and South Kanara (now in Karnataka) regions. When the demand for kernels grew, processors began to import raw cashew nuts from the East African countries.<sup>5/</sup> Cashew processing on a commercial scale was reported to have started in 1925 with the setting up of a 'factory' by one Mr. Joseph Feriera. This was followed by another 'factory' set up by an Englishman, W.T. Anderson, in Quilon town in 1931 employing about 2,000 workers. A number of small processors also came into existence as sub-contractors to the factories who processed cashew nuts in the workers' households. By 1936-37, the number of factories rose to 39 and employment to more than 20,000 workers.<sup>6/</sup>

We should here take note of the transition which took place from trade

in cashew kernels to processing of raw nuts on an industry basis. So long as the market for the kernels remained narrow, the coastal trading companies such as Peirce Leslie acted as middlemen by purchasing kernels from the households and selling them in foreign markets. With the introduction of the cashew kernel in the American market, the prospects for large scale exports emerged and the trading companies took to purchase of raw nuts and their distribution to workers' households for partial processing like roasting and shelling. Further processing like peeling, grading and packing was transferred to the so called "factories" which were no more than drying and packing yards.<sup>7/</sup> The practice of processing in the households was known as cottage processing. The setting up of factories (since 1931) did not mean any shift in the technical foundations of production except in one operation, roasting the nuts. It only meant the shifting of the processing activity formerly done in the households to the "factories" in which large numbers of workers were assembled. It was a case of manufacture based on simple cooper-

In the early stages of factory processing, raw nuts were roasted in open iron pans, a crude form of roasting. In 1932 Peirce Leslie and Company discovered a new method of roasting in place of the crude open pan roasting. This was "drum roasting" consisting of a long cylinder, tilted and placed over a furnace, into which raw nuts are poured at one end, igniting as they pass down the cylinder and collected for shelling at the other end. Though a considerable improvement over the old method in terms of increase in output of roasted nuts, it did not enable the extraction of the cashew nut shell liquid (CNSL), a versatile industrial raw material. However, in 1936, Peirce Leslie introduced the "Hot Oil Plant" whereby the

raw nuts were roasted in a bath of hot (200°C) CNSL in the process of which further liquid was extracted from the roasted nuts.<sup>8/</sup> This was the only technical change introduced to cashew processing. The only other change worth mentioning was the process of vacuumization adopted in packing to guarantee the quality of kernels till they reached the destination. Both these changes hardly affected the employment in the industry.

### 3. Conditions of Work and Control of Workers

In Quilon where the cashew processing industry was first concentrated, labour was recruited from people belonging to the lowest rungs of the social and economic stratum, mainly from the harijan community. Exclusive dependence on agriculture for work had meant for them low and uncertain income, arbitrary terms and conditions of work and long spells of forced idleness. The establishment of cashew "factories" opened up for them some chance of regular wage employment. The overriding desire to overcome social barriers and achieve freedom of labour must have been a strong incentive for them to seek work in the cashew factories. In specific terms, work in these "factories" meant the prospect of money wages, fixed hours of work - though it also meant long hours - and, more importantly, continuity in employment. Excepting the most backward communities, the society, in general, used to look down upon this "factory" work. Among those who were recruited for work were a large number of children and girls. Like in the "Kankani system" which was in vogue in the recruitment of plantation labour, it was the responsibility of the gacipani (chief worker) in the cashew factory, who was usually a senior man in charge of roasting, to recruit the required number of workers.

workers. Work in the "factory" had to be started in these early periods as early as 4 a.m which continued till 6 p.m or even later. The "factory" consisted of a few thatched sheds and an open ground for roasting and drying of nuts. The thick smoke coming out of the open roasting pans engulfed the whole place and suffocated the workers. By the end of the day, the workers would get covered with a thick layer of soot and presented a horrifying sight. Hardly any protective clothes were provided to the workers. The hands of women, especially those engaged in shelling, would bear the marks of burnt skin and would get disfigured by the black shell oil with the roasted nuts. The workers were liable to heavy penalisation for mistakes, even minor ones, committed during work. A certain payment had to be made (4-5 kasu equivalent to one paise) for drinking water. Deductions from wages were made on several pretexts: as rent for the use of baskets supplied by the employer as contribution towards payment of a lump sum during Onam, etc. The wage rates entered in the account books did not reflect what was actually paid to the workers. This practice of deductions on various items and the deplorable conditions of work were quite common in most of the industries.<sup>9/</sup> Over and above the deductions made by the employer, the workers had to placate also the mooppans who had recruited them. For the cashew worker, the overall deduction came to about 25 percent of the wages shown in the accounts.<sup>10/</sup> Wage differed substantially between men and women. The daily wages of workers in different categories for 1934-35 are given in Table 2.

What were the principal forms of control of work? The piece rate system is one of the most effective forms of work supervision, quality control and extension of working hours. Women workers in cashew were not

entitled to get wages for broken kernels, hence they had to be extremely careful in shelling and peeling nuts. If a worker was found tempted to eat a kernel or two, severe punishment followed, which varied from a few blows for children to defacing and parading in the open for others.<sup>11/</sup> Instances were not rare in which the moonams and the employers sexually exploited the hapless and defenceless women workers. The workers were housed in rows of thatched sheds constructed in areas not far from the work place which presented a sordid spectacle of filth, disease and hunger and moral and cultural degradation.

In the beginning, nearly 15-20 percent of the workers were men.<sup>12/</sup> Gradually men were dispensed with ~~except in certain operations like roasting and packing and some miscellaneous work.~~ The percentage of women workers in the cashew industry stabilized around 94. The distribution of men and women in different operations is: men 6 percent (roasting-2, heating-1, other work-3) and women 94 percent (shelling-42, peeling-42, grading-10).<sup>13/</sup>

It is against this background of extremely appalling conditions of work with low wages (combined with extra economic forms of exploitation) that the basis for the growth of the cashew industry was laid in Kerala which till recent times accounted for 90 percent of the world trade in cashew kernels.

#### 4. Emergence of Trade Union Organisation Among the Cashew Workers

The emergence of worker consciousness in a social and political milieu of subservience of large mass of the people to the colonial power cannot be expected in isolation. It was during the period of intensified nationalist struggle for political independence of the country that attempts began to enlist the participation of various sections of the people including the



working class. The ideological position taken by a section of the political activists within the Congress Party and the formation of a group within it called the Congress Socialist Party may be said to have laid the foundations of a radical political movement in Kerala. The period between 1930 and 1940 was a period of political turmoil due to the freedom struggle; it was also economically the worst period especially for the working class. The objective economic conditions of the workers compelled them to respond to the call to organize and to combine political struggles with struggles for economic gains. This is not to say that there were no attempts at organisation of workers before the political struggle turned radical. In fact the inhuman treatment meted out to workers had given birth to the Labour Association among the coir workers of Alleppey as early as 1925 whose activities were mostly humanitarian in nature. 14/

As part of the political and trade union activity among the factory workers, the Quilon Factory Workers Union (QFWU) was formed in 1936 incorporating the workers from the cotton mills, saw mills, tile factories, coir factories and engineering workshops in the Quilon area. Those who were the office bearers of this Union had worked for sometime among the workers in Alleppey and the Labour Association there. It was at this time that the cashew industry began to be organised on a "factory" scale consequent on the increasing demand for kernels in the foreign market. The QFWU made several attempts to enlist the association of cashew workers in the work of the union. Campaigns against the inhuman conditions of work and extremely low level of wages were conducted along with political activity among the workers. In the beginning, recalled the then General Secretary of the QFWU, it was difficult to persuade women workers to join the union or take part

in its activities; they were scared by the prospect of dismissal by the employer. But when the organisation of workers gained momentum, women workers came forward and actively participated in various struggles. This trend was not only viewed with suspicion and disapproval by the employers but they also resorted to every means to terrorise and check the activities of the unions. Leaders of the QFWU were harassed in their factories, often beaten up by goondas and were subjected to extreme forms of humiliation.<sup>15'</sup>

A wave of labour unrest took place in September 1939 when, after the Onam festival, T.K. Musaliar, one of the biggest processors dismissed 100 workers from his factories as a punishment for their involvement in the activities of the QFWU. This sparked off widespread protests not only from cashew workers but from other workers in other industries as well. Police force was deployed to quell the wave of protests; Quilon town witnessed marches, protests and demonstrations on an increasing scale. Finally, 40 of the 100 dismissed workers were taken back by the employer. This event then became a turning point in the history of unionisation of the cashew workers. Large numbers of women had by then become associated with the activities of the union.

To pre-empt any further move to organise the cashew workers, T.K. Musalair took initiative to form a union for his workers under the name All Travancore Cashew Workers Union (ATCWU); the entire monthly subscription of the workers was paid by him and all workers in his factories were enrolled in the Union. A few persons picked by the employer were appointed office bearers. However, a general meeting of the cashew workers was arranged to obtain the ratification of the appointment of office bearers. Workers sensed the danger and contacted their leaders, some of whom were in jail.

A large number of workers assembled for the meeting and when the elections came they elected their leaders rejecting the nominees of the employer. Thus the organisation created by the employer was captured by the workers.<sup>16/</sup>

It must be noted here that during this period continuous contact was maintained by the organisers with political and trade union activists from Alleppey and Malabar who gave political education classes for the cashew workers. The formation of the Communist Party in 1939 and the beginning by the Party of a vigorous political education campaign was a landmark in the history of trade unionism in Kerala. All trade union workers began to receive regular and systematic study classes which included subjects such as World Working Class, Indian Working Class and Soviet Revolution. When a State Committee was formed by the Party in 1941 in Travancore, cadres were deputed for work in various parts of the State. A number of political activists were deputed to rural areas in Quilon where new cashew factories were being set up by the capitalists with a view to exploiting the cheaper labour available in those areas and insulating the workers from trade union activities which had already become strong in the urban centres. Cashew workers were treated as untouchables partly because of the dirty nature of their work and partly because they belonged to the socially most disadvantaged sections. It was however due to the work of dedicated bands of political activists that the cashew workers were organised on a firm footing for securing better conditions of work.<sup>17/</sup> At the peak of the Second World War period, economic conditions were fast becoming unbearable for the workers. Workers' struggles for subsidised rationing, increased wage rates, etc., were organised in several places. Further labour mobilisation drives helped the ATCWU by enlisting more and more workers. In 1942 in order to

effectively combine the political struggle with various economic demands, the All Travancore Trade Union Council was formed which later became the All Kerala Trade Union Council ~~was formed which later became the All Kerala Trade Union Council~~ by incorporating into it the unions in the State of Cochin and the Malabar District.

In 1943 the struggle for increasing wage rates, payment of bonus and inclusion of cashew factories under the Factories Act was intensified. In an atmosphere of struggles and pressure tactics, the demand for including cashew factories under the Factories Act was conceded to by the Government; the struggle for bonus continued.

In Travancore, workers' struggles were waged not on economic grounds alone; they combined their wage struggles with political demand for responsible government. The then Government of Travancore under Diwan Sri C.P. Ramaswamy Iyer, wanted the trade unions to abjure their political demands and promised them to grant their economic demands including bonus, if they did. As a measure of placating the workers the Government, at a tripartite meeting, held in 1946, decided payment of bonus to all factory workers at 4 percent irrespective of loss or profit. While this was by itself a significant achievement, it did not help to wean the workers away from the political struggle directed against the ruthless and authoritarian Government. In fact, with the passage of time, the political demands became the foremost in the workers' struggles. The Government countered the agitationists particularly the main political affiliate of the workers, the Communist Party, with violence and suppression. The culmination of this confrontation was the Punnappra-Vayalar rising which was crushed by the State. To Government hoped to destroy the radical trade unions by banning them; several

organisations including the ATCWU were banned. A large number of political and trade union activists were arrested and democratic rights taken away. This was a period of retrogression in workers' movements: many of the rights and demands won earlier by the workers including bonus ceased to be honoured or implemented.

##### 5. Trade Union Strategy After Independence

The trade union movement in Kerala had two important phases of growth and spread among the working class. The period between 1937 and 1942 was one of consolidation and of united struggles across industries and regions. The objective basis for such struggles was provided by the extreme economic hardships and poor, often inhuman, conditions of work. However, the process of mobilisation in the first phase gave an added dimension to the struggles: the integration of political goals and demands with economic demands. During the next phase, 1942-47, political struggle became, as part of the overall freedom struggle, the major focus of trade union activity with the objective economic conditions of workers providing the ground for their participation in them. With independence of the country, the focus of the struggles reverted again to economic demands. But the effectiveness of trade union movement was blunted by splits into several groups along the lines of the ideologies of the major political parties.

It may be noted that till 1947, the trade union movement was under the banner of the AITUC. Struggles for the restoration of the demands agreed to earlier, like the payment of bonus to all workers irrespective of loss or profit, were started again under its auspices. The passing of the Minimum Wages Act by the Parliament gave added strength to the demand for introducing minimum wages and better working conditions. The re-emergence of widespread

workers' struggles organised under the AITUC led to its ban in 1948. During this period, the United Trade Union Congress (UTUC) was formed as the trade union wing of the Revolutionary Socialist Party which filled the gap in trade union activity due to the ban imposed on the AITUC. The stronghold of the UTUC was Quilon with the cashew workers constituting a significant proportion of the total UTUC membership.

In 1957, as part of the strategy of countering the ideological and organisational weight of the AITUC, the trade union wing of the Congress Party, the Indian National Trade Union Congress (INTUC) started organising workers in the cashew industry under its banner. The initial target of the INTUC was the supervisory (white-collar) staff whose middle class social background meshed well with the ideology of the Congress Party. Through the help of the supervisory staff, the INTUC gradually gained control over other workers over a period of time but its relative strength was much less than that of the UTUC and AITUC. By 1962-63, the INTUC became one of the recognised unions in the cashew industry.<sup>18</sup> In the years that followed, especially during the 'seventies', all the major unions were split into two or more unions leading to a situation of too many unions fighting one another for the 'cause' of the workers. The fragmentation and proliferation of unions was not an isolated affair; rather it was a corollary of the splits and mushroom growth of political parties in India in general and Kerala in particular. The AITUC was split into two in 1974, the AITUC and CITU (Centre of Indian Trade Unions), following the split which took place in the Communist Party of India a decade earlier in 1964; the INTUC split into two in 1978 following the post-1969 split in the Congress Party. The formation of regional parties such as the Kerala Congress also saw, after

a period of time, the emergence of their trade union wings. Today, the cashew workers are organised under the following central unions with political affiliations to major parties.

<u>Union affiliation</u>	<u>Political affiliation</u>
UTUC	Revolutionary Socialist Party
AITUC	Communist Party of India
CITU	Communist Party of India (Marxist)
INTUC (U)	Indian National Congress (U)
INTUC (I)	Indian National Congress (I)
Others	Kerala Congress and other regional parties.

It is the contention of this paper that while the process of unionisation continued unabated it has hardly been possible for the unions to bring about any significant improvement in the economic lot, not to speak of the broader social position, of the workers. On the contrary, our evidence shows that the workers experienced a continuing erosion of their wages and employment and are practically being forced into the ranks of the reserve army of the unemployed. It would appear that the major preoccupation of the trade union activity was on issues relating to wage rates and bonus. In the process, the overall economic interests of the workers defined in terms of annual earnings through continuity in employment and conditions of work has received only insufficient attention. In an industry where the capital is "foot loose" and has considerable excess capacity, the employers could counter such a strategy of the unions successfully.

Of greater importance to our discussion here is the impact of wage bargaining and the employers' response to the bargaining on the conditions of women workers. Available evidence shows that any meaningful economic gain due to trade union activity has gone mainly to the men workers. The

labour process as evolved and implicitly recognised by all and the exploitation of unorganised workers resulted in a systematic erosion of the notional benefits of factory work for the women. A socio-economic survey conducted by us revealed that the social stratification of women workers has also largely remained the same. The cumulative impact of all these coupled with the shortage of raw material, felt more acutely in recent years, has undermined the position of women workers and seems to have weakened their faith in the functioning of trade unions.

As mentioned earlier, the trade union struggles waged in the fifties were mainly directed at securing fixation of minimum wage rates and payment of bonus in the cashew industry. As may be seen from Table 3 a substantial proportion of the growing number of disputes in the industry were connected with the issue of wage rates and bonus. The basis for fixing minimum wages was provided by the Minimum Wages Act of 1948 of the Central Government. In fact the issue of fixation of minimum wages was the dominant issue on which workers struggles were organised in the early 'fifties.<sup>10/</sup> As a result of organised struggles in several of the industries (including plantations and Agriculture) Minimum Wage Committees were formed for a number of industries by bringing these industries under the schedule of the Minimum Wages Act of 1948.

Combined struggles organised during 1951 and 1952 resulted in large scale disruption of industrial activity in the cashew industry. The main demand was the fixation of minimum wages and payment of bonus. In the background of increasing political representation of the working class in the legislative bodies and the struggles of the unions, the Government was left with no option but to initiate measures for the settlement of



disputes. Thus the first Minimum Wages Committee for Cashew Industry was appointed in 1952.<sup>20/</sup> Workers were also able to secure other demands such as fixation of working hours, maternity benefits and bonus though these issues came up frequently later on due to unsatisfactory implementation.

The Minimum Wages Committee of 1953 spent considerable time in determining the time rate minimum wages but this covered only 16 percent of the total work force (6 percent men and 10 percent women). The remaining 84 percent of workers, all women, were to be governed by piece-rates, the increase in the minimum rates of which was much lower than that of time rates.<sup>21/</sup> Moreover, the Committee had fixed the work-load for piece-rated workers to become eligible for the minimum wages. This meant that the daily wages was an uncertain wage because the employers could easily manipulate the work-load by not giving sufficient quantity of raw nuts or creating conditions for the non-fulfilment of work load. In fact this was one of the principal forms of evading payment of wages at the legally fixed rates. The practice of evasion continued unchecked. Further, the Committee itself justified payment of lower wages to women because "we find all the hard jobs like bag carrying, roasting, etc., being done by men and shelling, peeling, etc., which are less arduous by females." Women workers were considered not only performing less arduous jobs but also having less burden of supporting the family. In the opinion of the Committee, these two factors justified a lower wage rate to the women workers. Such a view has not been found to be contested by the unions though it could have been far from facts.<sup>22/</sup>

The Committee did not favour payment of a separate Dearness Allowance (DA) but only a consolidated wage and there was no provision for compensati

for changes in cost of living. Payment of a separate DA due to increase in the cost of living was the major demand between 1958 and 1960. In 1960, more than 50 percent of the total number of disputes in the State and 90 percent of the workers affected by such disputes related to the cashew industry. The Government appointed a Minimum Wages Advisory Committee and based on its recommendations revised the minimum wages for the cashew industry in 1960. One of the important recommendations was the payment of a separate DA. But here again, the payment of DA to the piece rated workers was subject to fulfilment of the minimum output stipulated.<sup>23/</sup> This, as we shall see later gave sufficient scope for large scale evasion of the payment of DA.

6. Response of Capital to Statutory Minimum Wages and Its Impact on Women's Earnings

How did the minimum wages stipulated work in practice? What was the response of the employers towards implementation of these statutory wages? To answer these questions we need to go into the details of the methods of determining wages and the various practices followed in evading them.

Evasion of the payment of wages took place on a large scale mainly for the piece-rated workers, who were all women. Since the payment of minimum wages was subject to the fulfilment of a minimum output, the employers supplied only insufficient quantities of raw nuts. This in turn led to employing much more labour than is actually warranted by the availability of raw nuts. By reducing the working days in a year, the employers were also in a position to evade payments for maternity, etc. Such practices created a situation of reserve labour which could be drawn upon as and when demanded by capital to meet its production requirements. With the upward revision of the minimum wages in 1960 this practice spread to a large

~~number of factories along with a number of other methods of evading payment of wages, etc.~~

One of the ways of non-payment of DA, for example, was to supply raw nuts of two days for processing in one day. But the quantity will not be sufficient for a full day's work on the second day. This will be considered as one day's work and only one day's DA will be given. DA for a worker came to 92 paise per day and an industry with more than 100,000 workers, of which 84 percent were piece-rated, could thus appropriate nearly Rs.80,000 per day from the wage bill.

The other practice was to underweigh the output of the women workers and show a lower amount thus reducing their daily earnings. Many women workers were either unable to find this out or were too powerless to question the supervisors. The Factories Act permitting employers to recruit workers on apprenticeship basis was also taken advantage of by the employers, by recruiting workers as "apprentices" who were not given attendance cards and hence were denied any claim for DA. Any claim for attendance card often used to met with loss of job.

Similarly many of the non-wage benefits were also denied to the workers in one way or another. For enlisting a worker to the Provident Fund scheme he/she should have completed 250 days of service; by manipulating records many were denied the benefits of the PF. Illiterate workers were unable to keep track of their records and fight it out individually.<sup>24'</sup>

In practice, the employment status of a cashew worker, especially women worker, remains therefore virtually the same as that of the casual labour in agriculture; moreover the former has to work under extremely trying conditions. Probably the trade unions were aware of such practices within

the factory but no organised attempt seems to have been taken place effectively to counter these practices. In retrospect, it would seem that the employers were not only able to overcome such obstacles but even resort to the practice of 'cottage processing' under which the workers surrendered any claim to minimum wages and other non-wage benefits legally guaranteed for factory workers. 'Cottage processing' as described in the earlier part of this paper, means the practice of processing of cashew in households which are collected and packed by companies for export. However, the 'cottage processing' practice adopted after 1960 did not mean farming out the processing work but carrying out the work in factories when they are officially reported as closed. It was an extreme act of exploitation of the poverty-stricken workers entirely dependent on cashew processing. Under the 'cottage processing', workers were paid a consolidated daily wage without recording such work as factory employment, which worked to roughly half the rates payable under the statutory minimum wages.

When the practice of 'cottage processing' tended to become widespread and threaten the interests of the organised workers, the trade unions actively intervened and in 1967 they succeeded in getting the 'cottage processing' banned in the State by the Government. However, those who could afford to defy the law continued the practice. At the same time many processors began to shift the processing to the nearby district of Kanyakumari in Tamil Nadu where labour was still cheaper and no minimum wage legislation existed. Within a period of 5-6 years from 1967, a significant portion of processing was thus shifted reducing the employment of workers in Quilon. This aspect of the decline in employment is discussed in a later section.

In 1967 the minimum wages also were revised; for the next eight years

there was no provision of the minimum wages. The latest provision took place in 1975. While revision of minimum wages was taking place on one side, many developments were taking place in the industry which had an adverse effect on employment and wages. As described earlier, the various methods of evasion of payment of minimum wages and the subsequent shifting of the organisation of the industry from factory processing to 'cottage processing' eroded considerably the earnings of workers, as may be seen from Tables 4 to 6. Table 4 gives the prescribed basic rates of minimum wages and DA and Table 5 the daily earnings of different categories of workers calculated at the minimum wage rates. It may be seen that shelling and grading are the lowest paid jobs. However, since grading is on time rate basis, the kind of uncertainty attached to shellers is absent in the case of graders. It should also be noted that the men workers in heating were governed by monthly salaries since 1960 and by 1975 monthly salaries were introduced to workers in roasting also. While this difference in mode of payment of wages as between men and women is itself significant in several respects,<sup>25/</sup> the difference in terms of equivalent weighted average daily wages is still greater. By adjusting the increase in the cost of living for calculating the DA we have derived a time series data of weighted average of daily wage for the period 1953 to 1975.<sup>26/</sup> In Table 6 this data has been compared with the data on average daily earnings obtained from the Annual Survey of Industries. It is quite evident that the actual payments were much lower than the prescribed minimum wages. While the difference was around 25 percent in the decade 1953-63, it increased to about 40-50 percent since then consequent on the revision of minimum wages and introduction of separate DA in 1960; the difference of this magnitude continued till 1968. This is a reflection of the kind of labour practices

followed as described earlier and the shifting to 'cottage processing'. Such practices reached their peak in 1967, when the Government was forced to ban them. Subsequently, since 1969, the difference between minimum wages and actual payments reduced to 20-25 percent; but this decrease was also the result of another development in the industry namely, the establishment of a Government-owned corporation which entered directly into cashew processing by taking over some factories which had been closed down by the private employers. The measure was an attempt to guarantee in the industry at least a part of the total employment in the "factory" sector. The increase in the actual payments made to workers since 1969 is partly accounted for by the payment of the prescribed minimum wages to workers in the public corporation.

7. Conditions of Work and Socio-Economic Characteristics of Cashew Workers: Sample Survey

We conducted a sample survey in 1976 among the cashew workers employed in factories in Quilon to obtain some insight into the conditions of work and socio-economic characteristics of workers. It showed that the conditions of work prevailing in most of the factories were appalling. 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 structure were old and dilapidated. Though the Factories Act has laid down rules regarding certain basic facilities to be provided for the workers like canteen, lavatory, sanitation, creches, etc.. a large number of factories do not either observe the rules at all or observe them only nominally. Factory Inspectors are supposed to visit 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 improvement over the years. <sup>21/</sup>

~~The socio-economic conditions 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 poverty. Of the total workers in the sample, 35 percent were illiterate. Illiteracy was the highest among workers engaged in shelling and roasting, say, 50 percent. Most of them belonged to the socially backward communities and the scheduled castes. Persons belonging to the scheduled castes were employed mainly in the 'unclean' operations such as shelling and roasting. The average household size of 56 percent of the workers was more than 5; but most such households had more than one earning member. One fifth of the workers possessed no land; even the lands in which they had their ~~holdings~~ belonged to others. Workers belonging to this category of the landless were employed mainly in the unclean and the lowest paid operations like shelling and peeling. Of the remaining four-fifths, all but 7 percent owned land below 50 cents. Among the workers interviewed, 45 percent reported poor health, 26 percent indifferent health and only 9 percent good health.

The workers are on the whole a disoriented and frustrated lot. Their attitude towards the employers, government agencies (like the Employment Insurance Scheme) and trade unions was one of suspicion, if not outright hostility. Though conscious of the various malpractices resorted to by the employers (like under-weighing the output of piece-rated workers, employing workers on wages lower than the prescribed minimum wages, etc.) they are in-resisting them and are often afraid even to disclose them for fear of loss of their present jobs.

Most of the workers felt very strongly about the need to have a strong organisation under trade unions and were members of one or the other trade union. They recognised that the unions had, in earlier years, played an

important role in securing for them better conditions of work and other benefits but very few among them had any genuine appreciation about the way the unions 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.

Social backwardness seemed to go along with economic backwardness. Women workers belonging to scheduled castes were socially and economically the most backward; they were less educated than the workers in other operations and landlessness was the highest among them. For them employment opportunities in alternative occupations were negligible. As a consequence, they are discriminated against in employment also; they are assigned the lowest paid and the most unclean jobs. On the whole, the women workers, the majority of whom were socially and economically backward, are thrown into a state of perpetual misery and degradation.

#### 8. Outmigration of the Cashew Processing Industry

A phenomenon observed in the cashew industry in recent years is its outmigration to the neighbouring States, particularly Tamil Nadu. In this section we examine the factors that underlie this phenomenon. Our sample survey has revealed the fact that wage differences exist between different sectors of the industry and even among different categories of work within the same sector. These are presented in Table 7. The wage differentials among the different categories of work indicate a clear discrimination against female labour in both the "factory" and "cottage" sectors. The reasons why male workers (mostly engaged in roasting and heating) secure a higher wage even in the "cottage" sector include:



- (i) in the "cottage" sector they are employed on a daily basis (as opposed to the monthly salary in the "factory" sector which ensures a higher monthly earnings) and,
- (ii) the male workers need to be kept in good health during the period "cottage" processing work lest they create problems for the employers because of the legal ban on the practice of "cottage" processing.

The mean wage in Tamil Nadu was only 38 percent of that of the factory wage in Kerala. If we also include the non-wage benefits payable to the factory workers in Kerala the proportions of the mean wage in the cottage sector and the factory sector in Tamil Nadu would decline further to 50 percent and 30 percent respectively.<sup>23/</sup> Despite the fact that cottage processing was possible on a clandestine basis in Kerala, and cottage processing was less costly than factory processing, employers in Kerala soon discovered that there existed possibility of processing at still lower cost by shifting the industry from Kerala to Tamil Nadu. Since the imposition of the ban on "cottage" processing in Kerala in 1967, the pace of shifting increased considerably. Though a legal ban on movement of raw nuts from Kerala into other States existed, the cost of defying the legal ban was much less than the gain.

In the face of such differences in the wage rates it is no wonder that the restrictions placed by the Government on the movement of raw nuts to places outside the State did not at all work efficiently. Since the diversion of raw nuts takes place illegally the quantum of raw nuts diverted cannot be ascertained. In the absence of direct evidence we resort to two indirect sources for arriving at an approximate magnitude. The first set of data, presented in Table 8, have been obtained from the Annual Survey of Industries; the figures are available only upto 1973-74. It must be remembered that the diversion of raw nuts to places outside the State has



taken place in a big way after 1967 when "cottage" processing was banned in the State. Between 1966 and 1974, in the Kanyakumari district of Tamil Nadu, the number of factories increased by 20 times, quantity of nuts processed by nearly 7 times and the number of workers by 12 times. The process of shifting accelerated further after 1975 when the minimum wages were revised last.

To estimate the extent of diversion of raw nuts since 1975 we rely on an indirect method of estimation based on the actual quantity processed in Kerala. The following method has been used for the purpose.

$$M_1 = \frac{A_k - Q_k}{R_p}$$

and

$$D_o = A_k - Q_k$$

where

$M_1$  stands for mandays of employment lost due to diversion

$Q_k$  for quantity of raw nuts processed in Kerala

$A_k$  quantity of raw nuts available for processing in Kerala

$R_p$  raw nuts that can be processed per manday

Since direct estimates of  $A_k$  and  $Q_k$  are not available, we have estimated them by using the following method.

$$Q_k = E_k \cdot N_f \cdot R_p$$

and

$$A_k = I \cdot a_k + L_k$$

where

$E_k$  days of employment in the factory sector in Kerala

$N_f$  number of workers employed in the factory sector in Kerala

$I$  total imports of raw nuts into India

$a_k$  percentage share of imports to factories in Kerala, and

$L_k$  quantity of raw nuts produced within Kerala

Based on this method we have estimated in Table C the magnitude of raw nuts diverted from the factory sector in Kerala and the consequent loss of employment. While the decline in imports of raw nuts in recent years had reduced the total days of employment, it has not affected the proportion of raw nuts diverted. During 1975-76 it seems that half the total quantity of nuts available for processing in Kerala was diverted to places outside the State. As a result, the cashew worker in Kerala, on an average, lost 120 days of employment in 1975 and 93 days and 65 days in 1977 and 1978 respectively. While the estimates of diversion given in Table C include both cottage processing and processing outside the State, we have reason to believe that the diversion took place mainly to process them outside the State because the wage rates in the nearby district of Kanyakumari in Tamil Nadu were less than even the cottage processing rates in Kerala.

Cashew industry in Tamil Nadu has not been brought under the Minimum Wages Act. Consequently not only are the wage rates low; no payments need be made by way of DA, maternity benefit, holiday wages and other benefits. Moreover, child labour is available on a large scale unlike in Kerala. Workers below the age of 16 account for about 15 percent of the workforce.<sup>201</sup> Working hours are long (10 hours or more); and, even the bare minimum of amenities (available in the factories in Kerala) are non-existent in the factories in Tamil Nadu. In fact, the conditions of work existing at present in the factories in Kanyakumari reflect the conditions which prevailed in Quilon in the early stages of the cashew industry during the 1930's.

It must be noted that the factories both in Kanyakumari and in Quilon are owned by the same group of employers. Setting up of new factories does not involve for them any sizeable capital investment. In fact the 'factory'

buildings are mere thatched sheds which are constructed at very small expense and can be dismantled without loss.

9. Inter-industry and Inter-regional Wage Differential in Kerala

The fact that the cashew processing industry is one of the poorly paid industries in Kerala has not stood in the way of its shifting to still lower wage areas. Available data on wage rates and annual earnings, reported under the Payment of Wages Act 1936, show that the workers in cashew industry are one of most poorly placed in both respects. In fact, wage rates remain so low in a few other industries as well, in which women workers predominate; see Table 10. Splints and Veneers, matches, and coir processing may be mentioned as examples. Coir processing is one of the largest household industries with more than 95 percent women in its workforce. Wage data for women in coir processing given in Table 11 show that their counterparts in cashew processing is only marginally better off.<sup>30/</sup>

A comparison of wage rates of women workers in cashew processing with that of female agricultural and plantation workers given in Table 12 suggests that the latter enjoy a higher wage rate. However, the data based on the reports made under Payment of Wages Act suggest that the differences are not significant.

Any meaningful comparison of the economic conditions of workers in different sectors should be on the basis of annual earnings rather than on the basis of wage rates because the quantum of employment might vary widely among industries. We have therefore constructed in Table 13 with available data the series of annual earnings of agricultural field labour in Quilon (Kerala) and Kanyakumari (Tamil Nadu) for males and females separately for

the period 1957-74.<sup>21/</sup> The annual earnings of agricultural workers in Quilon were estimated by applying the State average days of employment for agricultural labour (in both agricultural and non-agricultural operations) to the yearly wage rates of agricultural field labour in Quilon in the peak month of October. The data on quantum of employment was obtained from the Rural Labour Enquiry Reports of 1956-57 and 1964-65. Similarly the annual earnings of agricultural labour in Kanyakumari was estimated by applying the State average days of employment for agricultural labour to the yearly wage rates of field labour in Kanyakumari.

The earnings of cashew workers are seen to be below the annual earnings of male agricultural labour both in Kerala and Tamil Nadu. The earnings of female agricultural labour in Kerala which was 68 percent of that of cashew workers in 1957 had gone upto 86 percent in 1969. This would mean that the gap between the earnings of cashew workers and female agricultural workers was being closed. However, the annual earnings of female agricultural labour in Kanyakumari (Tamil Nadu) are between one-half to one-third of the earnings of cashew workers. Such relative cheapness of labour explains the shifting of the processing activity to Tamil Nadu.

The fact that women workers in cashew processing come under the factory sector does not seem to have made any favourable impact on their level of wages and earnings. In fact in the case of female labour the distinction between factory, household industry and agriculture seems to disappear. Further, even when the wage levels remain at their lowest in the State, continuity of employment and stability of industry is not guaranteed; the industry may shift into directions in which wage levels are still lower. The existence of such uneven levels of wages throw up a number of problems

to the organisation of workers and strategy of trade unions. This in fact is one of the major problems facing the trade unions in cashew, coir and similar industries in the State.

#### 10. Concluding Remarks

We have seen that the basis of the cashew processing industry was the possibility of exploitation of cheap labour available within the State for catering to a growing demand for kernels in foreign markets. The "factory system" which emerged in the industry was only a convenient organisational form for the effective control of workers and work processes in a single place. The inhuman treatment meted out to workers in the early phase of the industry gave rise to the rapid growth of trade union organisations which drew strength from radical political ideologies. However, with independence, the form and content of trade union struggles underwent a significant change. Organisation of workers under one or two trade unions with radical political ideologies soon gave way to a multiplicity of unions embracing different political ideologies. The struggles were mainly focussed on the immediate interests of the unions as well as the political parties to which they were affiliated. However, such struggles for wages and related issues like bonus did not pay off in the long run in the cashew processing industry given the nature of capital and structure of the industry. The response of capital was first to shift production from the "factory sector" to the "cottage sector" and then to low wage areas outside the State thereby knocking down the very basis of the industry in the State. Such practices succeeded because of the surplus labour available both within and outside the State.

The brunt of such a situation was borne by women workers whose levels of wages and conditions of work hardly improved. In fact, even the limited gains of trade union activity have gone largely to men workers. The

discrimination against the women workers practised through the mode of payment of wages and conditions of work has not been effectively countered by trade unions. It is therefore no wonder that the confidence of women workers in the trade unions as they function now has steeply declined. In fact the position of women workers in the cashew processing industry is no better than that of their counterparts in household industries and in agriculture.

The existence outside the State of a still cheaper and unorganised labour market with an abundant supply of child labour threatens the prospects of employment to the organised workers in Kerala. The experience of the cashew processing industry suggests that any measures at organisation and mobilisation of labour limited to certain regions only, will not only fail in strengthening of the workers' movement in the long run but could create conflicting situations in the absence of a clear perception of such problems and strategies to counter them. The extent to which such a perception of the issues has weighed with the strategies of trade unions will determine the strength of the working class movement in industries such as cashew processing.

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Table 1

Export of Cashew kernels from India: 1926-27 to 1978-79  
(Quantity in 000 metric tonnes, value Rs. in million)

Year	Quantity	Value	Year	Quantity	Value
1926-27	1.25	0.24	1955-56	31.86	129.20
27-28	2.23	0.30	56-57	31.28	145.30
28-29	2.86	0.43	57-58	36.74	151.50
29-30	1.14	0.75	58-59	41.02	159.50
30-31	1.20	0.77	59-60	38.79	160.40
31-32	2.15	1.11	60-61	43.63	190.10
32-33	2.45	1.66	61-62	41.76	181.00
33-34	3.03	2.49	62-63	48.56	192.50
34-35	5.40	6.34	63-64	55.68	200.60
1935-36	6.71	7.82	1965-66	51.27	271.00
36-37	10.14	10.62	66-67	50.76	227.50
37-38	11.36	11.31	67-68	51.04	430.30
38-39	12.37	12.21	68-69	63.03	600.30
39-40	11.76	11.91	69-70	69.63	574.20
40-41	15.47	16.17	70-71	50.28	520.70
41-42	16.62	19.25	71-72	60.38	613.30
42-43	5.67	7.81	72-73	66.28	688.20
43-44	5.38	14.60	73-74	52.20	744.30
44-45	7.70	23.16	74-75	65.03	1181.40
1945-46	14.67	64.14	1975-76	53.00	952.30
46-47	17.51	51.30	76-77	51.51	1063.72
47-48	17.31	45.21	77-78	59.11	1476.12
48-49	17.01	50.36	78-79	26.80	800.20
49-50	16.08	49.40	79-80	37.85	1170.11
50-51	24.09	87.45			
51-52	22.39	100.11			
52-53	25.85	110.79			
53-54	22.73	90.00			
54-55	22.60	104.58			

Source: Upto 1945-46: Cochin Chamber of Commerce and Industry, Annual Reports, various issues.

1946-47 to 1970-80: Cashew Export Promotion Council, Cashew Statistics, and Cashew Bulletin (various issues), Cochin.



Table 2

Daily wages (in P.) of adult cashew workers in different  
categories of work: 1934 - 35

Category	Sex	Rate per unit*	1934-35
1. Roasting	Men	2 chakram/bag	0.42
2. Heating	Men	7 chakram/day	0.25
3. Shelling	Women	4 kasu/lb	0.19
4. Peeling	Women	5 kasu/lb	0.24
5. Grading	Women	5 chakram/day	0.18
6. Other work	Men	7 chakram/day	0.25

\* The working day was for 12 hours and often more. The payment was in local currency and its relationship with the rupee was as follows. 16 kasu = one chakram; 28 chakram + 8 kasu = One British Indian Rupee (100 paise). The conversion rate therefore from the old to the new currency is: 4.56 kasu = one paise.

Table 3

Industrial disputes in Cashew Industry by Causes

Year	Total number of disputes	Causes			
		Wages & Bonus	Retrench- ment	Working conditions	Others
1958	31 (100)	2 (6)	-	9 (29)	20
1959	37 (100)	26 (70)	1	9 (24)	1
1960	140 (100)	138 (99)	-	2 (1)	-
1961	22 (100)	3 (14)	-	3 (14)	16
1962	141 (100)	134 (95)	-	7 (5)	-
1963	14 (100)	9 (64)	-	1 (7)	4
1970	1 (100)	- (0)	-	-	1
1974	7 (100)	2 (29)	-	-	5
1975	3 (100)	3 (100)	-	-	-

Source: Chirayath, John Thomas, A Study on the Cashew Industry in Kerala, Industry Study Series, Report No.1, Labour and Industrial Bureau, Trivandrum, 1965; Government of Kerala, Bureau of Economics and Statistics, Statistics for Planning, 1977

Table A

Minimum Wage rates payable to cashier workers as per Government Notifications (1)

Category	Sex	Proportion in total employment	1953		1960		1967		1975		Trit	Average output per day
			Basic Wage	D.A.	Basic Wage	D.A.	Basic Wage	D.A.				
Shelling	Female	0.42	0.15	-	0.15	0.16	0.36	0.72	0.75	2.68	per	7
Feeding	Female	0.42	0.19	-	0.24	0.16	0.44	0.72	0.94	2.66	per	7
<u>Time-rate</u>												
Grinding	Female	0.10	1.25	-	1.40	0.16	2.20	0.72	4.75	2.66	per day	-
Polishing	Male	0.09	-	-	2.50	0.16	3.55	0.72	185.00**	71.56*	per day	-
Heading	Male	0.01	-	-	40.00	4.00	56.00	12.10	185.00	71.56	per month	-
Other work	Male	0.03	1.87	-	2.05	0.16	3.30	0.72	6.50	2.48	per day	-
		1.00										

Source: Minimum Wage notifications of the Government of Kerala

Note: The rates of Dearness Allowance (D.A.) are calculated as follows: 1960: at the rate of 1 p. for every 2 All India Index of Consumer Prices (A.I.C.P.) in excess of the cost of living index of 1953; for every 2 All India Index of Consumer Prices (A.I.C.P.) in excess of the cost of living index of 1960: at the rate of 2 p. for every 5 All India Index of Consumer Prices (A.I.C.P.) in excess of the cost of living index of 1960; for every 5 All India Index of Consumer Prices (A.I.C.P.) in excess of the cost of living index of 1967: at the rate of 2 p. for every 5 All India Index of Consumer Prices (A.I.C.P.) in excess of the cost of living index of 1967.

Table 5

Daily wages for 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 (116)
<u>Time-rate</u>					
Grading	Female	1.25 (108)	1.56 (105)	2.92 (90)	7.43 (93)
Roaster	Male	-	2.66 (179)	4.28 (132)	10.70 (134)
Borma worker (heater)	Male	-	2.66 (179)	4.33 (134)	10.70 (134)
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 wages as a percentage of the wage of workers in shelling.

Table 6

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	0.93* (74)
1959	1.50	1.06 (71)
1960	1.68	1.23 (73)
1961	1.83	1.28 (70)
1962	1.90	1.58 (83)
1963	1.90	1.40 (74)
1964	2.10	1.25 (59)
1965	2.33	1.55 (67)
1966	2.48	1.54 (62)
1967**	3.48	1.60 (46)
1968	3.71	2.15 (58)
1969	3.83	2.90 (76)
1970	3.96	3.12 (79)
1971	3.96	NA
1972	4.18	NA
1973	4.93	3.70 (75)
1974	6.24	NA
1975	8.58	6.69 (78)

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

\* This represents minimum wage rate actually paid as revealed from the information collected by the Travancore-Cochin Minimum Wage Committee for Cashew Industry, 1953.

\*\* Year in which 'cottage processing' was banned in Kerala

Table 7

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

Sector	Category						Wage (weighted average)
	R	S	P	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	8.25	3.45	4.00	3.00	7.50	7.50	3.08
C. Factory Sector in Kanyakumari	5.50	2.31	2.83	2.64	5.50	7.83	2.82
Percentage of B to A	107	49	53	52	90	92	54
Percentage of C to A	71	40	37	35	66	76	38
Percentage of C to B	73	67	71	68	73	104	71

**Note:**

\* Daily earnings include non-wage benefits also. The categories of work indicated are: R - Roasting, S - Shelling, P - Peeling, G - Grading and H - Heating.

Table 8

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 man-days (in lakhs)	K	200.21	203.28	202.75	173.72	178.83	168.01
	T	3.46	3.20	4.75	5.22	8.28	NA
Quantity processed	K	1,73,105	1,80,772	180,810	164,969	193,743	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 Reserve Corporation of India, Cochin.  
K - Kerala, T - Tamil Nadu.

Table 9

Estimates of mandays lost to cashew workers in Kerala due to shifting of processing, 1975-78

Year	Average days of employment	Total man-days worked	Quantity processed (in 000 tonnes)	Total In-ports to India (in 000 tonnes)	Share of Kerala (a <sub>k</sub> =80%) (I)	Local production of raw nuts (000 tonnes) (L <sub>k</sub> )	Quantity available for processing (000 tonnes) (D <sub>o</sub> )	Quantity diverted (000 tonnes) (M <sub>1</sub> )	Mandays lost	Mandays lost per worker
(E <sub>k</sub> )	(in 000)	(in 000)	(Q <sub>k</sub> )	(in 000 tonnes)	(a <sub>k</sub> =80%) (I)	(L <sub>k</sub> )	(D <sub>o</sub> )	(M <sub>1</sub> )	(000 days)	
1	2	3	4	5	6	7	8	9	10	11
1975	126	12,600	126	160.36	128.29	118.00	246.29	120.29	120,29	120
1977	95	9,500	95	74.13	59.31	128.80	188.11	93.11	9,311	93
1978	65	6,500	65	56.30	45.04	84.73	129.77	64.77	6,477	65

Note: Figures in bracket in column 9 indicate the proportion of quantity diverted in relation to column 8

Source: Column 2: from Office of the Cashew Special Officer, Quilon

Column 3: Total mandays worked = No. of workers in the factories (N<sub>f</sub>) x Average days of employment (E<sub>k</sub>). Number of workers in the industry was taken at 1,00,000 (as per 1971 verification). The average days of employment was based on the days of work reported by individual companies. It was pointed out that many small companies did not report at all presumably due to no work. Hence these figures in column 2 is likely to be on the higher side.

Column 5 & 7 - Government of Kerala, Economic Review, 1976, 77 & 73, State Planning Board, Trivandrum.



Table 10

Per capita daily and annual earnings of factory workers in selected agro-processing and similar industries in the factory sector (in Rupees) - Daily earnings reported as per Payment of Wages Act, 1936

Industry	Proportion of female workers		1959	1961	1966	1967	1968	1969	1973-74
Cotton Textiles	16	D	2.63	3.83	5.36	5.21	6.17	6.60	8.70
		A	876	1161	1682	1548	1777	2131	2423
Furniture	*	D	3.02	3.05	4.42	4.94	5.46	5.71	12.45
		A	895	859	1352	1406	1664	1720	3063
Flywood	9	D	2.68	2.09	4.40	4.61	6.33	7.09	8.62
		A	776	805	1357	1370	1758	2077	2753
Coir manufacturing	10	D	1.76	3.03	4.57	4.80	6.12	7.26	10.03
		A	525	884	1250	1335	1716	1977	NA
Beedi	13	D	2.07	2.65	4.03	4.50	4.06	6.88	NA
		A	589	805	1235	1284	1209	2069	NA
Edible Oil	7	D	2.33	2.24	3.42	3.65	4.00	4.38	10.35
		A	561	616	868	901	1083	1273	1954
Rice milling	24	D	1.35	1.53	2.88	3.48	4.00	4.16	6.97
		A	384	360	737	810	1020	1092	1857
Tiles and Bricks	25	D	2.45	3.14	3.88	4.43	5.12	5.27	11.11
		A	722	869	1072	1275	1467	1519	NA
Paper manufacturing	24	D	1.64	3.00	3.14	3.35	4.09	5.44	8.10
		A	962	888	958	1012	1183	1642	1430
Saw milling	*	D	2.98	2.99	4.56	4.39	5.12	5.79	10.20
		A	828	825	967	1186	1340	1524	1370
Splints and Veneers	65	D	1.27	1.58	2.83	2.30	2.55	2.28	NA
		A	343	442	543	682	724	739	NA
Machines	75	D	1.10	NA	1.25	2.52	2.45	2.19	3.05
		A	268	NA	815	716	691	620	
Cassava	94	D	1.06	1.40	2.14	2.66	2.80	3.23	6.67
		A	261	346	493	682	635	729	710

Note: D = daily earnings, A = Annual earnings, \* indicates negligible.

Source: Government of Kerala, Statistics for Planning, Series 2: Labour and Labour Force, 1972, State Planning Board & Bureau of Economics and Statistics, Trivandrum and Statistics for Planning, 1977, Bureau of Economics & Statistics, Trivandrum.

Table 11

Wage level of coir processing workers in Quilon in the private sector, 1977 (in Rs. per day)

Category	<u>Centre 1</u>	<u>Centre 2</u>
	Thrikkadavoor	Chevare
Retting (Male)	6.50 to 13.00	9.00 to 10.00
Beating (Female)	4.80 to 5.40	4.80 to 6.00
Spinning (Female)	3.00 to 4.00	3.30 to 4.00

Source: Computed from Government of Kerala, Economic Review 1978, State Planning Board, Trivandrum.

Note: The mode of payment of wages is the piece-rate system in the coir processing activity. The above figures are the daily earnings on the basis of daily output.

Table 12

Wages of agricultural workers, plantation labour and workers in the cashew processing industry 1958-59 to 1974-75 (Rs. per day)

Year	Cashew Industry		Agriculture		Tea Plantations		Rubber Plantations		Coffee and Cardamom Plantations	
	ASI	IWA	Male	Female	Male	Female	Male	Female	Male	Female
58-59		1.06	1.91	1.38	1.52	1.57	2.05	1.69	1.79	1.22
59-60	1.23	NA	1.84	1.74	1.75	1.62	2.03	1.72	1.80	1.40
60-61	1.28	1.40	1.80	NA	1.80	1.62	1.07	1.73	1.82	1.39
61-62	1.58	NA	2.13	1.60	2.02	1.76	2.25	1.90	1.79	1.44
62-63	1.40	NA	2.13	1.60	1.95	1.62	2.28	1.88	1.81	1.48
63-64	1.22	NA	2.68	2.03	2.20	1.76	2.38	1.91	1.83	1.28
64-65	1.56	NA	3.00	2.38	2.20	1.85	2.50	1.92	2.17	1.41
65-66	1.54	2.14	3.25	2.63	2.45	2.11	2.86	2.09	2.09	1.56
66-67	1.60	2.66	4.02	NA	2.61	2.23	2.24	2.85	2.35	1.76
67-68	2.15	2.80	4.50	3.75	2.74	2.39	3.43	2.85	2.63	1.90
68-69	2.00	3.23	4.75	4.00	2.90	2.66	3.80	2.68	2.98	2.20
69-70	NA	3.12	4.75	4.00	3.27	2.81	4.50	3.79	3.10	2.27
70-71	NA	NA	4.47	NA	3.57	3.63	4.99	4.28	3.50	2.50
71-72	NA	NA	4.47	NA	3.86	3.60	5.13	4.47	3.51	2.68
72-73	NA	NA	4.72	NA	NA	NA	NA	NA	NA	NA
73-74	3.79	6.67	6.00	4.37	NA	NA	NA	NA	NA	NA
74-75	NA	NA	7.25	5.58	NA	NA	NA	NA	NA	NA

Source: Cashew Industry: ASI - Annual Survey of Industries data  
IWA - Data reported under the Payment of Wages Act, 1936

Agriculture wages refer to wages of field labour in Quilon district which is an average of the sample centres for the peak month of operations for Kerala i.e. October. Data obtained from Government of India, Agricultural Wages in India, 1952-54 to 1969-70.

Tea, rubber and Coffee: Wages refer to average daily earnings of garden labour. Government of Kerala, Statistics for Planning, Labour and Labour Force, 1972, Industries and Infrastructure, 1975 and Statistics for Planning 1977, Bureau of Economics and Statistics, Trivandrum, reported under the Payment of Wages Act, 1936.

Table 13

Annual earnings of cashew and agricultural workers in Kerala  
(Quilon District) and Tamil Nadu (Kanyakumari District)

Category	1957	1958	1959	1961	1966	1967	1968	1969	1973- 7
Cashew workers	230 (100)	322 (100)	261 (100)	346 (100)	493 (100)	622 (100)	635 (100)	729 (100)	719
<u>Agricultural</u>									
<u>labour in Quilon</u>									
<u>(Kerala)</u>									
Male	282 (123)	287 (89)	315 (121)	313 (90)	514 (104)	NA	842 (133)	888 (122)	NA
Female	156 (68)	183 (57)	193 (74)	206 (60)	411 (83)	NA	589 (93)	628 (86)	NA
<u>Agricultural</u>									
<u>labour in</u>									
<u>Kanyakumari</u>									
<u>(Tamil Nadu)</u>									
Male	NA	NA	264 (101)	361 (104)	624 (127)	832 (134)	832 (131)	863 (118)	NA
Female	NA	NA	155 (59)	213 (62)	335 (68)	373 (60)	373 (58)	373 (51)	NA

Footnotes and References

- 1/ ~~Marx discusses formal and real subordination of labour.~~ Under the latter, the whole of organisation of production is carried forward to higher stages, involving introduction of machinery, introducing greater division of labour, and close control of workers and work processes. Real subordination thus leads to the emergence of large scale production, increase in productivity and consequent realization of relative surplus value. A pioneering study of the real subordination of labour under monopoly capital is that of Braverman, Harry, Labour and Monopoly Capital, Monthly Review Press, New York, 1974. For a recent interpretation of the concept of capitalist labour process in the context of Marx's notion of formal and real subordination of labour to capital see, Brighton Labour Process Group, "Capitalist Labour Process", Capital and Class, No.1, Spring, 1977.
- 2/ "The exploitation of cheap and immature labour-power is carried out in a more shameless manner in modern Manufactures [small workshops, etc.] than in the factory proper. This is because the technical foundation of the factory system, namely, the substitution of machines for muscular power, and the light character of the labour, is almost entirely absent in Manufacture, and at the same time women and over young children are subjected, in a most unconscionable way, to the influence of poisonous or injurious substances. This exploitation is more shameless in the so called domestic industry than in manufactures, and that because the power of resistance in the labourers decreases with their dissemination; because a whole series of plundering parasites insinuate themselves between the employer and the workman; because a domestic industry has always to compete either with the factory system, or with manufacturing in the same branch of production; because poverty robs the workman of the conditions most essential to his labour, of space, light and ventilation; because employment becomes more and more irregular; and, finally, because in these the last resorts of the masses made "redundant" by Modern Industry and Agriculture, competition for work attains its maximum. Economy in the means of production, first systematically carried out in the factory system, and these, from the very beginning, coincident with the most reckless squandering of labour-power, and robbery of the conditions normally requisite for labour - this economy now shows its antagonistic and murderous side more and more in a given branch of industry, the less the social productive power of labour and the technical basis for a combination of processes are developed in that branch." Marx, Karl, Capital, Vol.1, Progress Publishers, Moscow, 1974, Ch.XV, pp. 434. In chapters X and XXI Marx also deals with the lengthening of the working day and the peculiarities of piece-wages.
- 3/ The share of cashew industry in the total employment in the factory sector was 54 percent between 1962 and 1967 which has since then gone upto more than 55 percent. See Government of Kerala, State Planning Board and Bureau of Economics and Statistics, Industries, Industrial Labour and Infrastructure, Trivandrum, 1976.

- 4/ The rates of gross profit (Gross surplus/Total Productive capital) in the cashew industry ranged between 60% and 124% for the period 1962-74; while for coir manufacturing it was 30% and 43% and tea manufacturing 41% and 81%. Computed from ASI data reproduced in Industries, Industrial Labour and Infrastructure, op.cit.
- 5/ The import of raw cashewnuts was mainly from the then British and Portuguese East African colonies (present-day Tanzania, Kenya and Mozambique). Cashew was, and still remains in large areas, a wild crop in these countries. A market for the raw cashewnut was created by the requirements of the processing industry in India. The collection of these raw nuts was made by the Indian trading community in these countries. In the beginning, local people were encouraged to collect raw nuts by the Indian traders in exchange for daily consumer and cosmetic articles. Subsequently cash payments were made. Some of these traders shipped raw cashew nuts to their agents in Bombay while others shipped them directly to the processors in Quilon in Kerala. (Information obtained through discussions with old managers of selected cashew processing and trading firms in Quilon.)
- 6/ Government of Travancore, Statistics of Travancore: 1936-37, Trivandrum, 1938.
- 7/ Export of cashew kernels prior to 1925 was going on, though on a small scale, by foreign trading companies in the Malabar Coast. Messers Pierce Leslie and Co. had the business of exporting small quantities of cashew kernels right from the beginning of the century. They were mainly conducted from their Calicut office. Trading was carried out by purchasing shelled nuts from local people and after sun-drying, they were packed into one cwt wooden cases lined with newspaper. These were shipped mainly to Marseilles but occasionally to London. After the First World War, Pierce Leslie made a few trial shipments to New York after packing the nuts in tins charged with carbon dioxide. Subsequently a few "factories" were started wherein the kernels were dried, peeled, graded and packed. Raw nuts were purchased from local traders and distributed to workers' households for roasting and shelling. By 1931, Pierce Leslie had 17 such "factories". See Langley, W.K.F. (ed), Century in Malabar: The History of Pierce Leslie and Co.Ltd, 1862-1962.
- 8/ The introduction of this technical change in roasting conferred some immediate benefits to this company. During the second World War, the United States wanted the CNSL and hence insisted that for every unit of kernel imported into the USA, a certain quantity of CNSL must also be supplied. Since Pierce Leslie was the only company with oilbath processing facility, the other factories had to depend on them for roasting their raw nuts in their factory for obtaining CNSL. A number of small processors had to stop processing altogether. Though the oil-bath processing was since then adopted by a few companies "drum roasting" continues to be the predominant form of roasting of nuts. The interruption in the processing due to the stipulation of USA for exporting CNSL is reflected in the decline in the quantity exported between 1942-45 (given in Table 1). See Langley, W.K.M. (ed.), op.cit.

- 9/ These practices were also followed in the coir factories in Allerpey. There the workers were subjected to a lot of harassment by the mooppans (foremen). On pay day mooppans will collect their share of the workers' wages. Workers were also fined heavily for minor mistakes. See Frakasam, R. (ed). Keralathinte Trade Union Prasthanathinte Charithram, Prabhat Book House, Trivandrum 1979. Such methods of exploitation in order to extract maximum share of the value added was characteristic of the early forms of capitalist production. In England the practice of extracting rent from the workers in wool manufacturing is a case in point. Workers who provided with stocking frames were required to pay rent for its use. There were instances of supplying the stocking frame even when raw material was not adequate for full utilization so that rent could be charged. See Paul Mantoux, The Industrial Revolution in the 18th Century, Jonathan Cape, London, Revised edition, 1961, p.65.
- 10/ The average daily wage of a female cashew worker during 1935-40 and the deductions from that were as follows:
- |   |          |
|---|----------|
| Average daily wage                      | 21 paise |
| Less: Rent for tools<br>(baskets, etc.) | 2 paise  |
| Contribution to Cnam<br>bomis           | 1 ,,     |
| Drinking water                          | 1 ,,     |
| Share of the Mooppan                    | 1 ,,     |
| Wages in hand                           | 16 paise |
- Computed on the basis of information collected from old workers and Frakasam, R (ed.) op.cit.
- 11/ Pregnant women who were tempted to eat an occasional kernel or so were thus defaced and paraded. See Govindan, K.C., "Trade Union Prasthanam" Kerala Charithram, Kerala History Association,
- 12/ Data on the number of workers by sex in the cashew industry are available in the Statistics of Travancore upto 1941. It shows that the percentage of women employed between 1926-41 were 66, 73, 75 and 78 respectively.
- 13/ Category-wise distribution of workers for the year 1975 obtained from the Cashew Special Officer, Quilon. A survey of the industry conducted in 1965 also showed a similar distribution. See Chirayath, John Thomas, A Study of the Cashew Industry in Kerala, Industry Study Series No.1, Labour and Industrial Bureau, Trivandrum, 1965.
- 14/ Frakasam, R. (ed.). op.cit

- 15/ At one time, a group of union workers including the General Secretary, were showered with human excreta. Interview with Mr. K.P. Namu, then General Secretary of the QFWU.
- 16/ Interview with the then trade union activists K.R. Namu, K.P. Namu and C.K. Chellappan.
- 17/ Some of the activists, such as M.N. Govindan Nair, R. Sreekantan Nair and T.K. Divakaran, later became prominent political leaders while a number of others went into political oblivion.
- 18/ A study conducted in 1965 revealed that of the 24,000 members of active unions in the cashew industry, 15,000 belonged to unions affiliated to UTUC, 6,000 to AITUC and 2,000 to INTUC. The remaining 55,000 workers were covered by unions not submitting returns or owing allegiance to some unions. Chirayath, John Thomas, op.cit, p.81
- 19/ See Prakasam, R. (ed) op.cit, Ch.6
- 20/ The Committee known as the Travancore-Cochin Minimum Wages Committee for the Cashew Industry was constituted under the chairmanship of A.F.Udhaya-bhanu with representatives of both workers, and employers. The workers were represented by the AITUC, UTUC and an independent trade union. The Committee submitted its report in 1953.
- 21/ The minimum wages fixed by the 1953 Committee and the then current minimum wages were as follows:

<u>Category</u>	<u>Wages in (Rs. per day)</u>		<u>Percentage Increase</u>
	<u>Current</u>	<u>Recommended</u>	
<u>Time-rate</u>			
Roasting (men)	1.36	1.87	37
Heating (men)	1.18	1.87	
Other work (men)	1.25 to 1.50	1.25	58
Grading (women)	0.87	1.25	50 to 25
<u>Picce-rate</u>			
Shelling (women)	0.96	1.20+	25
Peeling (women)	0.84	1.19+	42

(+ subject to a minimum stipulated quantity of output)

- 22/ The 1953 Committee observed "in cashew industry we find all the hard jobs like bag carrying, roasting, etc. being done by men and shelling, peeling, etc. which are less arduous jobs, by females. That being so, can there be not a wage difference between the two sections regard being had to nature of the job and the lesser burden on the part of the females, to support the family. This difference does not in any case



~~Infringe the principle of equal pay for equal work. Since the men and women were employed differently in different sections, it can be argued that if minimum wages is to be calculated on the requirements of the worker and his family, at a lower number of consumption units in the case of women since they are not expected to maintain at least their husbands. The Committee decided to fix different wage rates for the different sections on the basis of the section being 'male' or 'female', the female section being allotted a lesser wage regard being had to the above considerations.~~ (p.20). It is common to equate arduous jobs with jobs requiring greater muscular power. Consequently jobs which are tedious requiring much patience and concentration are treated as light work. In fact there is sufficient evidence to show that the jobs performed by women in many occupations involve considerable strain. A close study of their personal life revealed that very often the women workers shouldered a greater share of family budget, apart from family management. See Le-la Gulleti, Profiles in Poverty, Working Paper No. 90, Centre for Development Studies, Trivandrum 1970. (forthcoming in book form to be published by Hindustan Publishing Company, Delhi).

- 23/ Government of Kerala, Report of the Minimum Wages Advisory Committee for the Cashew Industry, Trivandrum, 1959.
- 24/ Information on these practices were revealed to us during our survey of the cashew workers. Many of these practices were in fact brought to the notice of the Government through a study conducted in 1968-69. See Government of Kerala, State Planning Board, Cashew Industry in Kerala, Trivandrum, 1969.
- 25/ Monthly salaried workers, all men, enjoy continuity of employment and also secure non-wage benefits such as provident fund, leave and holidays with pay, medical insurance, etc. They are also not subject to the kind of malpractices encountered by female workers especially the piece-rated workers in shelling and peeling operations. Therefore both in respect of employment and wages the salaried men workers are on an entirely different footing from the casual labour and piece-rated (women) workers.
- 26/ The daily earnings of a cashew worker comprise of basic wages and a variable dearness allowance. The DA is calculated on the basis of the cost of living index in Quilon. We have given the method of calculation of the DA in the note to Table 4. The yearly average cost of living indices (CLI) for Quilon used for calculating the DA for the period 1956-75 were as follows:

Year	1956	1960	1961	1962	1963	1964	1965	1966
CLI	384	455	493	507	509	567	637	686
Year	1967	1968	1969	1970	1971	1972	1973	1974
CLI	731	787	812	847	849	903	1090	1445
Year	1975							
CLI	1491							

Source: Bureau of Economics and Statistics, and State Planning Board, Statistics for Planning, "Trivandrum 1972 and 1977.

27/ The Minimum Wages Advisory Committee for Cashew Industry 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.

28/ The cost of production per bag (80 K) as per Minimum Wage rates, cottage rates and processing in Tamil Nadu worked out for 1971 are presented below:

Item	Rs. Ps	Rs. Ps
Roasting	0 80	
Selling	13 30	
Feeling	12 50	
Grading	3 40	
Heating etc.	1 00	
	<hr/>	
Total	31 00	

Non-wage benefits (ESI,  
Pf, bonus etc.) 10 50

Cost of factory processing  
(as per Minimum Wages) (A) 2 41 50

Cost of cottage processing  
(B) 20 00

Cost of processing in  
Tamil Nadu 12 00

(B) as % of (A) = 48

(C) as % of (A) = 29

Source: Kerala Cashew Workers Centre, Pattinikkaraya Lakshathilparam  
Thozhilalikalude Bhavi Enthu, Quilon.

29/ Rajendran, E.C., "Cashew Workers' Flight in Kanyakumari,"  
Indian Express, May 80, 1980.

30/ It should be pointed out here that workers in coir processing also face similar problems such as shifting of processing industry to areas outside the State. Such shifting has been accelerated due to mechanization of processing. See Kannan, K.P., "Coir Industry: Problems of Technological Change", Economic and Political Weekly, October 2, 1976.

31/ Data on wages of field labour in agriculture obtained from Government of India, Agricultural Wages in India, Various issues.