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CLASS STRUGGLE AND STRUCTURAL CHANGES IN
COIR MAT AND MAT INDUSTRY 1950-1980

T. AS ISAAC



Centre for Development Studies
Ulloor, Trivandrum 695011

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This paper is an attempt to describe and explain the structural changes that have occurred in the coir mat and matting industry of Kerala since the end of the nineteen forties. Coir weaving industry, once the premier manufactory industry of Travancore localised in and around the town of Alleppey, is today dispersed in small-scale cottage units distributed over the rural areas. We trace this path traversed by the industry from a structure dominated by large-scale manufactories to one characterised by the predominance of small-scale domestic production units. The bigger capitalists progressively withdrew from the sphere of production but continue to dominate the production process by their control over the market.

The capitalist development is usually equated to progress from domestic production units to large scale manufactories, and thence to mechanised factories. The decentralisation of production in the coir industry forms an interesting case study from this point of view. It shows that the evolution of ^{the} capitalist production organisation need not be unilinear. Much depends upon the specificities of class struggle. The decentralisation of production is seen as a strategy of capital to bypass the social limits imposed by the organised working-class to the capitalist exploitation in the large-scale manufactories.

I

We shall begin with a brief description of the structure of the industry at the end of the 1940's. We do not intend to go into the process of emergence of this structure itself.

The production process of the industry consisted of weaving coir mat and matting from coir yarn on handlooms or frames. Though steam and electrical power were used in the packing and finishing departments of large-scale manufactories, the main production process of weaving was entirely based on manual labour. In these establishments division of labour was employed both according to the wares produced, as well as according to the details of the operation. Nearly 85 percent of the workers were employed on piece rates and 10 to 20 per cent were employed through contractors.^{1/} In 1949 there were about 525 mat and matting manufacturing establishments^{2/} of which at least 13 employed more than 500 workers.^{3/} At the other end of the spectrum were a few 'cottage units' which were worked mostly by household workers themselves. The larger manufacturers were also 'ship' of coir products to foreign markets which traditionally absorbed almost the entire production of the industry. Table 1 summarises the data for 1949-50.

Table 1: Some Aspects of the Structure of Coir Mat
and Matting Industry in 1949-50

Stratum	No. of units	% share of the total exports	Total employ-ment in the coir mat and matting esta-blishments of the stratum ^{c/}	% share of the total em-ployment	Average employ-ment per unit in the stratum.
(1)	(2)	(3)	(4)	(5)	(6)
1. Manufacturer-shippers with >5% share of the exports	6	50.21	7600	30.27	1267
2. Manufacturer-shippers with 2-5% share of the exports	4	14.03	1800	7.17	450
3. Manufacturer-shippers with 1-2% share of the exports	14	19.61	5100	20.31	364
4. Manufacturer-shippers with < 1% share of the exports	64	11.17	4000	15.93	63
5. Merchant-shippers ^{a/}	61	4.97	-	-	-
6. Non-shipping manufactu-rers ^{b/}	420	-	6600	26.29	16

Notes

- ^{a/} Only shippers through trade union records or otherwise^{proved} to possess weaving establishments have been considered as manufacturer-shippers. The rest have been included in the merchant-shipper category.
- ^{b/} The number of non-shipping manufacturers is estimated on the assumption that there were about 525 coir industrial establishments in 1949. (See H. Smith, Report of the Unemployment Enquiry Committee, Ernakulam, 1952, p.8).
- ^{c/} The employment figure for manufacturer-shippers with more than 1 per cent share of the export market is computed as a total from Statistics for 1125 ME, Government of Travancore-Cochin, Trivandrum, 1949, pp.185-195. The employment for manufacturer-shippers with less than 1 per cent share of the export have been estimated on the basis of average employment of 41 such shippers given in the above report. The employment for the non-shipping manufacturers is estimated on the basis of 10 workers per establishment, other than for the 69 such manufacturers whose employment figures are provided for by the same report.
- Source: Calculated from Shipper-War Register of Exports 1949-50, Travancore Chamber of Commerce; Statistics for 1125 ME, Government of Travancore-Cochin; and the Travancore Coir Factory Workers Union and Muhamma Coir Factory Workers Union records for the period 1950-52.

There were half a dozen big manufacturer-shippers who controlled 50% of the market. But for a Travancorean firm, the rest of these firms were European owned. These big manufacturer-shippers along with the medium manufacturer-shippers, employed only 57 per cent of the workforce while accounting for 89 per cent of the exports. This was possible because besides manufacturing coir mat and matting on a large-scale, they also purchased a significant portion of their products from the smaller manufacturer-shippers and non-shipping manufacturers. Thus non-shipping manufacturers and, to a certain extent, the smaller manufacturer-shippers also, subsisted on the subcontracts from the larger firms. While, all the big and medium manufacturer-shippers excepting five units were localised in the town of Alleppey, almost all the non-shipping manufacturers were distributed in the suburbs and the adjoining rural areas where the cost of production was lower. The smaller manufacturers generally specialised in the production of coarser varieties of products which they supplied in a semi-finished condition to the manufacturer-shippers or merchant-shippers who further processed, finished and packed them for exports. Besides, there was division of labour among these smaller establishments as well as among regions according to the varieties of mats and mattings, each one specializing in some particular variety. The picture that emerges fully conforms to the expected pattern of development of capitalist manufacture in its early phase.^{5/}

In the period of our analysis, this structure, however, has changed substantially:

(a) Capitalists gradually withdrew from direct management of the production and increasingly confined themselves to the sphere of trade. They retrenched their workers, closed down the large-scale manufactories and transformed themselves from manufacturer-shippers into merchant-shippers. Table 2 compares the data for 1949-50 with those for 1979-80.

Table 2: The Share of Manufacturer-Shippers in Production, Employment and Exports in 1949-50 and 1979-80

	<u>1949-50</u>	<u>1979-80</u>
1. Total number of exporting houses	149	109
2. Number of manufacturer-shippers	88	42
3. Percentage of manufacturer-shippers in the total	59	38
4. Percentage share of manufacturer-shippers in the exports	95	62
5. Number of workers employed directly	18500	2200
6. Estimated percentage of own production in the total exports	65 to 70	15 to 25

Source: Calculated from Shipper-War Register of Exports of Coir Products 1949-50, Travancore Chamber of Commerce; Monthly Bulletins of Coir Exports 1979; Coir Board, and Purchase Price Enforcement Scheme Registers of Coir Industrial Establishments, Coir Board.

(b) Parallel to this process of withdrawal of capital from direct production and the consequent eclipse of large-scale manufactories there took place a proliferation of small-scale coir weaving establishments. (See Table 3).

Table 3: Distribution of Coir Weaving Establishments in 1955 and 1980 in Alleppey District by the Number of Workers Employed

Size group: No. of workers	1955 Number of units	1980 Number of units
(1)	(2)	(3)
less than 20	653 (90.56)	3425 (97.67)
20 - 50	25 (3.46)	62 (1.76)
50 - 100	14 (1.94)	14 (0.39)
Above 100	28 (3.88)	6 (0.17)
Total	721 (100.00)	3507 (100.00)

Note: The data for 1980 covers coir weaving establishments in Alleppey District only, while the distribution of 1955 refers to the present day Alleppey and Quilon Districts. However, there were in 1955 only 4 units employing 280 looms in what is now the Quilon district.

Source: Calculated from Report of the Census of Coir Industrial Establishments, Coir Board, 1957; and Purchase Price Enforcement Scheme Registers of Coir Industrial Establishments, Coir Board.

(c) These small-scale coir weaving establishments mostly came up in the rural areas. This accelerated the trend in the gradual shift of the industry from the town of Alleppey to its rural hinterlands (see Table 4).

Table 4: Locational Distribution of Coir Weaving Establishments in 1938 and 1980

	1938		1980		Percentage change in the district Alleppey Town between 1938 and 1980	Percentage change in the district Alleppey Town between 1938 and 1980	Percentage change in Alleppey Town between 1938 and 1980	
	Alleppey District	Alleppey Town	Alleppey District	Alleppey Town				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Number of units	276	41	14.85	3057	394	12.88	+ 1008	+ 831
Number of matting looms	4060	2374	58.47	1787	805	45.04	- 56	- 78
Number of Mats looms	7289	2180	29.90	14653	2191	14.27	+ 101	+ 4
Total number of looms	11349	4554	40.12	16440	2996	18.22	+ 45	- 34
Average number of looms per unit	41	111	-	5	8	-	- 87	- 93

Source: Calculated from Report of the Board of Conciliation of Trade Disputes in Mats and Matting Industry, 1932, Trivandrum, 1953; and Purchase Price Enforcement Scheme Registers of Coir Industrial Establishments, Coir Board.

These structural tendencies are analysed in the following sections.

II

In sharp contrast to the war period, the nineteen fifties proved to be a period of intense rivalry among the shippers. In 1940, the European manufacturer-shippers and the leading sections of their Indian counterparts who were till then organised under two different chambers of commerce came together to form a joint 'Travancore Coir Mats and Matting Manufacturers' Association' (hereafter TCMMA).^{6/} This put an end to the suicidal competition and price war between the established European shippers, who once monopolised the export markets, and the upcoming Indian entrepreneurs.^{7/} The members of the Association, numbering some two dozen, monopolised the limited shipping facilities available during the war. They quoted jointly for the tenders for the orders of War Supplies Department, which had become the main source of demand for coir goods after the disruption of the traditional market outlets due to war. Through their concerted action, they were able to get higher prices for their products.^{8/} Later, through consistent efforts, they were able to evolve a system of channelisation of War Supply Department's orders by which they secured 80 per cent of all the orders for coir products. The rest was to be shared by the other coir interests in Cochin and Travancore. The TCMMA successfully scuttled the efforts of the mofussil manufacturers to break this monopoly.^{9/}

But with the cessation of the war, and the reopening of the traditional trade channels and markets, the pre-war situation emerged once again. There was an influx of new shippers. Some of the new

entrants into the export sector during the post-world war period were themselves small manufacturers of coir products but most of them were 'factors' or pure middlemen with no manufacturing interests. They mostly came from the ranks of the rural 'depot' owners who supplied the local products to the large-scale manufacturers, traders in the domestic market for coir products or yarn dealers. The excess capacity created in the rural areas during the war and the immediate post-war demand boom provided a lucrative cheap source of coir products for the new entrants.^{10/} In their efforts to secure business they quoted uneconomic prices and many of them were forced to go out of business every year.^{11/} But the lure of ^{quick} profits attracted even more new entrants each year so that the total number of shippers substantially increased in the 'fifties (see Table 5).

During this phase substantial changes in the demand for coir products also took place. They are briefly described below. (See Table 6).

(a) Unlike in the pre-war period the overall exports of coir mats and matting steadily declined. The increase in mat exports was more than neutralised by a severe decline in matting exports. The decline in exports of coir matting was mainly due to an increasing switch over to other hard fibres, as well as to synthetic and other luxury floor coverings.^{12/} Another important reason was the further development of the powerloom matting industry in Europe.^{13/} This is partly reflected in the decrease of coir yarn exports. If one accepts that about 58 per cent of coir yarn exports to foreign countries was being used for manufacturing coir goods^{14/} it follows that the volume

Table 5: Variations in the Number of Shippers and their Market Shares
1948 to 1966
(yearly averages)

Year	(1) Number of shippers	(2) No. of old shippers who dropped out from the previous year's list	(3) No. of shippers in col.no.3	(4) % share of such shippers in the export market	(5) No. of new shippers who were not in the previous year's list	(6) % share of the market of such shippers in the export market	(7) % share of market of top 6 export houses with > 5% share of the market in 1947-50	(8) % share of market of top 24 export houses with > 1% share of the market in 1947-50	(9) % share of the rest of the export houses in the market
1929-38	68	15	N.A.	N.A.	17	N.A.	N.A.	N.A.	N.A.
1947-48	162	40	1.98	1.68	40	43.04	80.81	19.19	
1949-50		50	2.40	1.44	46	38.76	68.95	31.05	
1951-53	186	37	1.97	2.15	37	38.10	71.69	28.31	
1954-56	152	24	2.04	1.65	42	34.38	69.33	30.67	
1957-59	132	17	2.71	2.03	18	34.98	59.71	40.29	
1960-61		14	0.66	2.20	17	34.67	49.43	50.57	
1963-64	133								
1965-66									

Source: Calculated from Shipper-War Register of Exports of Coir Products 1947-48 to 1965-66, Travancore Chamber of Commerce; and Report of the Board of Conciliation of Trade Disputes in Mats and Matting Industry, 1939, Trivandrum, 1953.

Table 6: Shipments and Rail Movement of Coir Mat. and Matting and Coir Yarn from Malabar Coast

Year	Shipments (qtls.)				Coir yarn to all des- to foreign ports	Rail movement (Calendar year) (qtls) Coir mat and matting	
	(2) Mat to all destinations all desti- nations	(3) Matting to all desti- nations	(4) Total to all desti- nations	(5) Mat. & Matting to Indian ports			(6) Coir yarn to all des- tinations
1926-27/1929-30	91289	69545	160,834	N.A.	604960	N.A.	N.A.
1930-31/1934-35	92801	97517	190,318	3654	518533	N.A.	N.A.
1935-36/1938-39	90756	144941	235,697	3028	516811	415317	N.A.
1946-47/1949-50	77380	140154	217,534	2122	572294	419216	N.A.
1950-51/1954-55	90255	102626	192,880	937	635643	522078	10,000
1955-56/1959-60	116866	68755	185,621	N.A.	678464	538682	16,450
1960-61/1964-65	138268	34679	172,896	N.A.	N.A.	544555	23,855
1965-66/1969-70	142844	29202	174,432	49	500050	436032	29,046
1970-71/1974-75	124244	49610	173,854		307817	299560	33,200
1975-76/1979-80	100975	75092	176,068		239286	239280	53,889

Note: The data up to 1963-64 on shipment of coir mat and matting relate only to the ports of Alleppey and Cochin. However, the shipment from other ports were negligible.

Source: K.S. Venkataraman, 'Coir Industry and Trade on Malabar Coast'; Journal of the Bombay University, Vol. 10, No. 1, 1941; Report of the Committee on Coir Mats and Matting Manufacturing Industry, Trivandrum, 1953; Statistics of Coir Exports (Kerala), Trivandrum Chamber of Commerce; India's Production, Exports, and Internal Consumption of Coir and Coir Goods, 1964 to 1980, Coir Board; Handbook of Coir Statistics, Coir Board, 1961; Annual Reports of the Activities of Coir Board, 1960 to 1961, Coir Board; and Report of the Adhoc Committee for Internal Marketing, Coir Board, 1955.

of European powerloom production was greater than that of Indian exports till the mid-seventies. It is reported that in the seventies the continental industry was rapidly declining due to a steep rise in the costs of production.^{15/} So a part of this market which was being catered to by the European powerloom industry is now open to the Indian handlooms and this is reflected in the increase in the exports of mattings since the seventies. However, the overall exports have stagnated because of the decline in mat exports.

(b) The second important aspect of the demand for coir products has been the steady development of a home market since the fifties. This is evidenced by the increase in rail movement of coir mat and matting from Kerala. It is generally accepted that the proportion of coir products transported by road as well as internal consumption in Kerala itself have also risen significantly.^{16/} Therefore it may be safely concluded that, in spite of the decline in the coir mat and matting exports, overall demand even if it has not increased, has not been decreasing.

(c) Another important feature of the post-war export performance has been the frequent fluctuations in demand. The co-efficient of variations of exports rose from 0.07 for mats and 0.33 for matting in the period 1926-27 to 1938-39 to 0.28 and 0.60 respectively in the period 1946-47 to 1969-70.

The full implications of these changes in demand for coir products will become evident in our later discussion. But for the present it suffices to note that given the decline in the exports and

the overall stagnation of demand for coir products, the entry of new shippers into the export sector could have taken place only at the expense of the share of the existing established shippers. That this precisely was the course of events is proved by the declining shares of the leading Manufacturer-shippers in exports (see column 7 and 8 of Table 5).

The competitive asset of the new shippers was the lower cost of production in the smaller rural manufactories. In the pre-war period it was estimated that the rural manufacturers were able to sell their goods to Alleppey manufacturer-shippers at a price of 10 per cent lower than the latter's cost of production.^{17/} Lower costs of land, buildings, and other overheads and 'the many small economies that could be effected in the villages' all contributed to the lower costs in the countryside. But the most important factor was the 'comparative cheapness of labour'. For example, in the beginning of the 'fifties there was a difference of 25 per cent in the piece rates between the Alleppey large-scale manufactories and the smaller rural manufactories.^{18/} Moreover, the organisation of work in these smaller establishments had the characteristics of sweating system in which methods of exploitation as would be inconceivable in a big establishment and absolutely preclude all possibility of control and supervision' were practised. The smaller units were characterised by all possible petty exactions, higher work loads, irregular payments and payments in kind. The rural manufactories could successfully evade the obligations under Factories Act and other labour enactments.

Many factors such as the lower cost of living in the rural areas, the proximity of the manufactories to the place of residence and the interlocking of the rural industry and agriculture^{19/} and the possibility of supplementary earnings for the rural workers from agriculture^{20/} etc. may be pointed out to explain the lower wages in the rural manufactories. However, as H. Smith, the manager of one of the leading European firms explained, the basic issue was "difference in the relative negotiating powers of the workers and the employers."^{21/} A powerful trade union movement had emerged in the large-scale manufactories in the nineteen thirties and was highly successful in putting an end to the wage reduction, truck system,^{and} unjust fines etc.^{22/} By the end of the forties the organised coir workers were in the forefront of the working class movement in Kerala in terms of militancy and political consciousness. They led the famous Punnapra-Vayalar armed struggle against the Dewan's rule in 1946. It speaks highly of their political consciousness that the Dewan could not deter the union from declaring the general strike despite the fact that every one of their economic demands including the annual bonus for workers - defined as deferred wages - were conceded.^{23/}

The workers' unions were banned twice. The first time was in 1946 in connection with the Punnapra-Vayalar struggle and next in 1950 as a part of the general offensive against the communist movement which began in 1948. However, the workers movement resurged with renewed vigour each time.^{24/} There was a big spurt in the strike movement in the early fifties. In 1953 there was a general strike in the industry lasting 53 days. These struggles were basically for regaining the trade union and economic rights lost under repression.

An analysis of the reports of the trade union movement reveals that the workers were more than successful in their efforts.^{25/} Some of the wage rates were revised with retrospective effect. Rates of many items of work were also standardised so that the basic wages rose substantially in most of the manufactories.

Given the hundreds of piece rates which differed from manufactory to manufactory, it is difficult to build up any sensible time series data on wage rates. However, the wage rates for weaving certain qualities of matting given in Table 7 indicate the general trend of wages in the large-scale manufactories.

Table 7: Wage Rates for Weaving Certain Representative Items of Matting in the Organised Sector
(Real wages at 1939 prices given in bracket)

Item	June 1939	June 1944	June 1949	June 1959	June 1969
(1)	(2)	(3)	(4)	(5)	(6)
	Rs.	Rs.	Rs.	Rs.	Rs.
1. Anjengo 4/4x50 2 shaft plain (36"x50 yds)	3.40 (3.40)	4.80 -	8.73 (2.39)	12.90 (2.98)	20.19 (2.43)
2. Anjengo 4/4x50 -do- 3 shaft plain	1.97 (1.97)	2.79 -	5.07 (1.38)	9.70 (2.24)	15.18 (1.83)
3. Anjengo 4/4x50 -do- 4 shaft plain	3.84 (3.84)	5.43 -	9.88 (2.70)	14.70 (3.40)	23.00 (2.77)
4. Vycome 4/4x50 -do- 2 shaft plain	2.92 (3.80)	5.50 -	7.53 (2.06)	9.70 (2.24)	15.18 (1.83)
5. Vycome 4/4x50 -do- 3 shaft plain	1.87 (1.87)	2.64 -	4.80 (1.31)	8.96 (2.07)	14.02 (1.69)
6. Aratory 4/4x50 -do- 2 shaft plain	3.25 (3.25)	4.59 -	8.35 (2.28)	12.90 (2.98)	20.19 (2.43)
7. Aratory 4/4x50 -do- 3 shaft plain	2.00 (2.00)	2.73 -	5.15 (1.41)	9.70 (2.24)	15.18 (1.83)

Source: Compiled from Labour Conditions in Coir Mats and Matting Industry, Simla, 1945; Coir Economics and Statistics, Vol.1, No.2, Coir Board, 1959; and "Statement of D.A. Payable to Coir Workers", (Typescript), Travancore Chamber of Commerce.

Though the trade union movement was successful in ending the declining trend in money wage rates of the twenties and thirties,^{26/} there was a serious erosion in the real wages due to war time inflation. The basic wage rates were increased only once, by 25 per cent in 1945, and the increase in allowances was insufficient to neutralise the price rise. In 1944 the real wage rates must have been less than half the 1939 rates.^{27/} In the 'fifties there were strong pressures to revise the wage structure and in 1959 the matting wages were 'standardised.' The standardised wage rates proved to be the minimum wages, because the manufactories with higher ruling wage rates had to continue to pay such rates even when the standardised wage rates were lower. The consequence was a substantial rise in the average basic wages in most of the manufactories.^{28/} In 1967 the wages were raised by 22 per cent as part of the 'devaluation benefits' to the workers. The rest of the increase in wages was due to changes in the variable D.A. For mat weaving, in large scale manufactories where usually the higher quality items were produced, the wage movement was similar but a little more sluggish. The standardisation of rates for mat weaving took place only at the end of the 'sixties. But on the whole, it may be stated that during the 'fifties there was a general increase in the real wages, especially when we consider the other fringe benefits the workers were able to wrest from the managements. The rate of bonus steadily increased to 10 per cent in 1968. Compensation for the loss of 1 hour of work due to regulation of hours of work according to the Factories Act, ESI, maternity benefits; leave with wages, unemployment relief benefits, etc. were the gains of the struggles of the fifties.

But the situation in the smaller manufactories was very different. The workers in these establishments were less organised and relatively weaker. This was mainly due to the scattered and isolated nature of these smaller rural establishments. The crystallisation of capital-wage labour contradiction was incomplete in the smaller establishments and the working class consciousness lower. Moreover, the rural capitalists who were mostly from the local Ezhava landed gentry were able to exercise a high degree of extra-economic coercion and maintain patronage relations with the workers, who were formerly mostly small tenants and agricultural workers of the Ezhava caste. Therefore most of the new gains were largely confined to the bigger establishments.^{29/} Besides, these smaller manufactories did not have to bear the monetary burdens in complying with the obligations under the Factories Act. The payment of the annual bonus (which was by agreement itself lower for the rural areas in the beginning of the fifties)^{30/} was avoided by most of the smaller establishments. This was true in respect of D.A. also. All these implied a substantial labour cost difference between large scale manufactories of Alleppey and the smaller establishments in the rural areas. These differences are captured in Table 8.

The labour cost in the smaller rural manufactory was nearly 40 per cent below the large-scale Alleppey manufactory in the case of B. 7 that we have examined. The still smaller rural establishment employing less than 10 workers had a cost advantage of more than 60 per cent. The differences in the cost of production would have certainly varied

Table 8: Differences in the Labour Cost for Producing
2 Dozen BR 7 Mats in various Coir Establish-
ments in 1960

Item	An Alleppey establishment employing more than 500 workers	A Rural establishment employing 50-100 workers	A Rural establishment employing less than 10 workers
(1)	(2)	(3)	(4)
	Rs.	Rs.	Rs.
1. Basic Wage cost	5.04	4.03	3.02
2. Dearness Allowance	7.19 (at 142.72%)	4.78 (at 118.75%)	3.02 (at 100.00%)
3. Annual Bonus at 8/8%	0.99	0.71	-
4. E.S.I. Contribution at 1/4%	0.15	0.11	-
5. Moopan's charges	0.12	0.06	-
6. Compensation for the loss of working hours due to the introduction of factories Act 7/2%	0.91	-	-
7. Relief for Unemployment	0.24	-	-
8. Leave with wages	0.61	-	-
9. Holiday wages	0.36	-	-
10. Canteen, Creche etc.	0.24	-	-
	<u>15.85</u>	<u>9.69</u>	<u>6.04</u>

Note: The basic wage cost does not include labour charges for Landing Lotting, Removing and Stacking, Bundling and Weighing, Shearing Marking and Packing totaling Rs.1.62.

Source: Costing Files, William Goodacre & Sons (Public) Ltd.; The Records of Muhamma Coir Factory Workers Union; and Memorandum on the Extension of the Employees Provident Fund Act 1952 and the Employees Provident Fund Scheme to Coir Industry, (Mimeo), 1960, TCMMMA.

for different qualities of products but the data presented in Table 8 may be safely taken to be indicative of the general trend. The items 3 to 10 were all post independence impositions and therefore we may conclude that the differences were smaller at the end of the forties. The sixties saw even greater widening of the gulf. In 1965, the Employees Provident Fund Scheme was extended to the coir industry so that the labour cost rose by another 6/4 per cent in the establishments employing more than 20 workers.

The rural manufacturer-shippers organised under 'Associated Cottage Industrialists and Shippers Union' (hereafter ACISU) resisted all attempts to implement uniform labour service conditions with respect to wage rates, bonus or any other obligations to labour throughout the industry. It was through the consistent efforts of Alleppey coir interests that the G.Parameswaran Pillai Committee was appointed in 1954 to enquire into the variations in the conditions of employment.^{31/} The proceedings of the Committee as well as its final report portray the conflicting interests of the two sections.^{32/} In a polemical leaflet against TCHMA published in 1954, ACISU argued that the rural manufactories who were accused of disorganising the industry were but the creation of Alleppey Shippers themselves.^{33/} With the worker's resistance preventing any further wage reduction in their Alleppey manufactories, it was the Alleppey manufacturer-shippers themselves who opened rural branches of their manufactories or else encouraged others to set up feeder manufactories by directly financing them. A significant portion of the mat production for a long time had been executed in the moffusil areas. What was happening was that a

small section of these entrepreneurs who, until recently were under the exploitative domination of Alleppey shippers, had developed contacts in the export market and had begun to compete with the established monopoly exporters.^{34/} All the arguments about the drift and disorganisation of the industry, ACISU argued, were but a smokescreen to strangle the rural exporters.

The Alleppey manufacturer-shippers began to increasingly curtail their own production and subcontract the orders they received for coir products.^{35/} This was a process that the rural shippers undertook even more effectively. Thus the competitive compulsion to subcontract and reduce the costs resulted in the curtailment of the production in the large-scale manufactories and the number of workers employed in them. (See Table 9).

Table 9: Trend in the Employment in the Major Alleppey Coir Manufactories

Year	Employment in 17 leading manufactories		Average yearly employment by 7 leading firms
	Employment on last Friday of the year	Average for the month of June of each year	
1949	5020		
1950	5027		
1951	2666		
1952	4123		7004
1953	5304		
1954	4131		
1955	4418		
1956	4581		
1957	3897	4302	
1958	3860	3272	5449
1959	3888	3382	
1960		3509	
1961		2477	
1962		1973	
1963		1783	2684
1964			1795

Source: 'Statistics of Employment' (Typescript), TCMMA, Alleppey



III

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Through the fifties, labour fought a losing battle against these alarming trends. They realised that the retrenchments were largely the result of the industrial policy adopted by the capitalists in the industry to bypass the standardised wage rates and other statutory benefits enjoyed by the workers.^{36/} An important slogan of the struggles was: "coir factories should place orders with outside factories only if the workers in their respective factories have been provided with employment". Stiff resistance was offered in individual establishments against retrenchment. But the case of the workers was severely weakened with the enactment of section 25 C of the Industrial Disputes Act in 1953 which stipulated that a worker who had been continuously unemployed for 45 days may be legally retrenched.

But the managements also did not want to force the issue to a violent confrontation. Both sides agreed "that in the conditions prevailing in the industry as a whole, the application of section 25 C of Industrial Disputes Act is fraught with serious consequences to both the employers and workers."^{37/} They reached an arbitrated settlement by which every permanent worker was assured of a minimum of 18 days of employment in each period of six weeks, failing which he would be compensated for each day falling short of 18 days, according to a graduated scale. Provision was also made for some limited advances in case of total unemployment.

Despite the agreement between the management and the unions, the retrenchments continued. The managements completely stopped the production for items in the weaving departments where wage rates were higher. However, on the average, the unemployment compensation remained at less than 2 per cent of the wage earnings. (see columns 5 and 6 of Table 10). The managements could ensure this by successfully manipulating a clause in the agreement for interdepartmental transfer of workers.^{38/} Such transfers further depressed the available work and earnings of the workers. The average earnings of workers in the large-scale coir manufactories during 1957-59 was only Rs.30 to 40 per month. (See column 4 of Table 10). The low earnings were also a part of the managerial strategy of providing only the guaranteed minimum employment of 3 days a week to the workers. The minimum earnings guaranteed were too low even for a bare minimum of living. The persistent underemployment and the failure of the unions to chalk out a concrete and concerted programme of resistance, demoralised the workers.^{39/} In many cases the workers themselves were willing to be retrenched with whatever retrenchment compensation they could wrest from the management because of the low earnings which the employment provided. The rural establishments, though they paid lower wages, promised prospects of more work and higher earnings. In some cases, the unions also agreed in desperation to the retrenchment of a section of the workers in the false hope that the remaining workers might get reasonable earnings.^{40/} Moreover, the managements could always find rivals to TCFWU to give consent for the retrenchment. In fact it was a deliberate managerial policy to encourage the rival unions.^{41/}

Table 10: Wage Earnings and Compensation Payments to Coir Workers in the Large Alleppey Manufactories between 1957 and 1960

Period	Number of manu- factories	Average no. of workers per esta- blishment	Wage earnings per month (Rs)	Compensa- tion per month (Rs)	Compensa- tion as % of ear- nings
(1)	(2)	(3)	(4)	(5)	(6)
July-December 1957	14	349	30.80	0.84	1.8
December 1957 to May 1958	12	362	24.86	1.52	5.3
June-November 1958	3	245	34.88	0.69	1.9
January-June 1959	3	460	40.67	0.43	1.0
June-November 1959	3	452	43.41	0.58	1.3
December 1959 to May 1960	2	431	46.23	0.46	1.0

Source: Compiled from Six Weekly Returns of Payments made to Workers under the Scheme of Relief for Unemployment, TCMMA.

This process resulted in the virtual elimination of the big manufactories by 1965. In 1938, there had been around 60 establishments employing more than 100 workers of which 12 employed more than 500 workers.^{42/} But in 1955 the number of establishments employing more than 100 was only 30 and in 1970 it fell further to 9 and none employed more than 500 workers.^{43/} Some of the established manufacturer-shippers especially the European firms, left the industry altogether. In the face of keen competition, declining share of exports, shrinking profits and the unwelcome political environment of the post-independence period for them, they withdrew from the

industry. Some of them sold their trading interests to the Indians. The manufacturer-shippers who continued in business rapidly withdrew from production to remain in trade alone.

Thus the former manufacturer-shippers became pure merchant-shippers. True, there existed this class of intermediaries, even in the past - the 'factors', but they were then universally considered as upstarts "with no adequate financial backing... the only equipment being a supply of imposing note headings and a list of overseas buyers' addresses."^{44/} It is interesting to note how within a span of thirty years the attitude and business profiles of the surviving capitalists had changed.

During the thirties all sections of the manufacturer-shippers were for the restriction of the entry of new manufacturers into the industry and increase in the production capacity.^{45/} But by the early fifties, the majority of TCMMA members were in favour of an unfettered development of feeder factories. They were to be a cheap source of coir products augmenting the basic production of the manufacturer-shippers.^{46/} But as in the past they still argued for the elimination of all 'factors' from the industry. However, already subtle differences were being drawn between the old 'factors' and the newly emerging class of 'shippers' whose business was not of such precarious character as the factors. They had adequate financial backing" but only did not "wish directly to assume the responsibility of running a factory on their own".^{47/} However, by the end of the 'sixties the merchant shipper had become their ideal. The demand of the workers

that the exporters should manufacture at least a portion of the goods exported in their own establishments came to be considered an 'infringement on the constitutional rights' of the exporter and 'an attempt to turn the clock backward.'^{48/}

IV

Thus the coir goods came to be produced in small-scale units where workers were relatively less organised and factory laws either did not apply or were difficult to enforce. It was more profitable for the exporters to have their orders executed in the smaller establishments.^{49/} In this section we shall describe the developments in the small-scale sector and the varied relations of dominance exercised by the merchant-shippers over it.

The retrenched workers drifted to the small-scale manufactories that were being set up by the former superintendents, noopans (foremans) or other rural enterpreneurs in the countryside. The shippers actively encouraged and financed the process. Such manufacturers were "not to supply goods to any one, other than the shippers who finance them, while the shippers themselves were free to purchase from any one."^{50/} Besides these small-scale manufacturers there was also a steadily growing sector of even smaller weaving establishments of less than 10 looms, mostly set up by the skilled workers themselves.^{51/} These very small establishments cannot be considered as manufactories since the scale of operation in them does not permit detailed division of labour. They specialised in the production of one or two types of coir products which was further processed in the workhouses of the shippers. They were

directly supervised by the small proprietor himself; and in units with less than five looms family labour predominated. (See column 10, Table 11). These latter establishments may be called domestic weaving units. The growth of this sector was closely connected with the development of the trade union movement in the small-scale manufactory sector which resulted in the further fragmentation of the production.

Though sporadic and localised struggles in the small-scale sector can be traced to the fifties, the first major confrontation took place during the struggle for uniform Dearness Allowance in 1964. It was only a limited success. This was followed by a lull in the trade union movement, which partly arose from the demoralisation that set in due to the failure of the unions to stem the tide of closure of large-scale manufactories and retrenchment of the workers. By 1966-67 the workers movement once again began to gain momentum. During the months of August and September in 1967, the agitation for equal 'devaluation benefits' as in the large-scale manufactories rapidly spread through the unorganised sector.^{52/} The workers were able to win the demand wherever the agitation was strong. Individual and localised struggles to maintain the gains or increase them were a characteristic feature of coir manufacturing belt in the late sixties. These culminated in the general strike in 1971 led by the CITU.^{53/} The strike was not very effective in the organised sector but it violently shook up the countryside. The movement of coir goods to the depots of shippers were forcibly stopped and there were many violent confrontations. The strike lasted 41 days. At the conciliation conference convened by Labour

Commissioner, it was formally resolved that in all small-scale establishments wages decided by C.I.R.C., D.A. linked to cost of living index, paid holidays and leave with wages will have to be granted. The next few years saw further development of militant trade unions for the implementation of these and other agreements.^{54/} The amendment of Factory Act to bring coir establishments employing more than 2 workers within its purview was also a great boost to the spread of the trade union movement in the small-scale sector.^{55/}

Not only were the hired workers in the small-scale establishments unionised, but even the self-employed workers other than the legal proprietors in the domestic weaving units were canvassed for union membership^{56/} (see Table 11).

Table 11: The Total number of workers, the number of self-employed workers and the union members in various size classes of coir weaving establishments in Muhamma Coir Factory Workers Union Area

(1972 July)

Size class (looms)	No. of units	Hired workers	Self-employed workers (inclusive of the co-operatives members)	Total workers	No. of trade union members				% of the self-employed workers in the total workers	% of the union members in the total workers
					CITU	AITUC	INTUC	Total		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1 - 2	297	109	336	445	179	27	25	231	75.50	51.91
3 - 4	451	581	612	1193	505	93	37	635	51.29	53.22
5 - 6	176	518	224	742	417	78	21	516	30.18	69.54
7 - 9	65	331	110	441	226	75	19	320	24.94	72.56
10-19	22	353	20	373	252	41	17	310	5.36	33.10
20-49	12	487	80	567	344	128	6	478	14.10	84.30
> 50	2	231	-	231	174	19	23	216	-	93.50
Total	1025	2610	1382	3992	2097	461	148	2706	34.61	57.78

Source: Calculated from Statistical Returns from the Area Committees and Factory Committees, July 1972, Muhamma Coir Factory Workers' Union Records.

The trade union movement adjusted itself to the conditions of small-scale production. In the organisational structure, geographical area - wide committees of workers took the place of individual 'factory committees'. New forms of struggle were forged. The strike came to be increasingly supplemented with the more effective action of forcible disruption of movement of coir goods from the countryside to the shippers' depots.^{57/}

Each general upsurge of trade union activity in the small-scale sector was followed by a period of deep crisis for the medium and small coir manufactories because of the refusal of shippers to raise the purchase prices in proportion to the increase in the wages conceded to the workers. After the 1967 struggle there was widespread closures or lockout of the medium and small manufactories following the refusal of exporters to raise the purchase prices. Even an 11 per cent increase granted at the intervention of the authorities could not solve the crisis.^{58/} The 1967 struggle largely affected medium and small-scale manufactories; the 1971 strike affected even the smaller establishments employing hired labour marginally. On the average 6 to 7 per cent of the units closed down every year. (see Table 12).

The data do not reveal any size trend in the rate of closures. However, the reasons for the closure of different size classes may well have been very different. The smaller establishments were squeezed between the rising material and wage costs on the one hand, and by the refusal of the shippers to give adequate purchase prices on the other. Any attempt of a producer to raise the purchase

Table 12: Rates of Closure of Coir Weaving Establishments in Alleppey District between 1965 and 1976; and and 1970 and 1976

Size-class (looms)	No. of units in 1965 register	No. of units surviving in 1976 register	% of clo- sure	No. of units in 1970 register	No. of units surviving in 1976 register	% of clo- sure
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1 - 2	100	28	72	176	91	48
3 - 4	427	129	70	509	311	39
5 - 6	423	120	72	423	297	30
7 - 9	347	86	75	299	178	41
10-19	83	34	59	123	72	42
20-49	24	8	67	38	17	55
> 50	17	5	71	16	8	50
	1421	410	71	1524	974	39

Source: Calculated from Register of Coir Industrial Establishments, 1965, Coir Board; Register of Coir Industrial Establishments 1970, Coir Board; and Purchase Price Enforcement Scheme Register of Coir Industrial Establishments, Coir Board.

price would result in the diversion of the orders from him to others by the shippers.^{59/} On the other hand the decisions of the larger manufacturer-shippers to close their manufactories were either part of their deliberate strategy to increase the subcontracting of production or to close their activities in coir industry and shift to other more profitable avenues of investment.

We should expect that the rate of closure of the establishments to increase over time as the trade union movement gathered momentum in the small-scale sector. But the limitations of the data do not permit us to conclude anything definite in this regard. However, an examina-

tion of the behaviour of surviving units gives interesting insights. In the Table 13 we compare the average looms per unit of the same establishments grouped according to loom-size classes, between 1965 and 1970, and 1970 and 1976.

Table 13: Average Number of Looms per Unit of the Coir Weaving Establishments in Alleppey District that have Survived between 1965 and 1970, and 1970 and 1976

Size classes (looms)	No. of units	1965	1970	% change	No. of units	1970	1976	% change
		Looms per unit	Looms per unit			Looms per unit	Looms per unit	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1 - 2	33	1.88	2.91	+ 54.79	91	1.86	2.26	+ 20.21
3 - 4	191	3.46	5.41	+ 56.36	311	3.37	3.26	- 3.26
5 - 6	170	5.36	5.50	+ 2.61	297	5.30	4.75	- 10.37
7 - 9	134	7.55	7.35	- 2.65	178	7.57	6.67	- 11.88
10-19	37	12.78	11.73	- 8.22	72	12.63	10.66	- 15.59
20-49	10	31.60	23.80	- 24.68	17	29.94	19.35	- 35.37
> 50	11	128.09	117.36	- 8.38	8	101.75	53.62	- 47.30

Source: Same as for Table 12.

Between 1965 and 1970, the units having more than 6 looms on the average reduced their looms. But between 1970 and 1976, as the trade union movement spread further, all the size classes but for the smallest reduced the number of their looms. The percentage of reduction increase with the size of the establishments. The workers who had very little scope for alternative employment began to set up small domestic units with 2 or 3 looms, in most cases with the old looms of their erstwhile employers themselves, which were purchased with the gratuity and

compensation payments they received.^{60/} The ranks of these domestic units were also swelled by the new entrants into the industry from other sections of unemployed rural poor. Thus, though nearly 70 per cent of the production units in 1965^{had} closed down by 1976, the total number of establishments more than doubled in the same period. Around 50 per cent of the present day loom capacity was installed between 1971 and 1976. (See Table 14).

Table 14: Distribution of Coir Weaving Establishments Existing in 1980 in Alleppey District by the Year of Establishment ^{a/}

Year	Establishments		Looms	
	Number	Percentage in the total	Number	Percentage in the total
(1)	(2)	(3)	(4)	(5)
<1947	44	1.25	581	3.53
1948-58	139	3.96	861	5.23
1959-65	346	9.86	2254	13.71
1966-70	363	10.35	1804	10.97
1971-76	1883	53.69	8127	49.79
1977-80	732	20.87	2813	17.11
Total	3507	100.00	16440	100.00

Notes: ^{a/} Units not found in 1965 and 1970 'Registers of Coir Industrial Establishments', but present in 'Purchase Price Enforcement Scheme Register of Coir Industrial Establishments' of 1976 were taken to be established between 1971 and 1976. The units registered after 1976 or transferred, were considered to be established after 1976.

Source: Same as for Table 12.

The structure of the industry that emerged through this process by the middle of the seventies is indicated in Table 15.

We find that in spite of the near-stagnation in overall demand, the total number of looms have registered by 1980 an increase of 37 per cent from 11927 looms in 1955.^{61/} This points to the acute pressure of unemployment in the coir belt. And this increase has been in the mat looms, for the number of matting looms have more than halved from 3812 in 1955 to 1337 in 1980 partly reflecting the decrease in matting exports.

Table 15: Loom-Size wise Distribution of Coir Weaving Establishments in Alleppey District registered under Coir Board Purchase Price Enforcement Scheme 1980

Size class: No. of looms	No. of units	Percentage in the total	Workers	Percentage in the total	Mat loom	Matting loom	Total	Percentage the total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1 - 2	911	25.37	2410	11.08	1640	29	1669	10.15
3 - 4	1370	39.06	6107	28.46	4470	134	4604	28.00
5 - 6	639	18.22	4191	19.28	3284	126	3410	20.74
7 - 9	343	9.78	3307	15.21	2399	217	2616	15.91
10-19	201	5.73	3427	15.76	2037	485	2522	15.34
20-49	34	0.96	1136	5.45	557	323	880	5.35
> 50	9	0.25	1026	4.72	266	473	739	4.49
Total	3507	100.00	21734	100.00	14653	1787	16440	100.00

Source: Calculated from Purchase Price Enforcement Scheme Registers of Coir Industrial Establishments, Coir Board.

There are still about 43 establishments having more than 20 looms. But the percentage share of looms of this group of establishments in the total has declined from 63 per cent in 1955 to about 10 per cent. A significant number of these looms are in the workers co-operative manufactories. In 1975-76 there were 11 workers co-operatives with a membership of 1655 benefitting 1055 workers.^{62/} Faced with large scale retrenchment at the end of the fifties and the early sixties, the workers' movement sought to mitigate the hardship through the formation of workers' co-operatives.^{63/} But these early attempts, in spite of the dedicated efforts of the organisers remained isolated experiments and private enterprise continued to dominate the industry.^{64/} Most of the other bigger establishments are the relics of the former large-scale manufactories. But for a few exceptions, these units are characterised by an excessive underutilisation of looms.

But the most significant feature of the structure is the growth of the units with less than 10 looms. 75 per cent of the workers and looms are in such establishments of which more than half are in the domestic weaving establishments. In the following paragraphs we discuss the production and marketing conditions of these domestic units. These are by and large applicable to the bigger units having 5-9 looms also.

Though there is a high proportion of family labour in the smaller establishments, they also employ a considerable number of hired workers, mostly casual, who are called in during the peak periods. In the slack periods the household workers alone suffice. Such irregularity and insecurity of employment and the high-rate of closure of these establishments constantly erode the bargaining power of wage workers in these

units. Consequently:

"The wages of the workers in the household units are very low. Since coir workers in the household units are economically weak and are mutually interdependent on other units they generally accept whatever wages that are offered to them by their counterparts. Mutual consideration between hired and household workers of the units is one reason for accepting lower wages. The owner of the household unit may also go as a hired worker in the neighbouring households when he runs short of raw material and vice versa. They are producer-cum-labourers. So in the household sector the actual wage is the consensus wage prevalent among them with respect to the price of the commodity they produce. It varies with the rise and the fall of the prices of the products they produce. In other words, it is on a mutually agreed wage to help the units from falling into total loss and to maintain the unit under bare minimum level of no profit and no loss..."^{65/}

Low wage rates and underemployment reduced the earnings of these workers to very low levels. According to the ASI data the average wage earnings in the organised sector (i.e., establishments employing more than 50 workers) in the sixties, were Rs.104.01 per month while for the unorganised sector of 10-50 workers establishments the average earnings were only Rs.78.35 (i.e., nearly 25 per cent lower).^{66/} There is no reliable estimate of the earnings of the workers in the domestic production units. They must, however, have been still lower, in spite of the greater volume of work available in the smaller units. Workers in these establishments worked for longer hours to earn lower earnings than in the organised sector.^{67/}

The earnings of the family workers must have been higher than hired workers, because they were able to ensure for themselves greater regularity and volume of work. However, it is unlikely that there could have been any surplus accruing to them. They were wholly dependent on

the traders. The key production decisions such as what to produce, when to produce and at what price to sell, etc. were all taken by the trader. The shippers, especially the larger ones, did not directly deal with the small producers but placed their orders for goods, with detailed product and price specifications, with the owners of rural coir depots. These intermediaries, who knew the local conditions intimately, distributed the orders among the small producers at the best advantage to themselves. The small producer, with meagre working capital and little access to institutional credit, faced with severe unemployment and often failing to pay the workers in time, had little bargaining power vis-a-vis the trader.^{68/} These rural intermediaries were, in many cases, also traders in coir products in the internal market. With the growth of the internal demand for coir products some of the established shippers have also begun to supply to the internal market. But traditionally this market has been mostly catered to by a number of unregulated traders who had very little shipping interests. The coir goods for the Indian market are mostly of lower quality and "rejects" from the export goods.^{69/} Therefore, the purchase prices for the goods intended for internal markets were substantially lower than those of quality goods meant for exports. One of the most common methods to deprive the small producer of his legitimate price was to reject the products as not export-worthy. The rejected goods would have to be sold as goods for the Indian market at far lower prices. The small producers were at the mercy of the trader's judgement with respect to quality grade and prices of products. The bargaining power of the small producers was undermined by the acute unemployment in the domestic sector. The

decline in the demand for coir mats since the end of the sixties,^{70/} and the influx of new entrants into the industry, reduced the average days of employment in the domestic production units to 13 days a month.^{71/} Faced with under employment of this magnitude, the domestic units were forced to sell their products, at very low prices.

Though some members of the coir weaving households worked also in the spinning of coir yarn, the bulk of the raw material (i.e. spun yarn) had to be purchased from the market. The rural coir depot owners were also suppliers of coir yarn, especially the finer varieties, to rural establishments. The sharp increases in the price of yarn and its fluctuations - often manipulated by these traders themselves - made the existence of these domestic units very precarious.

There could not have been a more ideal setting for exporters. The regulation of new entrants into the export sector gave them a fairly protected market; the fixation of the floor prices reduced the price cutting tactics and forced many of the marginal shippers to drop out. Given the buyers' market, the shippers were assured of supply of coir products at a comfortable margin below the floor prices. It freed them of the management of the production process and assured them profits with no attendant risks. These ideal conditions disappeared, however, with the increasing resistance of the small producers to this unbridled exploitation.

V

The development of associations of small-scale manufacturers was initially a response to the spread of the trade union movement.

Local associations of small manufacturers had emerged in various coir manufacturing centres to offer organised resistance to the ^{demands of the} working class movement. Their leadership was mostly in the hands of small and medium manufacturers and their 'style of work was anti-working class'.^{72/} But the success of the trade union movement had a two-fold effect. Firstly, it led to further decentralisation of the production units so that the importance of ^{the} medium and small-scale manufacturers in these associations declined. Secondly, it meant that these associations had now to confront the exporters for higher prices for their products so that the rising wage costs could be accommodated. Thus we have the first serious confrontation between the petty capitalists and the merchant-shippers in 1967 leading to violence, immediately after the successful 'devaluation benefits struggle' of the workers.^{73/}

The growth of the worker's movement as well as the need for collective bargaining with the exporters, led to the formation of 'All Kerala Small-Scale Coir Factories Joint Association' (hereafter AKSSCFJA) of various local unions. Through the collective action undertaken by the AKSSCFJA, the purchase prices were revised upwards in 1969, 1970 and 1972.^{74/} The decline of the medium and small manufacturers and the proliferation of domestic manufacturing units set up mostly by the former wage workers came to be reflected in the leadership and policies of AKSSCFJA. This process led to the growth in the influence of leftist elements who gained an upper hand in these associations by 1972-73. A new leadership, drawn mostly from the ranks of erstwhile workers, with at least those prominent among them having trade union background, replaced the earlier leaders. The struggles of small producers and workers began to merge.^{75/}

Parallel to these developments, there also took place an intense debate within the trade union movement regarding the policy towards the small producers. A section of the trade union movement saw potential class allies in the small producers and petty capitalists in their struggle against the merchant-shippers. On the other hand another section held them to be 'parasitical agents of the merchant-shippers who had to be wiped out through struggle'.^{76/} The latter opinion was held especially in those areas where the domestic weaving units had not yet become predominant. Through a prolonged theoretical debate as well as the concrete experience of struggles, a strategy of unity and struggle with the small producers was evolved by around the mid-seventies.

Thus, unlike in the past, a section of the trade union movement also actively supported the struggle of the small producers for higher purchase prices in 1974. In the event, the Coir Board increased the floor prices for coir products by 20 to 40 per cent. But the merchant-shippers by and large, tried to avoid the payment of higher purchase prices. This led to a widespread joint agitation of the workers and small producers against the merchant-shippers.^{77/} Significantly, after the successful completion of the struggle, AKSSCFJA appealed to its members through a public statement to give the workers all their agreed benefits.

In spite of the agreement, the merchant-shippers managed to reduce the purchase prices. So the agitation had to be renewed even more vigorously.^{78/} This led to the notification of 'Kerala Coir Products Price Fixation Order' under the Defense of India Rules in 1975.



From February 1976 the governmental order was replaced by the Coir Board's 'Purchase Price Enforcement Scheme' whereby the exporters were to distribute the orders for the coir products among the small producers allotted to them, according to the production capacity.^{79/} Suitable regulations to prevent malpractices by the exporters were also framed. Furthermore, an Enforcement Committee which included the representatives of the workers and small producers was also formed to supervise the functioning of the scheme and to hear appeals in case of disputes.

Thus through their struggles, the small producers were able to get more remunerative prices for their products. Our field enquiries have revealed that the profits of the small producers from the export quality products, which are covered by the Purchase Price Enforcement Scheme, are considerably higher than those from the products for the Indian markets.^{80/} Despite the chaotic conditions in the yarn market, the viability of the small-scale production units have increased. This is manifested in various indicators.

While around 40 per cent of the units closed down between 1970 and 1976, the percentage of closure declined to nearly 12 per cent between 1976 and 1980.^{81/} Not only were a greater number of small units able to survive, they were also able to marginally increase their loomage. Between 1976 and 1980, all size classes of units below 10 looms increased their average loomage.^{82/} This is in sharp contrast to the earlier period when all size classes except the smallest were reducing their scale of operations.

These developments - the struggles of the small producers, the government intervention to regulate the coir product market and the

consequent increased viability of the small production units - severely curbed the manoeuvrability and the profit margins of the exporters. In 1969 when the small producer's struggle forced the exporters to accept uniform purchase prices throughout the industry for the first time, the margins of the exporters (i.e. the difference between the floor prices for exports which due to the competitive conditions ~~were~~ invariably the export price and the purchase prices for the semifinished products) were on an average reduced to nearly 10 per cent. And it was claimed by the exporters that they would suffer a loss of 4 to 15 per cent on various items after incurring the finishing and shipping charges.^{83/} Later, in spite of further increases in the purchase prices, through successive increases in the floor prices, they were able to raise the margin to around 20 per cent.^{84/}

But the net profit margins seem to have continued to be low due to the severe inter capitalist competition. The intensification of the competition is due to two reasons. On the one hand, the overall demand for coir products has continued to stagnate. On the other hand a small number of the exporters has been steadily increasing their share of the market at the expense of the others. Thus one of the shippers who had around 9 per cent share of the market in 1949-50 increased his market share considerably in the seventies.^{85/} In 1979 this export house accounted for 24 per cent of the foreign shipments. Yet another firm which in 1949-50 had hardly 1/2 per cent share of the market, consistently increased its share in the last two decades to 11 per cent in 1979.^{86/} Thus it is to be noted that the decentralisation of production has not prevented further centralisation of capital in the coir industry.

The modernisation or diversification of the products of the coir industry have not been very significant. Therefore the intense intercapitalist competition has resulted in concealed price cutting, bypassing the floor price regulations through various arrangements to give illegal 'commissions' and other special concessions to the foreign importers. The ability of an exporter to sell below the floor price is to a great extent dependent on his ability to make illegal reduction in the purchase prices of the semifinished goods. In spite of the small producer's organisations, the exporters are able to undermine to some extent the gains of the past struggle with every slump in the trade, when the staying power of the small producers are at the lowest. A reduction of 5 to 15 per cent in the statutory purchase price through various ingenious ways^{87/} has become a normal feature since the current trade depression began in 1930.^{88/}

But all these ways of petty thievings become inconvenient to the bigger shippers as their volume of business increases. Further, there is the uncertainty regarding the regular supply of goods. Workers struggles as well as the agitations of the small producers often interrupt the supply of goods and disrupt the trade.^{89/} More importantly, the small producers association has officially raised the slogan that to prevent malpractices all the orders for the coir products other than those directly produced by the traders themselves, should be channelised through a co-operative marketing agency of the small producers.^{90/} Such a development can seriously threaten the control of the trading capital over the production process.

Thus the small producers have ceased to function as mere agents of the merchant-shippers for applying pressure on the workers to ensure low costs of production, as was the case before the development of ^{the} organised & worker's resistance in the small-scale sector. The development of the workers movement and its success (however limited) forced the petty capitalists to bargain and fight for higher prices for their products. Through these struggles an alliance between these two classes came to be forged against the merchant-shippers. These developments have made the further deployment of the decentralised production structure increasingly difficult for the trading capital.

What is the response of the trading capital to this new situation? We do not intend to attempt a detailed answer for the present. We limit ourselves to the suggestion that the persistent demands and efforts made by the leading sections of Capital in the recent period, to introduce powerloom factory production in coir weaving, cannot be understood in isolation from the developments in the decentralised sector which we have described above.^{91/} The move for mechanisation has been vigorously opposed by the workers and the small producers as well as the smaller exporters.^{92/} They are aware that their handlooms have only a doubtful defense against the onslaught of the machine. Due to the fierce opposition against the mechanisation in Kerala, a new factory supposedly the world's largest mechanised coir factory, has been set up across the Kerala border in Tamil Nadu by an Alleppy export house. The leading sections of capital are firmly embarked on a path of mechanisation and determined to remove all obstacles in the path of the new structural reorganisation that is already underway in the coir industry.

However, this raises an important problem which has got to be discussed. Why didn't the leading capitalists in the 'fifties, attempt to change the technology and reorganise the production, in order to resolve the crisis created by the rising trade union movement in the large-scale manufactories and the competition from the cheaper labour based rural manufactories? What were the historical specificities that led to the capitalists choosing the path of decentralisation of production and hence to the consequent 'non-linear' development of the organisation of production in the coir industry? In the following concluding section we shall briefly attempt to answer these questions.

VI

The normal tendency of capitalist development is to centralise the process of production and to transform its technical base. The broad phases of this development may be demarcated from one another by their characteristic technology and organisation of production. In all phases prior to the modern factory system, though the form of organising the labour process undergoes significant changes, its technical base remains handicraft. Therefore during these phases, absolute surplus value forms the dominant mode of accumulation. Since the technique remains traditional, the surplus extracted can be increased only through reducing the worker's wages, extending the working day or increasing the work load. It is when the limits to this form of exploitation are reached that the capital is compelled to change the technological base of production. Historically, the more crucial limit

to the absolute exploitation by capital has been the social limit imposed by the workers' resistance than the natural one imposed by the human endurance. Viewed in this fashion, the class struggle between capital and labour becomes central to the analysis of the transition to modern factory production system in an industry.^{93/}

However, as we have already seen, in the case of coir industry, the emergence of social limits to capitalist exploitation in the large-scale manufactories, did not propell the capitalist to introduce machinery. It could have been that the rural labour was so cheap as to outcompete even a mechanised large-scale production system. In the 1920's D.M. Amalsad the Textile Expert to the government of India had pointed out that "a powerloom factory (could not) compete with a well organised cottage industry weaving with coir yarn (did not) conduce any great economy or profit over handloom factory and this opinion (had) been confirmed by methods now in vogue in Cochin and the departmental enquiries made therein".^{94/} The bulky nature of the coir yarn made automation and technological innovation very difficult. Thus we find that the first mechanical fibre processing factory established by Aspinwall Company at Anjengo in 1920 had to be closed down in the same year itself, on account of competition from the fibre production by manual process.^{95/} The same was the fate of the Arnold Chenery's fibre processing factory at Alleppy.^{96/} Again, the attempts of two European firms who tried to introduce powerloom in the 'thirties in Alleppy were not successful.^{97/} The relative factor prices must have certainly changed by the 'fifties. Lack of adequate cost data do not permit us to make a conclusive statement in this regard.

During the 'fifties, the managers of some of the leading European firms were of the opinion that "the cheapness or otherwise of the mechanised production would depend upon the initial outlay and the actual outturn."^{98/} Given the heavy fixed investment required for a powerloom factory^{99/} the cost of powerloom product would have been crucially dependent on the extent of capacity utilisation. According to Indian Institute of Foreign Trade, in 1970 the cost of production of a creel mat, produced in a powerloom factory working on 2 shifts was 24.24 per cent lower than a handloom mat. But on a one shift basis the difference narrowed down to 16.97 per cent.^{100/} This margin could have been overcome by the domestic weaving units by further depressing their earnings. Besides, there was the uncertainty of declining export demand. This was especially true of coir mattings for which the powerloom weaving technique had attained a fair degree of advancement. The reliance on the fluctuating and uncertain foreign market could by itself have been a strong deterrent against large fixed investment in powerlooms. In such a situation a decentralised production structure where the cost of the idle fixed investment or stock holding can be minimised or the labour requirements can be more easily adjusted to the fluctuations in demand, would have been more attractive to the big capitalists.

Another equally important aspect to be considered is the foreign character of the leading manufacturer-shippers. Unlike their Indian counterparts they had access to the technical know-how and one among them had carpet factories in Europe where coir matting was being produced on powerlooms. However, in the changed political situation of the post independence India and the fast spreading radicalism among the workers, they were wary of any substantial investment in the industry.

Most of them were mainly trading concerns, the coir manufacturing being incidental to one of their lines of trade. So their natural tendency was to withdraw from the manufacturing activities to coir trade alone or reinvest their capital in other more profitable lines of trade, rather than undertake the risky investment in the coir industry.

The initiative of the leading Indian manufacturer-shippers was curbed by the lack of adequate technical know-how and finance.^{101/} Moreover many of them feared strong retaliatory action from the European powerloom interests who were for obvious reasons hostile to the development of powerloom coir industry at Alleppy.^{102/} The European manufacturers had formed an association to safeguard their interests and there were widespread rumours of their attempts to black list some of the Indian exporters of coir yarn who were also manufacturers of coir products.^{103/}

All these factors limited the options available to the capitalists in the 'fifties. Given these social and economic barriers to technological change, the response of the capitalists to counter the rising working class resistance in the large scale manufactories was to decentralise the production. This process was facilitated by the strong traditions of subcontracting relationships that already existed in the industry, the availability of a large mass of unorganised rural surplus labour which due to various structural and demographic reasons came to characterise the Alleppy countryside, and the uneven development of the trade union movement.

Notes and References

- 1/ 'Labour Conditions in Coir Mats and Matting Industry', Indian Labour Gazette, Vol.X, No.7, January 1953, p.547.
- 2/ H.Smith, Report of the Unemployment Enquiry Committee, Ernakulam, 1952, p.8.
- 3/ Government of Travancore, Statistics for 1125 M.E., Part I, Trivandrum, 1949, pp.188-195.
- 4/ See K.George, Report of the Board of Conciliation of Trade Disputes in Mat and Matting Industry 1939, Trivandrum, 1953, p.130 and 80.
- 5/ "From technical aspect it is hand production. The organisation of work is that of co-operation based on division of labour, which is here observed in two forms: as to wares ... and as to individual operations ... This is capitalist co-operation for it is headed by big capital which has created large manufactories and has brought under it's sway (by an intricate web of economic relations) a vast mass of small establishments." V.I.Lenin, Development of Capitalism in Russia, Moscow, 1967, pp.396-397.
- 6/ E.L.Pollard, "Report of the Travancore Coir Mats and Matting Manufacturers Association for 1940-41, Alleppey, 1942, p.8.
- 7/ See K.George, op.cit., p.129-144, for an interesting account of the Indo-European rivalry in the industry.
- 8/ See Memorandum of Modern India Company, Alleppey, to the Chief Secretary to the Government, dt. 26.2.1941, No.D.Dis.598/44, Development Department, English Records Cellar, Trivandrum.
- 9/ See Memorial submitted to the Chief Secretary to the Government by M/s:Variaparambil Factories Thycattussery, Coco Carpet Rug Manufacturing Company Shertallai, Mayithara Coir Factory Shetallai, dt.31.12.1943, No.Dis.598/44, Development Department, and notes thereon. English Records Cellar, Trivandrum.
- 10/ In 1946 there were 8142 looms distributed among 474 units which had less than 20 looms and accounted for nearly half the total loomage of the industry. 91% of these units had come up in the forties. The employment in these units which were not worked to their full capacity even in the peak period of 1946, decreased from 8715 to 4430 workers in 1948. See H.Smith, op.cit., pp.9-13.

- 11/ "They correspond with overseas buyers, secure orders and thereafter arrange with manufacturers to supply goods, reserving a small margin for themselves in the transaction. In their zeal to secure business they accept uneconomic prices... when they are unable to fulfill the obligations they go out of business and register under different names. These factors have brought disrepute to the industry and have also caused a lot of instability though the total shipments of factors form only a small percentage of exports." Coir Board, Report of the Ad-hoc Committee for External Marketing, Ernakulam, 1955, p.25. However, the very high rate of shippers who drop out every year (see col no.3 Table 5) need not necessarily mean an equivalent rate of bankruptcy. It only means that those shippers had failed to make any shipment during the current year. They may be reappearing some other later year as a 'new' shipper in col.no.5 of Table 5.
- 12/ See Coir Board, Report of the Delegation to Foreign Countries, Ernakulam, 1960;
Coir Board, Report of the Indian Coir Delegation, Cochin, 1974;
and M.V.Pylee, A Study of Coir Industry in India, Problems and Prospects, Coir Board, 1976, p.51.
- 13/ The prosperity of the European powerloom industry was more due to the high import tariffs and the considerable differential freight advantage enjoyed in the import of the coir yarn (the raw material) over the coir products from India rather than the technological superiority of powerloom. See The Alleppy Chamber of Commerce, Protection for Coir Mats and Matting Industry, Alleppy, 1954.
- 14/ B.Sivaraman, Report of the High Level Study Team on Coir Industry (mimeo.), Delhi, 1978, p.147.
- 15/ See, M.V.Pylee, op.cit., pp.46-47; and also, Committee on Commodity Problems, Inter-governmental Group on Natural Fibres, Coir Promotion Survey: Transfer of Advanced Coir Processing Technology From Developed to Developing Countries: Coir Yarn and Manufacture, (mimeo.) FAO, Rome, 1975.
- 16/ According to Coir Board estimates the total internal consumption of coir mat and matting in 1976-77 was 123980-qtls. This it may be noted is more than ten times the estimated internal consumption in the early fifties. See Coir Board, India's Production, Exports and Internal Consumption of Coir 1976-77, Ernakulam, 1978, p.53
- 17/ K.George, op.cit., p.139

18/ See H.Smith, op.cit., p.15; and also see G.Parameswaran Pillai, Report of the Committee on Coir Mats and Matting Manufacturing Industry, Trivandrum, 1955, p.40.

19/ H.Smith, op.cit., p.9.

20/ Monthly Earnings of Coir Worker-families by source in various Centres of the Industry in 1938

Centre	Family income from			% of col. 3 to 4	Average income per worker from factory
	factories	all other sources	Total		
(1)	(2)	(3)	(4)	(5)	(6)
	Rs.	Rs.	Rs.	Rs.	Rs.
1. Alleppey	13.57	2.34	16.29	14.4	8.03
2. Punnapra	10.31	4.14	14.44	28.7	7.35
3. Kanjikuzhi	8.16	3.76	11.93	31.5	5.87
4. Muhamma	8.87	3.92	12.50	31.4	6.12
5. Shortallai	7.98	3.15	11.14	28.3	5.95
6. Kuthiathode	10.40	4.06	14.47	28.1	6.58
7. Paravoor	10.43	7.88	18.32	43.0	7.09
Average	10.73	3.89	14.63	26.6	7.10

Source: Report of the Board of Conciliation of Trade Disputes in Mats and Mattings Industry, 1939, Trivandrum, 1953.

We find that (a) monthly earnings per worker from the factory is the highest in Alleppey urban centre and (b) the percentage of income that accrues to the urban coir worker-families from outside the industry is significantly lower than the rural centres.

21/ H.Smith, A Note submitted to the G.P.Committee on the Standardisation of Wages in Mats and Matting Industry, (Typescript), dated 1.7.1965, p.5.

22/ Ahmad Mukhtar, Report on Labour Conditions in Coir Mats and Matting Industry, Sinla, 1954, pp.37-39.

23/ K.C.George, Punnapara Vayalar, (Malayalam), Ernakulam, 1956.

24/ K.K.Kunjan, Thiruvithamcore Coir Factory Workers Union (hereafter TCFWU) Ettanathu Varshika Report, (Malayalam), Alleppey, 1954.

25/ TCFWU Onpathanathu Varshika Report, (Malayalam), Alleppey, 1956;
TCFWU Pathanathu Varshika Report, (Malayalam), Alleppey, 1960.

- 26/ Though there are differences of opinion to the extent of wage reduction in 1925-38 period there is a general agreement that there was considerable reduction in wages. Board of Trade Disputes came to the conclusion that there was reduction in wages to the order of 20 to 40 per cent. This estimate was also accepted by the employers (see, K.George, op.cit., p.109). However, Travancore Labour Association on the other hand maintained that in Alleppey and suburbs the wage rates had been reduced by 50 to 70 per cent during the period.
- 27/ The weighted price index of food basket (75 per cent of the worker's expenditure) rose to 318 in 1944-45 with 1939-40 as the base year. (The weights have been taken from the Family Budget Survey of 1938 by the Board of Conciliation of Trade Disputes and the prices of staple food items from the relevant issues of Statistics of Travancore). See also, Ahmad Mukhtar, op.cit., p.17.
- 28/ K.K.Kunjan, TCFWU Pathamathu Varshika Report (Malayalam), Alleppey, 1959, pp.77-85.
- 29/ H.Smith, op.cit., pp.4-5
- 30/ G.Parameswaran Pillai, op.cit., pp.56-57.
- 31/ Minutes of IRC meeting dt.15-6-1954, Records of TCMMA, Alleppey
- 32/ See File L-1/A 34-G.P. Committee, Records of TCMMA, Alleppey.
- 33/ C.K.Kunjukrishnan, Reply to the Arguments of TCMMA President on Coir Industry, (Malayalam), Shortallai, 1954, p.1.
- 34/ Ibid., pp.2-3
- 35/ The rate of increase in the sub-contracting of orders at the expense of their own production varied between the firms. But however the following table of own factory production and exports of one of the top five Alleppey Manufacturers-shipper firms may be taken as an indicator of the trend.

Statement Showing the Own Production and Exports of
Coir Goods by a Leading Alleppey Firm

Year	Shipment	Own Production	Percentage of own production in the shipments
1947	658070 (sq.yds.)	285970 (sq.yds.)	43.5
1948	600905	479845	79.9
1949	832595	493865	59.3
1950	693696	297760	42.9
1951	720785	277845	38.5
1952	557770	265125	47.5
1953	667910	262275	39.3
1954	706927	245105	34.7

Source: TCMMA, Alleppey

36/ K.K.Kunjan, TCFWU Onpathamathu Varshika Report (Malayalam), Alleppey, 1956, p.100.

37/ TCMMA, Scheme for Lay Off Compensation, File L-^{1/}B-9, Records of TCMMA, Alleppey.

38/ Traditionally the trade unions took a very strong position against interdepartmental transfers of the workers by the management because there existed significant disparities in the earnings between various departments in the manufactory. However, due to the acute unemployment in certain types of work, the trade unions agreed that the interdepartmental transfers may ^{be} done to enable better rationing of the available work among all the workers. Utilising a clause to this effect in the agreement, the managements transferred the workers in the high wage departments (which they systematically closed down) to departments with lower wages, reducing the earnings therein also to the statutory minimum. At the same time they could avoid paying the unemployment allowance.

39/ Indian Communist Party, Alleppey Town Committee, Report to the Town Mandalam Conference on September 25, 26, 27, 1948, (mimeo.), (Malayalam), pp.10-14.

40/ Ibid.

41/ See the resolution of Alleppey Chamber of Commerce Executive Committee, to pay Coir Thozhilali Union a lumpsum amount of Rs.500 and Rs.100 per month from the Produce Section of the Chamber. Minutes of the Executive Committee, dt.26th June, 1948, Vol.1, Alleppey, Chamber of Commerce, p.144.

42/ Government of Travancore-Cochin, op.cit., pp.188-195.

- 43/ Register of Coir Industrial Establishments for the year 1970, Coir Board, Ernakulam.
- 44/ George K, op.cit., p.77.
- 45/ George K., op.cit., pp.171, p.180.
- 46/ See Answers to the Questionnaire to the Unemployment Enquiry Committee, 1948 (Typescript), and also Scheme for Organisation of Mats and Matting Industry, (mimeo.), TCMMA, 1952, Alleppey.
- 47/ G.Parameswaran Pillai, op.cit., p.23
- 48/ Speech delivered by Shri Jagan Phillipose, Vice President, TCMMA at 37th Annual General Conference Meeting, TCMMA, 1977, p.
- 49/ The Distribution of the Shippers according to the Percentage of Profits/Losses in the case of own manufacturing and purchase from outside in 1975

Percentage of Profit/Loss	Own manufacture		Purchase from outside	
	No. of shippers incurring loss	No. of shippers making profit	No. of shippers incurring loss	No. of shippers making profit
0.0 - 2.5	33	29	Nil	} 13
2.5 - 5.0	6	12	Nil	
5.0 - 7.5	3	7	Nil	} 132
7.5 - 10.0	1	2	Nil	

Source: T.Devi Das, Project Report on Coir Industry, School of Management Studies, Cochin, 1976, p.134.

- 50/ G.Parameswaran Pillai, op.cit., p.23.
- 51/ The following table tabulated from Coir Industrial Establishments Register (1979) of Coir Board, seems to be an underestimate, but it may be taken as an indicator of the relative proportion of various size groups at the end of sixties.

Size Distribution of Coir Weaving Establishments in Alleppey District in 1970

Size	No. of units	Mats looms	Matting looms	Total	Percentage share
1 - 2	176	313	4	317	2.89
3 - 4	509	1696	15	1711	15.60
5 - 6	423	2163	32	2195	20.02
7 - 9	299	2261	75	2336	21.30
10 - 19	123	1286	295	1581	14.42
20 - 49	38	613	510	1123	10.24
50	16	836	814	1700	15.50
Total	1584	9218	1743	10963	100.00

Source: Calculated from Register of Coir Industrial Establishments, 1970, Coir Board

The number of establishments with less than 5 looms has increased from 527 (1106 looms) in 1965 to 685 units (2028 looms).

- 52/ C.A.Peter, Alleppey Coir Factory Workers Union (hereafter ACFWU), Onnamathu Varshika Report, (Malayalam), Alleppey, 1969, p.17.
- 53/ C.A.Peter, ACFWU Rantanathu Varshika Report, (Malayalam), Alleppey, 1972, pp.27-32.
- 54/ M.K.Viswanbaran, ACFWU Moonnamathu Varshika Report, (Malayalam), Alleppey, pp.37-39.
- 55/ Government of Kerala, Labour and Welfare (H) Department, Notification dated 9th January 1970, Kerala Gazette (Extra Ordinary) 12th January 1970, No.26, Vol.XV, Trivandrum.
- 56/ The fact that some of the self employed workers also join the trade unions cannot be explained by economic reasons alone. Partly it is because that the self employed workers also occasionally seek wage work in times of unemployment. More important factor is the political atmosphere of Alleppey countryside surcharged with long traditions of working class militancy and radicalism. It must be remembered that vast majority of the domestic producers were former wage workers in large scale-manufactories.
- 57/ During the agitations, Joint Area Councils of various trade unions issue certificates stating if the small manufacturer has paid the workers all their statutory benefits or not. Movement of coir goods to Alleppey town without these certificates is forcibly prevented by workers by setting up road check posts at key country-road junctions. See K.K.Kunjan, TCFWU Pathinanjathu Varshika Report, Alleppey, 1976, p.16.

58/ C.A.Peter, ACFWU Ommannathu Varshika Report, (Malayalam), Alleppey, 1969, p.8.

59/ This was a long standing complaint of the small producers. This form of victimisation was effectively put an end to only in 1976 when through the Purchase Price Enforcement Scheme each shipper was statutorily allotted a number of small producers with whom alone he could place the orders for coir products.

60/ N.P.Purushothaman, Muhanna Coir Factory Workers Union Pathinanjathu Varshika Report, (Malayalam), Alleppey, 1975, p.44

61/ Distribution of Coir Weaving Establishments in Alleppey District in 1955

Size Class	Units	Mat looms	Matting looms	Total looms
Establishments having < 20 looms	661	4182	188	4370
Establishments having > 20 looms	86	3933	3624	7557
Total	747	8115	3812	11927

Source: Coir Board, Report on the Census of Coir Industrial Establishments, Ernakulam, 1957.

62/ B.Sivaraman, op.cit., p.80

63/ K.K.Kunjan, Panthranthamathu Varshika Report, (Malayalam), 1965, p.17.

64/ With the implementation of the 'Coir Reorganisation Scheme' in the 70's, systematic encouragement has been given to the workers co-operatives. Trade unions see in the co-operatives a solution to the decentralisation problem. The existence of coir co-operatives in which the workers are given all the statutory benefits is often cited as a proof for the viability of centralised production. But the performance of the co-operative sector, considering the facilities provided for them, have been disappointing. They have proved to be lacking self-initiative and vitality and the labour relationships therein are purely of the employer-employee type, the trade unions contending with the bureaucratic managements

65/ Bureau of Economics and Statistics, Report on the Survey on Coir Industry in Household Sector 1975-76, Trivandrum, 1978.

66/ Monthly Wage and Salary Earnings of Coir Workers in the Organised and Unorganised Sectors of Coir Weaving Industry

Year	Organised Sector (Census Sector)		Unorganised Sector (Sample Sector)	
	Nominal Earnings (Rs)	Real Earnings (Rs)	Nominal Earnings (Rs)	Real Earnings (Rs)
1960	62.54	14.24	49.00	11.16
1961	72.67	15.76	49.33	10.70
1962	75.00	16.09	46.83	10.04
1963	75.83	15.41	69.83	14.19
1964	85.58	15.58	70.23	12.79
1965	88.49	14.79	76.07	12.72
1966	97.79	14.63	87.89	13.15
1967			95.24	12.97
1968	137.93	17.54	66.83	8.50
1969	161.84	19.85	147.90	18.14
1970	182.49	21.57	103.56	12.24

Note: Real Earnings at 1939 prices.

Source: Compiled from the relevant issues of Annual Survey of Industries.

67/ Though the earnings of the workers in the unorganised/sector had been considerably lower than the earnings in the organised sector, the table given below shows that the production per loom in the smaller establishments especially in the case of mats production had been significantly higher.

Production per loom in Different Loom Size Classes of Coir Establishments in 1965 and 1970 (qtls.)

Size Class: No. of looms	1965		1970	
	Mat	Matting	Mat	Matting
(1)	(2)	(3)	(4)	(5)
1 - 2	26.00	-	20.95	-
3 - 4	20.15	-	19.80	15.60
5 - 6	19.62	16.67	17.72	28.95
7 - 9	20.43	27.78	15.79	31.36
10 - 20	17.48	27.97	14.20	67.33
20 - 49	14.91	51.24	14.21	32.61
> 50	-	31.34	14.35	31.65

Source: Columns 2 and 3, Register of Coir Industrial Establishments 1966, and Cols. 4 and 5, Register of Coir Industrial Establishments 1970.

However, it must be cautioned that in the organised sector there was a significant element of finishing and distributional work which earned higher wages.

- 68/ The average fixed investment of the household sector was Rs.1836 of which 43 per cent was for equipment and the rest for land and buildings. The building in most cases was only a thatched shed, adjacent to the house, without any walls. The average working capital owned was Rs.775.65, the debts from various sources accounting for nearly half of it (Rs.360). Only 23% of the units receive any kind of institutional financial aid (Bureau of Economics and Statistics, op.cit., pp.51-52).
- 69/ A.B.Prakash, 'Coir Industry in Doldrums', Social Scientist, Vol.6, No.1, August, 1977, pp.35-36.
- 70/ Ibid.
- 71/ Bureau of Economics and Statistics, op.cit., p.15.
- 72/ M.P.Pavithran, All Kerala Small Scale Coir Factories Joint Association Pravarthana Report, (Malayalam), (Handscript), S.L.Puram, 1978.
- 73/ The demonstrators led by the leaders of the various associations demanding higher purchase prices for their products were beaten up in the compound of one of the leading exporter in Alleppey, see Ibid., p.3.
- 74/ Ibid., p.4.
- 75/ ".... There was a significant shift in the policy of our organisations. We began with attempts to remove the existing atmosphere of hostility between the workers' movement and convince them that the small producers and workers were two sides of the same coin and that we could achieve new gains or maintain them only if both sections joined hands..." Ibid., p.6.
- 76/ Minutes of the General Meeting of the Office Bearers of CITU Unions dt. 5-6-1974, Records of MCFWU, Muhamma.
- 77/ K.K.Kunjan, TCFWU Pathinanjmathu Varshika Report, (Malayalam), Alleppey, 1976, p.6.
- 78/ Ibid., p.7.
- 79/ Coir Board, Scheme for Purchase Price Enforcement, Bangalore, 1976
- 80/ We did an independent costing for a small producer (2 looms) who mainly produced Beach creel mats for the Indian markets. While his average profits on creel mats was Re.0.13/sq.ft., for the export quality products for which Coir Board regulation were applicable, he received Re.0.21/sq.ft., as profits.

81/ Distribution of the Transfers of Proprietorship of Coir Weaving Establishments Registered under Purchase Price Enforcement Scheme 1976-80

Size Class: no. of looms	Units	Workers	Looms
(1)	(2)	(3)	(4)
1 - 2	79	197	150
3 - 4	197	841	662
5 - 6	83	547	432
7 - 9	46	440	345
10 - 19	27	422	322
20 - 49	1	35	30
Total	433	2482	1941

Source: Purchase Price Enforcement Scheme Registers of Coir Industrial Establishments, Coir Board.

Limitations for using the above data, to infer on the rate of closures in 1976-80 period may be noted. Firstly, it does not include those closures of establishments, in which the sale of looms to another person was not involved. Secondly, it includes those transfers within the family (e.g. from father to son) made for purely technical reasons.

82/ Distribution of Coir Weaving Establishments that have Registered Increase or Decrease of Looms Under Purchase Price Enforcement Scheme, 1976-80

Size- Class: no. of looms	Number of units	Number of looms before the increase	Present number of looms	Number of units	Number of looms be- fore the decrease	Present number of looms
1 - 2	83	147	272	-	-	-
3 - 4	54	177	274	6	22	16
5 - 6	16	87	117	8	41	22
7 - 9	4	32	46	3	24	13
10 - 19	-	-	-	2	27	21
20 - 50	-	-	-	1	21	11

Source: Purchase Price Enforcement Scheme Registers of Coir Industrial Establishments, Coir Board.

83/ TCMMA and ACISU, Memorandum Submitted to the Hon'ble Minister of Foreign Trade and Supply, dt.15-5-1969, (mimeo), TCMMA, Alleppey.

84/ The Purchase Price and Floor Prices for Some Representative Types of Coir Mats

Quality	1959			1979		
	Purchase price	Floor price	% Margin for exporter	Purchase price	Floor price	% Margin for exporter
(1)	(2)	(3)	(4)	(5)	(6)	(7)
BRI	0.80	0.96	16.67	2.26	3.06	26.14
BR7	1.06	1.23	17.97	2.76	3.68	25.00
VR3	1.67	1.93	13.47	3.81	4.88	21.99
BC1	0.87	1.01	11.88	2.63	3.50	24.85
VC1	1.28	1.47	12.93	3.26	4.29	24.01
VC8	2.03	2.18	6.88	4.72	5.98	21.07
WC3	0.65	0.71	8.45	1.53	2.37	35.44
FM3	3.05	3.35	8.96	5.94	8.03	26.02
BR4 (in.)	1.70	1.88	9.57	4.65	6.13	24.14
SA1	1.20	1.21	0.33	3.04	4.00	24.00
SV1	1.08	1.15	6.09	2.83	3.73	24.12

Source: Compiled from Floor Prices for Export of Coir Yarn, Coir Mats and Coir Mattings, Coir Board 1979; Purchase Price of Coir Mats and Mattings, Coir Board, 1979, and Memorandum Submitted to the Hon'ble Minister of Foreign Trade and Supply, (nineo), TCMMA, 1969.

85/ The share of this shipping house was 9.07 in 1949-50, 7.18 in 1959-60, 11.41 in 1969, and 27.00 in 1979. With the take over of another leading shipping firm in 1980, its market share is expected to reach ~~new~~ high for this year.

86/ The share of this particular Shipping House has increased from 0.52 in 1949-50 to 7.97 in 1959-60, 11.79 in 1969-70 and 11.41 in 1979.

87/ Usually 5 to 15% is deducted from the payment for the alleged advances given at the time of placing ^{the} order or a similar percentage commission is taken under the table in cash while making the payment ~~through cheques~~. Or sometimes the small producer is forced to produce higher quality products than those that are entered in the order form. Many of the small producers surrender their order books issued under Purchase Price Enforcement Scheme to agents who procure the orders and distribute them to the small producers on a commission basis. The small producers are forced to do this due to the delays and other difficulties involved in their direct dealings with the exporters and the consequent loss of working time involved. The development of this agency system makes it easier for the illegal deductions. See M.P. Pavithran, op.cit., p.11.

88/ The export of coir mat and matting declined from 20977 tonnes in 1979-80 to 14722 tonnes in 1980-81.

- 39/ See Minutes of the Meetings of the Committee of the Association dt. 26.2.1971, TCMNMA, Alleppey, and ACISU, 38th Annual Report, Shertallay, 1973, p.3.
- 90/ M.P.Pavithran, op.cit., p.11.
- 91/ In 1961 it was decided by the government to mechanise a third of the matting capacity. It was argued that this would arrest the alarming decline in matting exports. It is important to note that there was not much initiative from the trade interests in this move for mechanisation. The Coir Board was to start an experimental model powerloom factory. The rest of the powerloom capacity was to be licenced to private sector. Only one shipping house utilised the licence, and production commenced only at the end of the sixties. But by the mid-seventies, the same shipping house, undertook the risk of setting up a powerloom factory to produce matting as well as mat, despite the widespread antagonism to mechanisation and the avowed policy of the Coir Board against further mechanisation. Due to the widespread protests, the government was forced to promise an enquiry into the circumstances of the establishment of the factory. However, the factory has today been accepted as a fait accompli and allowed to produce mat and matting for the export markets.
- 92/ K.K.Kunjan, TCFWU Pathineshamathu Varshika Report, (Malayalam), Alleppey, 1978, pp.5-10, 15-16;
S.Danodaran, ACFWU Anchanathu Varshika Report (Malayalam), Alleppey, 1978, p.40, pp.62-64;
M.P.Pavithran, op.cit., pp.13-14, and
Memorandum submitted to the Hon'ble Chief Minister of Kerala
Jointly by the TCMNMA Alleppey, and ACISU Shertallay, dt.10.2.1978.
Sub: Production of Mat on Mechanised Looms, (Mimeo.),
TCMMA, Alleppey, 1978.
- 93/ The distinguishing hall-mark of capitalist labour process is that man's interaction with nature (i.e. the material substratum of production) takes place within an antagonistic relationship of subordination of labour to capital. The very nature of the material substratum sets certain limits to the way the labour process can be organised and to the technological possibilities available. Within this spectrum, the choice is not unilaterally determined by capital because it has also got to consider the active resistance of the worker. Thus, the specific form of organisation of production process is seen to be moulded in the class struggle between the capitalists and the workers. The various macro socio-economic factors affect the structural evolution of the industry, through the medium of the class struggle, in so far as they strengthen or weaken the power of the workers and the capitalists or limit the choices or options available to them.

- 94/ D.M. Analsad, The Development of Coir Industry in the East Coast of Madras Presidency , Madras, 1925, p.2.
- 95/ 'Opening of a Coir Factory near Anjengo', dt.0-12-1927, Ho.D.Dis. 2367 A/27 Development Department, English Records Cellar, Trivandrum
- 96/ Government of Travancore, Travancore Economic Depression Enquiry Committee Report 1931 , Trivandrum, 1932, p.61.
- 97/ M.A. Alnis, Report of the Coir Yarn Industry of Travancore Outlining Some Suggestions for the Improvement of the Industry in Ceylon, Colombo, 1935, p.7.
- 98/ B.S. Krishnan, Mechanisation of Coir Mats and Matting Industry, (Typescript), New Delhi, 1961, p.12.
- 99/ A small plant of 5 power looms was estimated to cost an investment of 7 lakh rupees in 1960. See, Scheme in Respect of Establishment of a Factory for the Manufacture of Coir Matting on Mechanised Looms, No.26357/D2, 61/1D dt.21-2-1961 Industries Department, Trivandrum. And according to experts an optimal plant with modern dyeing equipment would need a minimum of 10 to 15 looms.
- 100/ Indian Institute of Foreign Trade, Survey of India's Export Potential of Coir and Coir Based Products, Vol.1, New Delhi, 1971, p.24.
- 101/ Interview with the Secretary, Alleppey Co.Ltd., at Alleppey dated 15-8-1981.
- 102/ According to a former Vice Chairman of Coir Board this attitude was clearly evident in the report of the U.K. Coir matting market prepared by M/s Mather and Crowther Ltd. for the Coir Board. "He (the author of the report) seems to be reconciled to the present lot so long as we sell cheap mattings generally, leaving the better quality from competition. And we notoriously compete amongst ourselves in the supply of cheap mattings That seems to be the British manufacturers attitude reflected in the Survey Report". R. Krishna Iyer, 'Installation of Power loom Weaving of Coir Matting in India', Coir, Vol.VI, No.2, 1963, p.22.
- 103/ Minutes of the Proceedings of the Discussion with Dr. Franz Welton, President of Union of European Coir Industry dt.5-8-1955, (Mineo.). TCMMMA, Alleppey.

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