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# INDUSTRIAL CRISIS AND WOMEN WORKERS

## A STUDY OF CASHEW PROCESSING INDUSTRY IN KERALA

DISSERTATION SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF PHILOSOPHY IN APPLIED ECONOMICS OF THE JAWAHARLAL NEHRU UNIVERSITY, NEW DELHI

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I hereby affirm that the research for this dissertation titled, "Industrial Crisis and Women Workers: A Study of Cashew Processing Industry in Kerala" being submitted to the Jawaharlal Nehru University for the award of the Degree of Master of Philosophy, in Applied Economics, was carried out entirely by me at the Centre for Development Studies, Trivandrum.

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Certified that this dissertation is the bonafide work of Deepa G.L. This has not been considered for the award of any other degree by any other university.

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# Chapter 1

## INTRODUCTION

Since the publication of the Report of the Committee on the status of women in India in 1975, women in Indian labour force have become the focus of a large corpus of literature. These studies have tried to highlight various aspects of women labour in India including their status, visibility and significance in the economy (Acharya and Mathrani, 1991 and Sinha, 1992). It is pointed out that women workers are subjected to labour market discrimination and are segregated to low paying and low status jobs (Varghese, 1991). This in turn leads to the marginalisation of women workers in the process of economic development.

The 'female marginalisation' thesis argues that women are increasingly confined either to the household or to inferior jobs. This is manifested in various forms like exclusion of women from productive employment as indicated by the low work participation rates of women, concentration of employment in lower segments of the labour market, segregation of women in inferior, low status and low paid jobs in the occupational hierarchy, and casualisation of female labour force (Ibid).

Women are more vulnerable to endogenous and exogenous economic pressures, particularly during periods of crisis of the industry to which they are attached. The varied ways in which women workers adjust and adapt to such situations of crises are worthy of

examination. The present study aims to understand the survival strategies adopted by women workers in the crisis-ridden cashew processing industry in Kerala.

*Role of women in development : an overview of literature*[2]

Third World women, forced by poverty, perform dual roles, both as homemakers and labourers. Their work participation is mainly meant to provide additional income to their households. In fact, in poorer households, women workers make substantial contributions to the household incomes. Their participation in the labour market is directed more towards economic well-being, rather than self-fulfilment (Whyte and Whyte, 1982).

Trends in industrialised economies indicate that over the last forty years, there has been a steady increase in the rate of female participation in the labour force. The female labour force has grown at a rate 50 per cent faster than the total labour force. This secular trend, according to Rodgers (1991) is largely due to low fertility rates and a rise in the number of women carrying the 'double burden' of professional and child rearing responsibilities.

This growth, however, has been accompanied by changes in the composition of female labour force. In the past, single women (which includes the widowed, divorced and separated) were found in the labour force more frequently than married women. This phenomenon has reversed over time, with married women constituting a major proportion of the working population now (Junsay and

[2] For a detailed survey of literature, see Duvury (1994)

Heaton, 1989). Female labour is highly concentrated in the service sector than in agriculture or industry in all European countries. Substantially higher proportion of women are found in clerical and service jobs. Though major changes have occurred in both work participation rates of women and the structure of industries and occupations during the 70s and 80s, occupational segregation has persisted. The persistence of occupational segregation has implications for the wage rates and working conditions of women (Rodgers, 1991).

In terms of wages, women earn on an average, about 20-40 per cent less than men, although earnings differentials and the rate of change vary from country to country (Ibid).

On the other hand, female work participation rates are very low in many developing countries, especially in Latin America and South Asia. In fact, female participation has declined in some Latin American countries, while its declining in the South Asian countries like India, Pakistan and others (Verghese, 1991).

There is difference of opinion regarding the impact of economic development on women. Boserup (1970) argues that modernisation leads to marginalisation of women. The skill, discipline and educational requirements of modern methods of industrial production make this sector less amenable to female participation in employment (Pearson, 1992). Moreover, commercialisation of agriculture is also said to benefit the male workers by pushing women into subsistence agriculture (Boserup, 1970).

The contrary argument is that economic development brings women into public life with the expansion of industrial and other related job opportunities. Paid employment of women in the modern sector is seen to increase their financial independence. In addition, it also develops skills and attitudes necessary for advancement and to undermine patriarchal control (Moghadam, 1990) and Joekes (1987) found a strong association between growth of exports and increase in female industrial employment. Women's employment in industrial sector is largely confined to light consumer goods industry which constitutes a large proportion of manufactured exports from the newly industrialised economies (NICs).

Another alternate view highlights the exploitation of female labour. They argue that it is the availability of cheap, docile and unorganised female labour force which has attracted relocation of industries from advanced capitalist economies to developing countries. Such industries have high proportion of female labour. Women workers, in such a situation were exploited both at work and in the households and hence, gain little from their employment in modern industries (Elson and Pearson 1992).

In a world survey by the U N on the role of women in development, it was pointed out that while modern industrial employment always increases women's standard of living and their personal independence, the material benefits that women gain from industrial employment tend to be weakened by job segregation. In modern firms, the sex segregation is hierarchical. Women in modern industries are concentrated in low paid and low skilled jobs of a

routinized and repetitive nature with tight supervisory controls (UN Report, 1985).

*Women in the labour force in India:*

Women workers form only a small proportion of total female population in India (Gulati, 1992). Even after decades of development planning in India, majority of women are involved in occupations characterised by low level of skills and low wages. The 1981 census shows that only one fifth of the total number of women are in the labour force. Among these, two thirds are full time workers and one third, marginal workers.

**Table 1.1**

**Percentage of economically active population from 1901 to 1981: All India**

| Census Year | Percentage of economically active among | |
|---|---|---|
| | Men | Women |
| 1901 | 61.1 | 31.7 |
| 1911 | 61.9 | 33.73 |
| 1921 | 60.52 | 32.67 |
| 1931 | 58.27 | 27.63 |
| 1951 | 54.05 | 23.3 |
| 1961 | 57.16 | 27.93 |
| 1971 | 52.75 | 14.22 |
| 1981 | 53.19 | 20.85 |

Source: Gulati (1992)

The Table 1.1 illustrates the disparity between male and female labour force participation. The changing definitions of `labour force' in recent censuses is said to be one of the reasons for such wide sex differential in labour force participation. Alternatively, the closure of traditional avenues of employment in the wake of modernisation has had an adverse effect on women's employment (Ibid).

The female labour force is found to be predominant in the primary sector. A look into the sectoral distribution of workers reveals the fact that over three fourths of the labour force in rural areas is concentrated in primary sector. In the case of male labour, there is a shift of over 7 per cent away from agriculture between mid seventies and mid eighties while only 3 per cent of women have shifted away from agriculture. The above facts are evident from the Table 1.2.

**Table 1.2**

**Percentage distribution of persons working according to usual status by sex, residence and industry division: All India**

| Industry | Year | Rural | | Urban | |
|---|---|---|---|---|---|
| | | Male | Female | Male | Female |
| Agriculture and allied activities | 1972-73 | 83.23 | 89.67 | 10.71 | 32.75 |
| | 1977-78 | 80.62 | 88.13 | 10.57 | 31.89 |
| | 1983-84 | 76.8 | 86.73 | 10.25 | 28.65 |
| Mining and quarrying | 1972-73 | .44 | .19 | .95 | .72 |
| | 1977-78 | .51 | .23 | .93 | .5 |
| | 1983-84 | .65 | .32 | 1.48 | .75 |
| Manufacturing | 1972-73 | 5.73 | 4.65 | 26.86 | 25.02 |
| | 1977-78 | 6.41 | 5.94 | 27.58 | 29.59 |
| | 1983-84 | 7.21 | 6.91 | 27.39 | 27.39 |
| Services | 1972-73 | 10.68 | 5.49 | 61.48 | 41.5 |
| | 1977-78 | 12.46 | 5.7 | 60.83 | 38.02 |
| | 1983-84 | 15.17 | 6.0 | 60.91 | 43.21 |

Source: Acharya and Mathrani (1992)

Analyzing the work activity status and sectoral distribution based on NSS data, Acharya and Mathrani (1992) found that women workers in rural areas are mostly casual workers and helpers. There has been a downward trend in regular employment together with a rise in the proportion of casual labourers which imply a lack of jobs providing continuous income to workers. This appears to be more evident among female workers. This has been attributed to lack of required skills and access to resources (Ibid).

*Women in industry:*

With limited access to new skills and technology, only a very small proportion of women are engaged in modern industries. Studies show that the range of activities which are undertaken by women within any industry is pretty limited. They are generally employed in low paid and low skilled jobs in modern industries.

The percentage of women workers to all workers employed in each industrial group is an indicator of occupational diversification of women in industry. The proportion of female labour is more than 80 percent in tobacco manufacture and cashew nut processing. The beedi and cotton ginning industries also employ a large share of female labour (more than 50 per cent). These are predominantly traditional industries. Certain modern industries too have a few operations which engage predominantly women. However, the percentage of women in these industries is rather small. Electric fans, radiators, telegraph and telephone industries are examples of such industries. These jobs more often require greater skill levels than jobs in traditional industries (Unni, 1984).

The job options open to women are severely limited (Banerjee, 1985, Baud 1992). The occupational pattern in the industrial sector reveals that majority of women are casual, piece rated workers. Another significant observation is the relatively low input of capital in the tools and technologies used by them in their work. Women are usually assigned to subsidiary operations. These studies also show that wage discrimination does exist in the industrial sector.

The labour bureau has conducted three detailed occupational wage surveys in selected industries for the years 1958/59, 1963/65 and 1974/79. The results of these surveys show that average daily money wage earnings of female workers are much lower than that of males in all the 30 industries surveyed. It is found that in traditional industries like tobacco, cigarettes, footwear manufacturing, etc where women workers are concentrated, the real wage earnings has deteriorated. The coefficient of variation in male and female average daily wage earnings in these industries rose between 1958/59 and 1963/65 and then declined in the period 1974/79. This seems to fit in well with the general observed pattern of an increase in inter industry wage dispersion in the initial stages of industrialization followed by a gradual decline after a point (Unni, 1984).

U.N.report on world survey on the role of women in development points out that although the restriction of working hours of women is now universally accepted, this has not always been the case as seen in industries like textiles, clothing, leather and foot wear. In export processing zones, women do a considerable amount of over-time work, on night shifts and generally work long hours. The Report also points out that industrialization in developing countries has led to peripheral forms of employment like short term, seasonal and casual home working largely involving a considerable share of women workers, who consequently suffer from disadvantages like lack of security, no possibility of job enhancement, no extra compensation or allowances of any kind and very low payment.

Women seasonal workers employed in these industries earn an income only during part of the year, though even this is not guaranteed. These seasonal workers normally work for long hours. During production peaks, when highly perishable raw materials have to be processed quickly, enterprises seek to lengthen the working period which means considerable over time and shift work for women in these industries. The working conditions of women workers in different industries has also been observed to be far from satisfactory .

Though technological change is essential for development, it undermines traditional forms of production and tends to displace the workers who depend on these forms for their survival. Some of these new technologies affect women and men differently because of the social division of labour between them. Since, women are often involved in the production of goods at low levels of productivity, they are often displaced by new technologies. There are many studies which give ample evidence to suggest that technology has failed to confer any significant benefits on women in various sectors of the economy (Banerjee, 1985)

So far our attention has been on these studies carried out at the all India level. There are indeed a few studies which are carried out in the context of Kerala as well. What follows is a quick overview of the some of these studies.

Although the per capita income of Kerala is rather low, viewed in terms of provision of basic needs, it is rich especially in human resources development and related areas. The Table 1.3 gives a

comparative picture of the social indicators of development of women in Kerala and all India.

Table 1.3

Indicators of development in Kerala and India

| Selected indicators | Kerala | | All India | |
|---|---|---|---|---|
| | 1981 | 1991 | 1981 | 1991 |
| Literacy rate | 65.7 | 86.9 | 24.8 | 39.4 |
| Sex ratio | 1032 | 1040 | 934 | 929 |
| Life expectancy | 62.1 | NA | 54.7 | NA |

Source: Eapen (1992)

The literacy rate as well as sex ratio is high in the case of Kerala as compared to the all India average. This has lead to increased unemployment among women in Kerala due to the large number of women entering the labour market. There were about 22 lakhs female workers in Kerala in 1981, an increase of about 28 per cent since 1961. However, the total female population has increased by 57 percent during the same period.

Women workers include agricultural labourers, workers in manufacturing sector, social, community and personal services workers. Between the years 1961 and 1981, there was a sharp increase in the number of women agricultural labourers. About 43 per cent of female workers were agricultural labourers as compared to about 27 per cent in 1961. The number employed in the personal and community services has remained almost the same.

Kerala's industrial sector is characterised by traditional industries like cashew, coir etc, most of which are in crisis. A large proportion of women are employed in these traditional agro-based industries, their jobs falling almost entirely in the

unorganised sector and rarely protected by labour legislations. The cashew industry, by definition falls within the organised sector. The nature of work and working conditions, however, are no better than that in the unorganised sector. It is only through their unionised strength and protracted struggles that women workers in the coir and cashew industries have been able to achieve some economic gains and social benefits (Eapen, 1992).

Studies on traditional industries in Kerala reveal significant underemployment and threat of large scale displacement due to mechanization (Issac, 1982). For instance, coir industry was an important source of livelihood for half a million of Kerala's rural workers in the coastal belt. Kerala's share in the world coir market has declined from 90 per cent at the end of 1970s to 72 per cent in 1988. The domestic demand could not compensate for the reduction in the export. The production of coir which was stagnating since the late 60s started declining since the 80s. Moreover, the introduction of mechanization at various levels of production of coir has resulted in large scale unemployment of women in Kerala (Patel, 1985). They face severe underemployment and they do not get even the minimum wage.

Though all these studies as a whole reveal the fact that women are engaged in traditional and low-skilled jobs, marked by considerable wage discrimination and unsatisfactory work conditions, our understanding of the ways in which women workers adapt to these crisis conditions and the survival strategies they adopt still remain rudimentary. It is precisely this question that the present study seeks to understand.

The study could be situated in a wider context too.The last two decades, especially the 80s witnessed significant changes in the labour market situation in both developed and developing economies. Existing formal employer-employee relationships disappeared to make way for informal ones, forcing an increasing section of the labour force into precarious jobs.

This trend must be understood in the wider context of the labour market processes of the 1980s. The decade experienced a shift away from regulatory to liberal regimes. Most such liberal regimes regard export-led growth as the only viable development strategy. Under these regimes, the labour market regulations are therefore, viewed as 'rigidities' which raise costs and prevent growth of future employment. Since cost effectiveness is of utmost importance for the success of export promotion strategy, it in turn ushers in an era of deregulation (Deshpande S and Deshpande L, 1992).

Most countries that opted for economic liberalisation experienced erosion of formal regulations that governed the functioning of labour markets. Firms preferred to employ flexible labour that could be disposed off after a specific job for which it is employed, is completed. This has increased the use of casual, temporary, contract and female labour at the firm level. The economic rationality of flexible labour practices fits in well in the strategy of liberalisation and production specialisation based on comparative cost advantages (Ibid). The avoidance of labour legislation becomes easier, given the high levels of unemployment and weak trade unions.

The deregulation of the labour market through flexible labour practices has led to a feminisation of economic activity. As female labour is low cost labour, firms increasingly employed women in manufacturing. Feminisation of the labour market in India over the eighties increased the employment opportunities for women, though it has largely been low paid, insecure employment (Ibid). There has also been a movement from regular to casual employment in some of these industries. The present study aims at looking at how these women as workers, are affected by this shift from formal to informal employment.

The cashew industry of Kerala, which is an export oriented and labour intensive industry has since the last decade, reported a drastic fall in the employment of workers despite marked increases in output and exports following the crisis of seventies. If this be the case, it is useful to examine the various strategies that the women use to adapt to this change.

*Objectives of the study:*

(a) To analyse the growth performance of the cashew processing industry 1947-1991, against the backdrop of Government policies, to understand the genesis and sustenance of the crisis.

(b) To analyse the ramifications of the crisis with regard to women workers in terms of decline in employment, number of working days and increasing casualisation.

(c) To understand the ways and means by which women workers adapt to the crisis, their survival strategies are to be examined.

***Source of data and methodology:***

The study is based on both secondary and primary data. Secondary data on production and import of cashew nuts and that of export of cashew kernels are obtained from the Cashew Export Promotion Council, Cochin. The data for the export of kernels from other countries is also obtained from the same source. The necessary data for analyzing the employment such as number of factories, number of workers and person days worked are obtained from both Annual Survey of Industries (ASI) and Economic review. The production data of nuts in Kerala is obtained from the Statistics for Planning. These data sources were supplemented by a primary survey of cashew workers in Kareepra panchayat of Quilon district. Methodology of primary survey is given Chapter 3.

***Chapter scheme:***

Thesis is presented in four chapters including introduction and conclusion.

The second chapter begins with an examination of the evolution and growth of the industry in a historical perspective. This is followed by an in depth analysis of the characteristics of the industry in terms of its women labour intensity. This is accomplished by a detailed examination of the different processes involved in the cashew processing. The core of the chapter consists of; (a) an analysis of the growth performance of the

industry, (b) identification of the factors responsible for the crisis and (c) manifestations of industrial crisis on women workers.

The third chapter deals with the survival strategies of women workers under crisis as revealed from the primary survey. The first section of this chapter presents the methodology of primary data collection. This is followed by an examination of socio-economic profile of the women workers. Finally the survival strategies of the women workers are analysed. In the final chapter, the overall conclusions of the study are presented.

## Chapter 2

### *SOME ASPECTS OF CRISIS IN THE CASHEW PROCESSING INDUSTRY*

As noted earlier the industrial sector of Kerala is dominated by crisis-ridden traditional industries like cashew, coir etc, where the major contingent of the workforce is women. With more than 90 per cent women workers, the cashew processing ranks top among the traditional industries in terms of women labour intensity. Hence, for an in depth analysis of the survival strategies of women in the crisis-ridden traditional industries in Kerala, cashew processing industry is an obvious choice.

The present chapter analyses the different stages in the evolution of the industry and portrays the different facets of crisis in terms of declining production, export, import, reduction in the number of workers, number of days of employment and the growing tendency of casualisation of the labour. The chapter is organised into four sections. The first section provides the historical setting of the industry. The context in which the industry emerged in Kerala, more specifically in Quilon, and the crucial role of women workers are examined here. Also, we examine the working conditions of the labourers in the early years and the rise of organised labour movements to ameliorate the conditions of workers in the industry. In the second section, an attempt is made to examine the different processes involved in the production of cashew kernel to discern how women labour intensive is this industry. In the third section, we analyse the performance of the industry primarily in terms of production and exports and seek to understand the genesis of crisis. The last section we analyse ramifications of the crisis with regard to the women workers as

experienced in the decline in the total employment, number of working days and increasing casualisation of labour.

## Section 1

### *THE HISTORICAL SETTING*

About four hundred years ago Portugese introduced cashew, a wild growth in jungles, into India. The nut (kernel) came to be known by the name *parangiandi*, since it was brought by the portugese (Krishnaswami.L 1980). In early period cashew tree was mainly cultivated to prevent soil erosion and its soft wood was used for packing and other purposes. Fleshy delecious fruits of cashew was preferred by the people and the nuts were thrown of. The corrosive liquid in the outer shell burnt their skin and clothes and prevented the people from extracting the kernels. Later they burnt the nuts to remove the shell and extract the kernel (Krishnaswami, 1980). Over time people started extracting kernels by roasting nuts in mud pans village women sold these nuts on the way side (Govindan, 1985).

Commercial production of cashew kernels originated in India. Export of unpeeled kernels started in the early decades of the twentieth century. The kernels packed in wooden cases were exported mainly to Massille and occasionally to London. Grading of cashew was unknown and deterioration of quality was a serious problem (Balasubramanian, 1979). New mode of packing of kernels in containers infused with carbondioxide started in 1920s. This enabled the Kernels to be stored for a long time.

The opening up of new markets and expansion of existing ones resulted in a spurt in exports. Exports showed an increasing trend till second world war. There was a set back to the industry during the war period. After the war, high export demand for kernels had lead to rapid expansion of the industry. The number of factories and employment (Balasubramanian, 1979) increased significantly. The favourable external environment coupled with the "the pioneering spirit of early entrepreneurs and the unsurpassed skill of Indian women in extracting whole kernels from the nuts were the major influencing factors in the growth of the industry in India" (Krishnaswami, 1980).

Before 1930s cashew industry was concentrated in regions like South Canara and Malabar districts of Madras presidency. The industry was under the control of a few firms among which Pierce Leslie was the most prominent. Easy access to the foreign markets and the availability of modern technology enabled this firm to control the industry. During 1930s a few South Canara entrepreneurs entered this industry. With the emergence of Quilon as a major processing centre many of these Mangalore units reduced their scale of operation.

*Growth of cashew industry in Quilon:*

By 1925, two entrepreneurs, Joseph Periara and Murthy Narayana Rao pioneered cashew processing industry in Quilon (John Thomas Chirayath, 1965). Between 1925 and 1947, the cashew processing industry in Quilon recorded a phenomenal growth. Labour force in this industry increased from 650 in 1937 to 35000 in 1947 (Raman Mahadevan, 1991). The availability of cheap labour, availability

of raw nuts, existence of rail links and the pioneering spirit of the first entrepreneurs contributed to the phenomenal growth (Chirayat, 1965). The relatively lax labour regulations which saved labour and capital costs was also an important factor (Ram Mohan, 1988). There was a significant variation in wage rates and working conditions in Quilon and other processing centres like Mangalore and Calicut. For activities like peeling and shelling differential wage rate existed for the Indian and imported nuts in Mangalore but it was same in Travancore; no wages was paid for broken nuts in Travancore. As a result of these advantages about 80 per cent of nuts imported into India came to be processed in Travancore.

The cashew processing industry during the early years of its emergence was characterised by a highly concentrated market structure. This is evident from the fact that in Travancore a large number of factories with bulk of labour force were in the hands of few firms. (see Table 2.1). In the early years of the industry, foreign firms like W.T.Anderson and Co. dominated. Pierce Leslie and Co. and Aspinwall and Co. too had a considerable stake. However, over time, local capitalists also rose to prominence. A.T.K Musaliar was the most prominent local capitalist, but the community composition of the class was mixed: there were a few entrepreneurs from other castes like Ezhavas and Nairs (Govindan, 1985) as also Syrian Christians.

Table 2.1
Distribution of Work Force in Cashew Factories - Firm wise 1941-1949 (Select Years)

| Name of Firm | 1941 | | | 1943 | | | 1947 | | | 1949 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | A | B | C | A | B | C | A | B | C | A | B | C |
| 1. A.T.K.M.Musaliar | | | | 5 | 7260 | 34.0 | 20 | 8899 | 25.2 | 26 | 13073 | 35.2 |
| 2. Dhanalekshmi Vilas Cashew Co. | 5 | 3489 | 19.7 | | | | 8 | 2981 | 8.4 | 7 | 2326 | 6.3 |
| 3. K.S.Narayana Swamy & Co | 5 | 3397 | 19.2 | | | | | | | | | |
| 4. K.Mytheen Kunju Cashew Factory | 2 | 1813 | 10.2 | 4 | 1800 | 8.4 | 6 | 2402 | 6.8 | 5 | 1290 | 3.5 |
| 5. Pierce Leslie & Co | 1 | 1009 | 5.7 | 1 | 452 | 2.1 | | | | 1 | 970 | 2.6 |
| 6. India Nut Co. Ltd | 2 | 1272 | 7.2 | 1 | 700 | 3.3 | | | | | | |
| 7. M.P.Govindan & Sons | 2 | 1341 | 7.5 | 4 | 1900 | 8.8 | 5 | 1070 | 3.0 | 5 | 1092 | 2.9 |
| 8. K.Kunju Krishna Pillai | 1 | 1750 | 9.9 | | | | | | | | | |
| Total | 18 | 14071 | 79.4 | | | | | | | | | |
| 9. Shanmukha Vilasam Cashew Factory | | | | 3 | 1620 | 7.5 | 11 | 2208 | 6.2 | 10 | 2149 | 5.8 |
| 10. Quilon Cashew Export Corporation | | | | 3 | 1550 | 7.2 | | | | | | |
| Total | | | | 21 | 15282 | 71.3 | | | | | | |
| 11. V.N.Varghese & Sons | | | | | | | 6 | 2157 | 6.1 | 5 | 1751 | 4.7 |
| 12. N.A.N.R. | | | | | | | 5 | 1704 | 4.8 | 10 | 2788 | 7.5 |
| 13. E.C.Govindan Asan & Son | | | | | | | 4 | 1530 | 4.3 | 3 | 1896 | 5.1 |
| 14. Ideal Cashew Export Co: | | | | | | | 5 | 1471 | 4.1 | 6 | 1872 | 5.0 |
| 15. Ganga Bros. | | | | | | | 3 | 1076 | 3.0 | 5 | 1413 | 3.8 |
| Total | | | | | | | 73 | 25498 | 72.0 | 83 | 30620 | 82.4 |

Source: Mahadevan, 1991
Note A = Number of factories controlled by firm
B = Total workers employed on daily basis
C = Percentage share of total workers employed in the industry

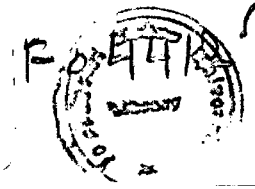
***Working Conditions:***

As we have already seen the major share of the workforce in the cashew processing industry were women and about 95 per cent of the workers were drawn from the depressed castes. All processes except roasting was done by women. Working hours stretched from 5.30 am to 6 pm. Women in shelling section worked in the most unhygienic conditions. Women engaged in peeling had to carry about 25 pounds

of nuts every day to the gas machine for which no payment was made. Sanitary facilities like toilets etc were lacking in almost all the factories. Make shift curtains were made by workers for this purpose. No creche facilities were available. Small babies in their mothers lap were often burnt by the shell liquid. Drinking water was not available in most of the factories. In some factories drinking water was provided upon a charge. Payment was on a piece rate basis. No payment was made for broken nuts. Workers were usually cheated by under weighing the kernel. There existed compulsory collection system in many factories; one "chakram" was deducted daily from the wages. The amount was held back if the worker shifted to another factory or if there is any break in service (Govindan, 1985).

The organised labour movements in the cashew processing industry was in part a response to inhuman and miserable condition of work in the early stages of the industry as outlined above. Partly it was also a reflection of social development in the late 1930s which saw a large number of workers drawn into the political struggles of the period (Kannan, 1983). Initially workers started organising themselves mainly to solve the problems of low wage, heavy work load and un satisfactory working conditions. The Quilon factory workers union (also called Quilon Labour union) was active in cashew processing industry since atleast 1937. Interestingly, however, a trade union exclusive to the industry came to be first organised by a cashew industrialist. The union, *Akhila Thiruvithamcore Kasuvandi Thozhilali* Union registered in 1940 by A.K.T. Musaliar was however taken over by the workers at the first meeting itself (Chirayath, 1965). In the 1940s, cashew workers were





engaged in a series of struggles pressing economic demands; as also, the popular agitation for 'responsible government' in Travancore. However, the outcome of the worker's economic struggles were at best mixed. The fact that a committee to enquire into the aspect of minimum wages in the industry came to be appointed only as late as in 1952 is an important pointer. It is pertinent to ponder whether the exclusion or absence of women leadership explains the specific course of the trade union movement in the industry.

Constraints in the export as well as the inability of producers to exercise effective controls over the channels of trade adversely affected the cashew industry in Quilon during the 1940s. In 1942 the U.S Government stipulated that export of Kernels should be accompanied by a certain proportion of shell oil. Only one company, the Pierce Leslie, had the technology for extracting oil. They dominated the market for shell oil. Local exporters were forced to extract oil at Pierce Leslie's works. However, with the lift of stipulation by US Government later, the crisis was overcome. While this was a short lived crisis, in later decades, as we shall observe crisis became a structural feature of the industry.

## Section 2

### *CHARACTERISTICS OF CASHEW PROCESSING INDUSTRY:*

The cashew kernel which is the product of the cashew processing industry is derived out of the raw cashew nut. To understand the characteristics of the industry particularly in terms of the domination of women in the cashew processing, we need to examine

different stages involved in the production of cashew kernels. The processing of cashew nut involves five operations: roasting, shelling, peeling, grading and packing. These activities needless are highly labour intensive.[1] Let us now examine each of these stages.[2]

**Roasting:** The raw cashewnuts are roasted to make the shell brittle and to loosen the kernel from shell. The nut is soaked in water for sometime to raise the moisture content of the kernel, and reduce the risk of breaking. Two different methods of roasting raw cashewnuts are generally employed.

a. Drum Roasting: In this process the nuts are fed into a rotating drum and heated. Once the nuts are burnt, no further heating is necessary. The burning of the cashewnut shell liquid maintains the temperature. Roasting generally takes about 3 to 5 minutes and the drum is rotated by hand. The burning roasted nuts are sprinkled with water to extinguish the fire and removed from the roasting drum.

b. Oil Bath Roasting: In this process, which is an advancement over drum roasting, the raw cashewnuts which soaked in water, are passed through a bath of heated cashewnut shell liquid at a

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[1] Though attempts were made from time to time to mechanize these process, the technological changes in this industry was rather slow. Nevertheless in the early 1960s an Italian firm developed the first mechanised processing system which was introduced in Mozambique in 1960s. Yet another mechanical system was introduced in 1970s in the East African countries.

[2] See Balasubramanian.D. (1980) 'Indian Cashew ' in "Cashew Bulletin" Vol. 17 No. 1.

temperature between 175 degree C and 205 degree C for about 1 to 2 minutes. The roaster is embedded in brick work and heated by a furnace in which cashew shell is usually used as fuel. During the passage the shell gets heated rupturing the cell walls and releasing the shell liquid. The roasted nuts are then conveyed to a centrifuge where the residual liquid adhering to the surface of the shell is removed by centrifuging. The nuts are then mixed with ash and taken for shelling.

**Shelling:** Shelling of the roasted nuts is done manually for which women are generally employed. This is a delicate job as extraction of the whole kernel require skill and precision. The women workers generally work sitting on the floor. Holding each nut on a small raised platform, they knock 2 to 3 times on the long edge of the oval shaped nut using wooden mallets or light hammers. The shell cracks open and the kernel inside is carefully removed. As the workers get paid on the basis of the weight of whole kernels recovered (no wages are paid for broken kernels produced) great care is taken to minimise damage and breakage of the kernels.

**Drying:** The kernels extracted are heated to loosen the thin red skin. This facilitates their peeling. Heating is done by spreading the shelled kernels in wire mesh trays and stacking them in heat chambers for periods ranging from 3 to 7 hours. The temperature inside the chamber is maintained at about 80 degree to 90 degree C. by circulating hot air from furnaces at the bottom using flue. To secure uniform drying and prevent scorching of kernels, air circulation is constantly maintained inside the chamber.

**Peeling:** The dried kernels, removed from the drying chambers, are kept aside for 24 to 48 hours to allow them to absorb a certain amount of moisture from the atmosphere. This facilitates easy peeling. Each kernel is peeled by hand. Like shelling this work is done only by women. Skill to avoid breakages is needed as wages are paid on the basis of whole kernels peeled.

**Grading:** After removing the thin skin the kernels are sorted out into wholes, splits, broken etc. A certain amount of grading (sorting out) takes place in the earlier stages of processing, viz. in shelling and peeling and this is assisted by the system of payment of wages on the basis of whole kernels produced. The wholes are graded into different sizes on the basis of the number of kernels per pound according to internationally accepted specifications. All these operations are done manually.

**Packing:** Graded kernels are packed in four gallon tins, each holding 25 pounds (11.34 kg). Before the kernels (especially whole kernels) are filled in tins, they are allowed to absorb some moisture to reduce the risk of breakage in storage and in transit. This is done by keeping the kernels in open trays in humidifying chambers for 12-16 hours after grading.

After filling and weighing, the tins are vacuumised and filled with carbondioxide; this process is known as the vitapack method. The lid is then placed on the bunghole of the tin and soldered. This method of packing ensures long storage life and prevents infestation of the kernels. Labels to indicate the grade of cashew

kernels prescribed and supplied by the Export Inspection Agency are affixed across the lid using special tamper-proof adhesive.

The description of the different stages involved in cashew processing clearly indicates that all the process (except roasting) is highly labour intensive particularly women labour intensive. To examine the validity of this argument empirically we have estimated the ratio of workers to productive capital in this industry. To get a comparative picture we have also estimated the same ratio for other labour intensive industries like cotton spinning and weaving and manufacture of coir and coir products (See Table 2.2)

It is evident from the Table 2.2 that labour intensity has shown a declining trend in all the three industries. Yet the number of workers per one lakh rupees of capital is much higher in cashew processing as compared to other industries. For the year in 1985, the labour intensity of cashew processing is found to be almost 10 times higher than the other two industries.

Table 2.2

Labour Intensity in Cashew Processing Industries

| Year | 231 (W/P) | 214 (W/P) | 268 (W/P) |
|---|---|---|---|
| 1973 | 7.86 | 103.95 | 9.84 |
| 1974 | 7.14 | 75.36 | 8.72 |
| 1976 | 5.26 | 106.07 | 5.62 |
| 1977 | 5.16 | 80.84 | 4.78 |
| 1978 | 4.61 | 57.24 | 4.67 |
| 1979 | 3.29 | 42.28 | 3.04 |
| 1983 | 2.40 | 31.77 | 1.28 |
| 1984 | 2.37 | 26.78 | 0.30 |
| 1985 | 2.20 | 21.32 | 2.25 |

Source: Kerala Annual Survey of Industries,Various issues

Note : 231 - Cotton spinning and weaving in mills.
214 - Cashew processing industry.
268 - Manufacture of coir and coir products.
W - Number of workers.
P - Productive capital.

Apart from the higher labour intensity another characteristics of this industry is the high women labour intensity. It is to be noted that in the different stages of cashew processing male participation is only in the first stage of processing, that is roasting (which is less labour intensive). Given the fact that all the other activities are carried out by women labour the overall women labour intensity is found to be much high.

To see the overall women labour intensity and its inter-regional variation, we have estimated the proportion of women labour force in the total work force of the cashew processing industry across different regions of Kerala. These estimates are based on the census data. The results are presented in Table 2.3. It is evident from the table that in almost all the districts the proportion of women labour force is found to be around 90 per cent. It may also be noted that in the two districts, namely, Malappuram

and Alappuzha the total employment in cashew processing industry is much less as compared to other districts and the proportion of female labour is also found to be low. This may be because of the fact that the cashew processing in these two regions primarily involves roasting and the other stages of production, viz., shelling, peeling etc. are carried out in factories of other districts.

Table 2.3
Employment Structure of Cashew Industry

| Year/ State/ District | 1971 | | | | 1981 | | | |
|---|---|---|---|---|---|---|---|---|
| | P | M | F | F/P | P | M | F | F/P |
| Kerala | 72280 | 6785 | 65495 | 90.61 | 26755 | 5168 | 21587 | 80.68 |
| Cannanore | 1041 | 95 | 946 | 90.87 | 473 | 85 | 388 | 82.03 |
| Kozhikode | 1135 | 165 | 970 | 85.46 | 246 | 79 | 167 | 67.89 |
| Malappuram | 25 | 20 | 5 | 20.00 | - | - | - | - |
| Palghat | 5 | 5 | - | - | - | - | - | - |
| Trichur | 670 | 70 | 600 | 89.55 | 610 | 69 | 541 | 88.69 |
| Ernakulam | 594 | 70 | 524 | 88.22 | 176 | 67 | 109 | 61.93 |
| Kottayam | 5 | 5 | - | - | - | - | - | - |
| Alappuzha | 921 | 155 | 366 | 39.74 | 2078 | 314 | 1694 | 81.52 |
| Quilon | 61613 | 6040 | 55573 | 90.02 | 20059 | 4240 | 15819 | 78.86 |
| Trivandrum | 6271 | 160 | 6111 | 97.45 | 3162 | 298 | 2864 | 90.58 |

Note : P - Person; M - Male and F - Female.
Source: Census of India (Kerala) .

## Section 3

### *GROWTH PERFORMANCE OF CASHEW PROCESSING INDUSTRY*

Cashew processing industry in Kerala originated as an export oriented industry and it continues to be so even today. Hence the fortunes of the industry particularly that of its employment generation potential would depend to a great extent on the export performance of this industry. This, however, is not to undermine the role of other factors like the state intervention in

influencing the performance of the industry. Therefore, in this section we propose to begin the analysis of growth performance of the cashew processing industry with emphasis on trend in export, and the Government policies adopted from time to time.

*Trend in export:*

The major source of data for the analysis in this section is obtained from the Cashew Export Promotion Council (CEPC). Apart from data on export in terms of quantity and value, the CEPC also publishes data on the direction of exports, imports and its sources direction and domestic production.[3] Since our analysis is done in terms of quantity, the question of adjusting for price changes does not arise. The period of detailed analysis refers to 1947-1991. Though we are not directly concerned with export performance prior to 1947, it is germane to have a few observations regarding export performance prior to 1947. There was an increase in exports till the begining of the second world war. Notwithstanding the slump in export during the war years, after the war there was an increase in exports resulting from the expansion of existing markets and the opening up of new markets. This is evident from the fact that the total exports of cashew kernels from India increased from a meager quantity of 45 MTs in 1920 to 2300 MTs in 1930, and around 17000 MTs in 1947.

Coming to the export performance since 1947, a perusal of the data on exports during 1947 to 1991 reveals that there are three phases

[3] It need to be noted the export data refers to all India. Since Kerala amounted for more than 90 per cent of India's export, the trends observed may be taken as relevant for Kerala.

(see Table 2.4 Column 2). This is further evident from Graph 2.1 which plots the data on exports during 1947-1991. The first phase, covering the period 1947-68, showed an upward trend in exports. During this period export of kernels from India increased almost four times from around 17000 MTs in 1947 to 63,000 MTs in 1968. This was followed by the second phase, which lasted till around 1982, when there was an absolute decline in the quantity exported. In 1982 for instance the export of cashew from India was only the half of that was in 1968. During the third phase, since 1982, there appears to be a recovery in the export, with the terminal year of the analysis recording an export of around 47000 MTs.

Table 2.4

Trend in Export, Import and Domestic Production of Cashew

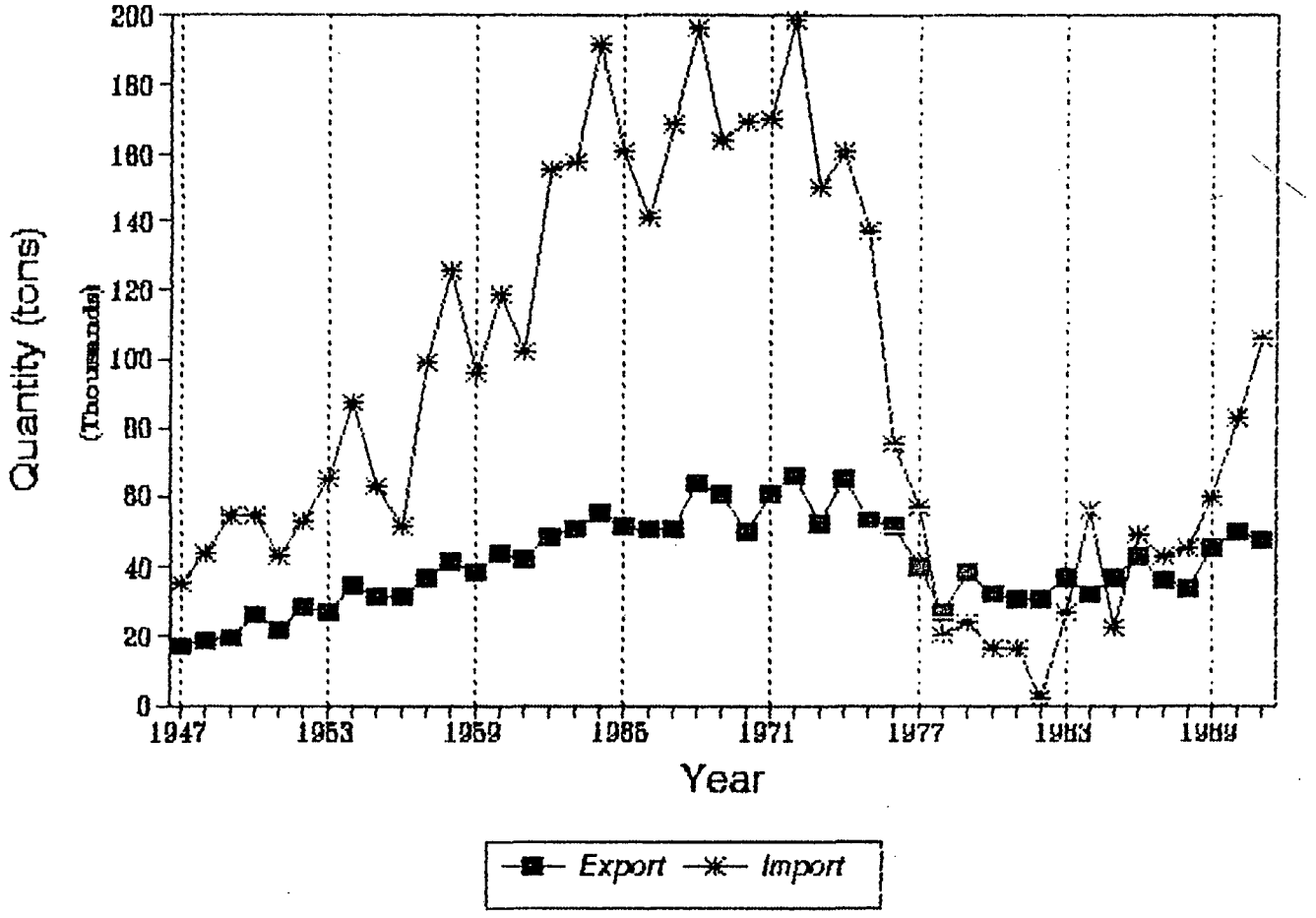
| Year (1) | Export of kernals (2) | Import of rawnuts (3) | | Production of rawnuts (4) | | Total supply Supply (5)= (3)+(4) |
|---|---|---|---|---|---|---|
| 1947 | 16906 | 35150 | (49.90) | 35292 | (50.10) | 70442 |
| 1948 | 18578 | 43512 | (56.21) | 33896 | (43.79) | 77408 |
| 1949 | 19277 | 54205 | (67.49) | 26116 | (32.51) | 80321 |
| 1950 | 26307 | 54819 | (54.13) | 46460 | (45.87) | 101279 |
| 1951 | 21250 | 43030 | (48.60) | 45512 | (51.40) | 88542 |
| 1952 | 28343 | 52509 | (44.46) | 65587 | (55.54) | 118096 |
| 1953 | 27056 | 65227 | (57.86) | 47506 | (42.14) | 112733 |
| 1954 | 34784 | 87185 | (60.16) | 57748 | (39.84) | 144933 |
| 1955 | 31359 | 63154 | (52.34) | 57509 | (47.66) | 120663 |
| 1956 | 31275 | 51416 | (39.46) | 78897 | (60.54) | 130313 |
| 1957 | 36735 | 99081 | (64.73) | 53981 | (35.27) | 153062 |
| 1958 | 41020 | 125400 | (73.37) | 45517 | (26.63) | 170917 |
| 1959 | 38789 | 95950 | (59.37) | 65671 | (40.63) | 161621 |
| 1960 | 43625 | 118321 | (65.09) | 63450 | (34.91) | 181771 |
| 1961 | 41756 | 101876 | (58.56) | 72107 | (41.44) | 173983 |
| 1962 | 48555 | 155331 | (76.78) | 46982 | (23.22) | 202313 |
| 1963 | 50994 | 157458 | (74.11) | 55017 | (25.89) | 212475 |
| 1964 | 55676 | 191523 | (82.56) | 40460 | (17.44) | 231983 |
| 1965 | 51267 | 160636 | (75.20) | 52977 | (24.80) | 213613 |
| 1966 | 50756 | 141021 | (66.68) | 70462 | (33.32) | 211483 |
| 1967 | 51039 | 168218 | (79.10) | 44445 | (20.90) | 212663 |
| 1968 | 63661 | 195528 | (73.36) | 71000 | (26.64) | 266528 |
| 1969 | 60625 | 163426 | (64.70) | 89178 | (35.30) | 252604 |
| 1970 | 50284 | 169359 | (80.83) | 40157 | (19.17) | 209516 |
| 1971 | 60378 | 169985 | (67.57) | 81590 | (32.43) | 251575 |
| 1972 | 66278 | 197938 | (71.68) | 78220 | (28.32) | 276158 |
| 1973 | 52293 | 150249 | (68.96) | 67638 | (31.04) | 217887 |
| 1974 | 65025 | 160358 | (59.19) | 110579 | (40.81) | 270937 |
| 1975 | 53640 | 137196 | (61.39) | 86304 | (38.61) | 223500 |
| 1976 | 51565 | 75122 | (34.80) | 140720 | (65.20) | 215842 |
| 1977 | 40300 | 56299 | (35.56) | 102000 | (64.44) | 158299 |
| 1978 | 27084 | 20496 | (18.30) | 91491 | (81.70) | 111987 |
| 1979 | 38033 | 24222 | (64.43) | 13374 | (35.57) | 37596 |
| 1980 | 32265 | 16280 | (12.79) | 110973 | (87.21) | 127253 |
| 1981 | 30740 | 16057 | (11.22) | 127000 | (88.78) | 143057 |
| 1982 | 30896 | 1485 | (1.31 ) | 112000 | (98.69) | 113485 |
| 1983 | 36897 | 26877 | (22.80) | 91000 | (77.20) | 117877 |
| 1984 | 32374 | 56161 | (30.66) | 127000 | (69.34) | 183161 |
| 1985 | 37097 | 21945 | (13.81) | 137000 | (86.19) | 158945 |
| 1986 | 43004 | 49149 | (28.72) | 122000 | (71.28) | 171149 |
| 1987 | 35971 | 42609 | (25.12) | 127000 | (74.88) | 169609 |
| 1988 | 33994 | 45150 | (25.49) | 132000 | (74.51) | 177150 |
| 1989 | 45632 | 59591 | (28.16) | 152000 | (71.84) | 211591 |
| 1990 | 49874 | 82639 | (38.50) | 132000 | (61.50) | 214639 |
| 1991 | 47738 | 106080 | (42.76) | 142000 | (57.24) | 248080 |

Note:Figures in the parentheses are the share to the total raw material supply

Source: Cashew Export Promotion Council, Cochin.

*Graph 2.1*

*Export of kernels and import of nuts*



For a statistical analysis of the export performance, we have estimated the linear and exponential growth rates for each of the sub-period and tested for acceleration and deceleration. Since the result of exponential fit was found to be more stastically significant, we have reported only these results. These are given in Table 2.5.

**Table 2.5**
**Rate of growth in export of kernels and import of raw nuts.**

| | Export | | Import | |
|---|---|---|---|---|
| Phase | Exponential Growth rate | | Exponential Growth rate | |
| Phase I | 5.91 | (17.7)* | 8.93 | (11.4)* |
| Phase II | -5.53 | (2.94)* | -18.86 | (5.71)* |
| Phase III | 3.41 | (4.4)* | 29.45 | (3.14)* |

Note : Figures in the parenthesis show t values.
* indicates level of significant at 1 per cent level

From table 2.5, it is evident that export grew at a rate of around 6 per cent during first phase, -5.5 per cent during the second phase and 3.4 per cent in the third phase. Viewed in terms of exports, the industry was in crisis during the second period and there appears to be a revival in the third phase.

Now the relevant question is how to account for the trend in export performance. An answer to this question is sought in terms of India's competitiveness in the world market which in turn is determined *interalia* by the domestic availability of rawnuts for the cashew processing industry.

*Competitiveness of Cashew exports:*

For analysing India's competitiveness, we have estimated the share of India and its competitors like Mozambique, Kenya, Tanzania and Brazil in the world market (see Table 2.6)

Table 2.6
Share of India and its Competitors in the world export.

| Year | Indıa | Mozambiqu | Tanzania | Kenya | Brazil |
|---|---|---|---|---|---|
| 1960 | 95.32 | 2.96 | 0.08 | 0.33 | 1.31 |
| 1961 | 96.02 | 2.43 | 0.24 | 0.38 | 0.92 |
| 1962 | 94.84 | 3.71 | 0.10 | 0.15 | 1.21 |
| 1963 | 92.84 | 4.89 | 0.15 | 0.15 | 1.98 |
| 1964 | 91.97 | 5.88 | 0.08 | 0.21 | 1.86 |
| 1965 | 91.05 | 7.23 | 0.09 | 0.35 | 1.29 |
| 1966 | 85.86 | 9.85 | 0.99 | 0.23 | 3.08 |
| 1967 | 81.97 | 12.98 | 2.37 | 0.30 | 2.39 |
| 1968 | 80.67 | 13.14 | 1.75 | 0.21 | 4.23 |
| 1969 | 75.26 | 15.85 | 2.99 | 0.20 | 5.70 |
| 1970 | 67.45 | 19.81 | 3.83 | 0.19 | 8.72 |
| 1971 | 67.76 | 22.94 | 4.46 | 0.19 | 4.65 |
| 1972 | 63.95 | 26.23 | 2.80 | 0.11 | 6.92 |
| 1973 | 56.98 | 32.21 | 4.04 | 0.25 | 6.52 |
| 1974 | 64.29 | 24.08 | 4.01 | 0.09 | 7.52 |
| 1975 | 59.32 | 23.44 | 4.42 | 0.19 | 12.63 |
| 1976 | 57.46 | 23.54 | 6.78 | 1.80 | 10.43 |
| 1977 | 56.21 | 23.75 | 5.43 | 4.25 | 10.36 |
| 1978 | 43.91 | 29.67 | 5.99 | 2.72 | 17.71 |
| 1979 | 51.67 | 23.23 | 5.28 | 3.66 | 16.16 |
| 1980 | 47.72 | 23.07 | 5.12 | 2.63 | 21.45 |
| 1981 | 46.59 | 18.54 | 8.52 | 2.81 | 23.54 |
| 1982 | 55.01 | 7.66 | 3.77 | 2.84 | 30.72 |
| 1983 | 62.54 | 4.98 | 2.97 | 4.47 | 25.03 |
| 1984 | 51.78 | 4.02 | 1.19 | 3.06 | 39.95 |
| 1985 | 59.27 | 3.69 | 0.00 | 3.95 | 33.09 |
| 1986 | 58.10 | 7.16 | 0.00 | 3.67 | 31.07 |
| 1987 | 48.92 | 8.33 | 1.27 | 2.05 | 39.44 |
| 1988 | 41.80 | 8.61 | 1.28 | 2.32 | 45.99 |
| 1989 | 52.75 | 6.94 | 2.15 | 1.18 | 36.99 |
| 1990 | 60.65 | 4.72 | 1.32 | 0.41 | 32.90 |
| 1991 | 62.39 | 4.06 | 1.36 | 1.57 | 30.62 |

Source: Cashew Export Promotion Council, Cochin.

*Graph 2.2*

*Percentage share of exports*

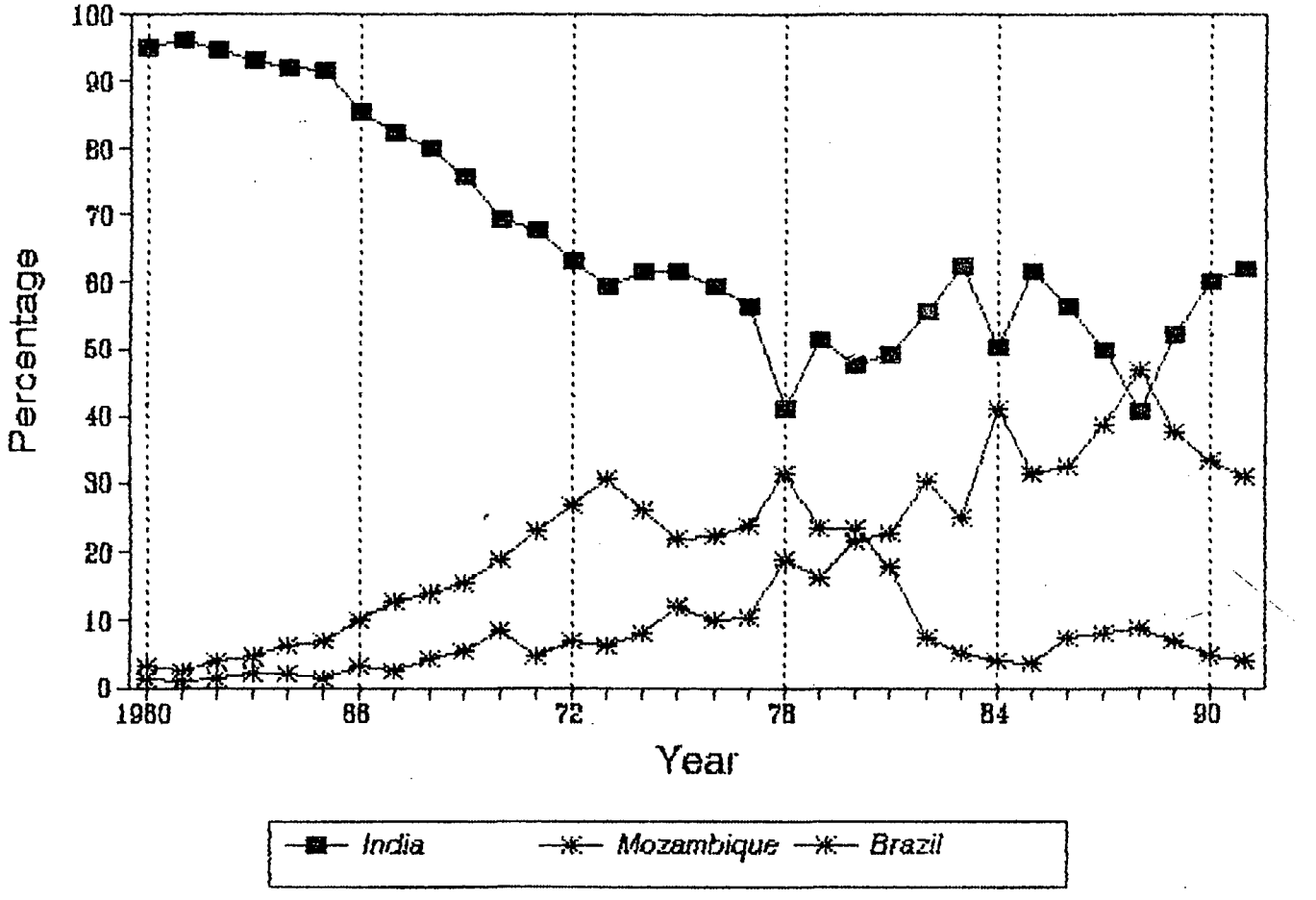


Table 2.6 provides data for the period 1960 to 1991 only because reliable data for the earlier years are not available. Till 1981, India's share steadily declined and that of its competitors like Brazil and Mozambique increased. Since 1981 India appears to have improved its competitive position. It is evident from the fact that since 1981, while India managed to increase its share by around 16 per cent points, share of Brazil in 1991 remained at the 1982 level (See graph 2.2). The vacuum that was generated by the exit of Mozambique was mainly filled by Indıa. On the whole India's competitiveness in the world market have steadily declined during the second period and that of its major competitors has increased. It may further be noted the period of decline in Indıa's share till 1982 also coincides with a general decline in world demand (Kannan , 1980) The fact that even in a period of slump in world demand, Indıa's competitors like Brazil managed to improve its share in the world market tend to point towards declining competitiveness of India in the world market. The available evidence also indicate that India has improved its competitiveness during the third period.

We have also estimated the index of Revealed Comparative Advantage (RCA) for India for the three different sub periods. The RCA was found to be more than 100 for India during the first period and third period (376.56 and 147.42 per cent respectively) whereas it was less than 100 (52.53 per cent) for the second period.

It may be argued that the conclusion regarding revival in exports during the third phase at the all India level, need not necessarily be applicable to Kerala for bulk of the export during this period

would have taken place from other states. To examine the validity of the argument we have collected data on exports, production and imports to Kerala and is given in the Table 2.7. It is evident that as Kerala accounts for more than 90 per cent of India's exports, the revival we have observed at all India level is applicable to Kerala also. To be more specific, while the growth rate in exports at the all India level was found be 3.4 per cent during 1982-1991, the recorded growth rate in Kerala was also of the order of 3.5 per cent. The decline in India's competitiveness in the world market could be attributed to a number of factors like a) shortage in the availability of raw nuts for processing, increased domestic consumption, c) price competition from the other exporting countries and from competing nuts like almonds (Kannan, 1983)[4]. Among these, the most important factor appears to be the availability of rawnuts.

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[4] In addition these general factors there were a number other factors responsible for the decline in India's share which were found to be specific to different years. Till 1980's India was the major supplier of cashew to the USA and Canada and Japan. But it declined in the eighties because these countries were undergoing recession. By 1982-83 export to USSR declined to less than half than that of previous year on account of the political disturbances. But in the eighties Indian export to the western countries have shown an upward trend which made up for the fall that occurred in the case of USSR. In 1983 India accounted for around 42 per cent of the EEC market

By 1987 there was a decline in total export from India due to global recession which set towards latter part of 1987 especially in developed countries like USA. Increased supply of Brazil at lower prices and competition from substitute nuts like almonds also adversely affected our exports. Another reason was that getting cashew from India was quite uncertain and often a lengthy process.

According to European buyers, India could not ship any sizeable quantity, during 1988 due to the introduction of monopoly procurement by Government of Kerala. Prices of Indian kernels were also higher and could not compete with the world market. The delayed processing in Kerala had interrupted the regular and continuous supply of kernels to traditional buyers. This resulted in India losing some of her valuable clients.

Table 2.7
Export, Domestic production and import of cashew in Kerala.

| Year | Export from Kerala | Production of Kerala | Tmport to Kerala |
|---|---|---|---|
| 1975 | 48276 (81.58) | 81990 (95.00) | 97677 (71.20) |
| 1976 | 46409 (82.96) | 87260 (62.01) | 51439 (68.47) |
| 1977 | 36270 (90.56) | 84727 (83.07) | 37802 (67.15) |
| 1978 | 23189 (96.70) | 89776 (98.13) | 6532 (31.87) |
| 1979 | 36574 (97.76) | 82763 (73.00) | 16797 (69.35) |
| 1980 | 24754 (77.75) | 81900 (73.80) | 6979 (42.87) |
| 1981 | 23843 (70.78) | 78898 (62.12) | 14846 (92.46) |
| 1982 | 28075 (88.36) | 75495 (67.41) | 886 (59.66) |
| 1983 | 35245 (96.50) | 77375 (85.03) | 17736 (65.99) |
| 1984 | 30377 (99.16) | 72294 (56.92) | 9813 (17.47) |
| 1985 | 31904 (78.67) | 80203 (58.54) | 6959 (31.71) |
| 1986 | 37508 (95.00) | 88710 (72.71) | 26529 (53.98) |
| 1987 | 31697 (84.81) | 81481 (64.16) | 30499 (71.58) |
| 1988 | 30234 (93.16) | 108264 (82.02) | 21847 (48.39) |
| 1989 | 41651 (94.24) | 106258 (69.91) | 21060 (35.34) |
| 1990 | 47970 (98.37) | 105369 (79.83) | 4809 (5.82) |
| 1991 | 36630 (78.20) | NA | 1361(1.28) |

Note: Figures in the parenthesis gives the share to India
NA :Not available

Source: Kerala Economic Review, Various issues

***Raw material availability:***

The domestic production of cashew nut in Kerala is not sufficient to feed the cashew processing units. Hence, bulk of the raw material requirements are met through imports. In fact, import of rawnuts from East African countries played a major role since the time when export of kernels started on a commercial scale. Therefore, any enquiry into the reasons for the observed trend in exports needs an analysis of the trend in imports and domestic production of raw nuts.

**Import of Raw Cashewnuts:**

An examination of the trend in imports revealed, similar to exports, three different phases (see Table 2.4 Column 3 and Graph

2.2). The first phase, similar to exports, showed an increasing trend in imports wherein the imports increased almost six times by the end of the first phase. During the second phase, there was a steady decline in imports and thereafter it picked up in the third phase (see Graph 2.2).

A statistical analysis of the imports shows that during the first phase import increased at a rate of 9 per cent; during the second phase growth was negative (-18.9 per cent); and during the third phase the rate of growth was as high as 29 per cent.

To investigate further statistically, to what extent the Indian export of cashew kernel is import driven, we have fitted a regression equation of the following type

$$X_c = a + b\ M_c + e$$

where $X_c$ is export of cashew kernels and $M_c$ is import of raw cashew nuts.

The estimated equation is given below

$$Xc = \underset{(11.96)*}{24319.7} + \underset{(9.75)*}{0.1841}\ M_c$$

$R^2$=0.69; F.Stat=95.19 N=45
* is significance at 1 per cent

The estimated equation clearly indicates that there is a stastically significant positive association between export and import of cashew. At the same time similar to exports, imports of rawnuts to Kerala was irratic as is evident from the fluctuation in the share of Kerala in import of rawnuts (see Table 2.7)

It is evident from the above analysis that the imports have played a crucial role in determining the export performance, which in turn was governed by the changes in the supply conditions in the exporting countries on the one hand and the import policies of government on the other. Let us now examine these external and internal factors.

**External Factors:** Imports of raw nuts were mainly from east African countries line Mozambique, Tanzania, etc. There was a decline in the internal production of raw nuts in the exporting countries on account of the replacement of cashew with other more remunerative crops.[5] At the same time most of the erstwhile exporters of nuts started processing units which in turn resulted in the decline of rawnuts available for exports. Thus these countries instead of exporting rawnuts to India emerged as India's competitors in the kernal markets. Further, the non availability of adequate labour force coupled with financial assistance from World bank has helped to consolidate the establishment of mechanized processing factories in the principal East African countries with the result most of them are hardly able to earmark any surplus for export to other countries (Indian Bank, 1981).

**Government Policies:** Policies adopted by the Government of India also had a major role to play in the growth of imports. Till 1970s, import of raw nuts was based on Open General Licence (OGL)

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[5] (With the independence of Mozambique in 1975, traditional collection arrangements by merchants were replaced by a centralized machinery under the auspicious of Government. This in turn had its repercussion on production of nuts)

and, therefore, only those with high financial support could afford this. Those processors lacking adequate finance depended on direct importers which resulted in the emergence of two types of importers namely, one processors-cum-exporters of kernels and the other, importer traders of raw nuts.

In 1970, OGL was stopped and canalization of nuts was introduced, the sole authority to import was the Cashew Corporation of India (CCI) who also undertook distribution. The main purpose of this policy was to assure equitable distribution of nuts among the processors at fair and economically viable prices and to avoid unhealthy competition among direct importers. The CCI adopted certain restrictions like, only those who exported directly during 1968, 1969 and 1970 were eligible for allotment of nuts. Allocation were also on the basis of earlier actual user status (Kannan, 1983). The CCI also gave importance to employment generation by allotting nuts to processors on the basis of labour strength of factories. New import policy (canalization) enabled the big processor to smuggle nuts to the neighboring states Imported nuts were smuggled claiming that it was the allotment made for CCI to factories outside Kerala which were substituted by equivalent quantities of raw nuts purchased from the production within Kerala to satisfy the stipulated export performance. The policy affected employment adversely due to the lack of availability of raw nuts within the state. Decanalisation also catalyzed the flow of nuts to neighboring states. Due to canalization, CCI imported nuts in harvest seasons production.

During the pre canalization period private processors used to make contract with east African countries in September - October and the flow of imports took place during February which is off season for internal production. With the entry of CCT, the import of nuts occurred in harvest seasons which caused an unnecessary strain on the financial resources of processing industries and reduced the number of working days during the other months of the year.

Before canalization private importers used to send their representatives to east African countries to collect nuts because the collection of nuts was not organised there. Provision of finance was also arranged through African agents for collection storage and transport of nuts. These arrangements were not made by CCT (Indian Bank, 1981).

Failure of canalization and, hence, the supply constraints of nuts led CCT to liberalize the policy in 1971, by which the eligible users were permitted to import from non traditional sources. But this policy was also a failure due to the infrastrutural constraints in those sources.(Thacker B.S, 1981).

In 1981, the OGL system was re-established. "Under this actual users and import houses could import nuts against licence in accordance with the general policy on condition that at least 50 per cent of quantity contracted for import is offered by importer to the public sector CCT for distribution in such a manner as may be decided by Govt" (Indian Bank, 1981). This policy was also in support of big processors who imported nuts at high rates "which at times bear no relevance to cost of indigenous raw nuts resulting in

an unworkable price parity in relation to the international price of kernels" (Tndian Bank, 1981). This resulted in reduction in the availability of nuts to both small processors and public sector units like KSCDC.

Tn 1982, OGL system was retained by which there was general permission to export into Tndia, raw nuts from any country except unions of South Africa, South East Africa by actual users subject to the condition applicable hitherto. The CCT was also eligible to import under the OGL. Another condition was that immediately after the contract for import is entered, half of the quantity imported should be offered to CCT for distribution to actual users. But even then it had a positive impact. As a result of this policy, those factories which migrated to Tamil Nadu shifted to Kerala. Most of 233 factories started working. Tn 1983, the policy was further changed OGL was continued with the restriction of the previous years, and added some more conditions to it viz half per cent of contract value was to be given as service charges. Tn 1984 it was stipulated that actual users could import raw nuts under OGL without any of the restrictive measures which were applicable in last years' policy. Further import restriction was adopted in 1985, by which the importers had to register the contracts with CCT within 7 days of execution and pay half per cent of the value of service charges which was not applicable to public sector. Even with this limited liberalization policies, exporter could import nuts from new markets like Thailand, Vietnam, Philippines, Tndonesia etc. Tntroduction of sales tax on purchase of raw nuts meant for export, from processor by the state government based on Central Sales Tax Act, affected processors adversely.

From the above analysis, it is evident that the crisis of the cashew processing industry was to a certain extent conditioned by the external environment and more importantly by the domestic policy framework of the government which created shortages in the raw material supply during 70s; with its implications on the employment generation capacity of the industry. During 80s the changes in the policy framework appeared to have enabled the industry to overcome the raw material shortage.

The total availability of raw nuts as we have already mentioned depends not only on imports but also on domestic production of raw nuts. Hence, an analysis of the raw material availability will be incomplete without analysing domestic production of raw nuts.

*Trends in domestic production:*

The trend in domestic production is given in Table 2.4, column 3. It is evident from the table that not withstanding the occasional fluctuations, the production of raw nuts has shown an increasing trend over time. During the first phase, the domestic production has almost doubled to reach 0.7 lakhs MT in 1968 recording a compound growth rate of 2.1 per cent. During the same period while the imports recorded a negative growth rate, the domestic production recorded a growth rate of 1.7 per cent. This trend continued even in the third phase where the recorded growth rate was 3.4 per cent. It is also interesting to note that the share of domestic production in the total raw material supply declined during the first period and has shown an increase in the second and third phase. However, it needs to be noted that during periods of general decline in imports, domestic production was not large

enough to compensate for it. This has naturally, led to a decline in the total raw material availability in years of lower imports. This point may be further elaborated. In 1968 the total raw material supply was 2.6 lakhs tonnes (1.95 import plus 0.1 domestic production). In 1982, though domestic production increased from 0.7 lakhs to 1.2 lakhs, the total raw material supply was only of the order of 1.3 lakhs primarily due to negligible imports. Obviously under such conditions the processing industry could not have maintained its tempo of the sixties. There could have been either a decline in the total number of industries or the number of industries would have remained the same but the total number of employment would have declined. It is also possible that number of industries and the number of employment have remained the same but number of working days would have declined. All these imply that the workers would have been adversely affected.

## Section 4

## CRISIS OF WOMEN WORKERS AND THE STATE INTERVENTION

How has the observed development in the industry affected the women workers? Let us begin with an examination of the trend in employment. We have obtained data on number of factories, number of workers and person days worked from annual survey of industries (Factory sector) The period of analysis refers to 1973-88. Ideally one should have had data from 1968 to 1991 to analyse how the industry has responded during the period of declining export and the revival observed thereafter. Nevertheless we hope that some tentative conclusion can be derived from the available data.

For the present purpose, we may divide the above period into two sub periods, namely, 1973 to 1982 and 1982 onwards. It may be noted from the Table 2.8 that the number of factories have declined from 282 in 1973 to 265 in 1982. Thus, it is evident that decline in the raw material availability had caused a marginal decline in the number of factories as well.

Table 2.8

Trend in employment in Cashew Processing Industry in Kerala

| Year | Number of Units | No:of Workers | Per. days Worked | Ratio of Per. days worked to number of workers |
|---|---|---|---|---|
| 1973 | 282 | 99996 | NA | NA |
| 1974 | 270 | 99618 | NA | NA |
| 1975 | 257 | 92362 | 12180000 | 131.87 |
| 1976 | 253 | 99970 | 12128455 | 121.32 |
| 1977 | 266 | 94243 | 10415818 | 110.52 |
| 1978 | 270 | 85286 | 9753089 | 114.36 |
| 1979 | 267 | 86719 | 8040944 | 92.72 |
| 1980 | 242 | 86539 | 7093000 | 81.96 |
| 1981 | 264 | 101906 | 7049000 | 69.17 |
| 1982 | 265 | 70752 | 4759000 | 67.26 |
| 1983 | 263 | 62514 | 7022000 | 112.33 |
| 1984 | 249 | 63694 | 7876000 | 123.65 |
| 1985 | 265 | 51286 | 6204000 | 120.97 |
| 1986 | 261 | 52490 | 7889000 | 150.30 |
| 1987 | 240 | 46526 | 6650500 | 142.94 |
| 1988 | 219 | 40562 | 5412000 | 133.43 |

Source: Annual Survey of Industries, Various issues

NA: Not available

The decline in the number of factories continued in the second phase and in 1988 the total number of factories in the organised sector was only 219. Similarly the number of workers have declined from 0.99 lakhs in 1973 to 0.71 lakhs in 1982. The declining trend continued even after 1982. In the terminal year, the total number of workers was found to be only 0.4 lakhs.(see Table 2.8)

From the above analysis it appears that the second phase, more specifically the 70s is a period of crisis not only for the industry but also for the workers. From the industry's perspective, there was a declining trend in output and export and from the workers point of view there was a decline in the total number of workers employed and person days worked. During the third phase, though there appears to be revival in output and export, workers continue to face a crisis because there was a steady decline in the number of person days available and the total number of workers.

The conclusion regarding the observed decline in the employment may be objected to on the ground that our analysis is based on the data obtained from the organised manufacturing sector which ignore the developments in the unorganised sector. To answer this question, we have collected data on the number of factories, number of workers and average number of working days from Bureau of Economics and Statistics (BES). This includes both organised and unorganised sector. The Table 2.9 shows that the number of workers is more than what was reported in AST. It is found that (see Table 2.9) though the number of workers and factories as per BES is found to be more than those reported in AST. The overall trend appeared to be the same. This could be because the BES data cover the organised sector as well. It is evident that the number of factories have remained almost constant during 1975-82 as per BES, there after it has declined for a few years. But in the terminal year the number of factories was found to be 274. Thus, it appears that while the factories in the organised sector has shown a declining trend, those in the unorganised sector has shown an

increasing trend. It is also interesting to note that the decline in employment according to the BES data, is not as pronounced as we have seen from ASI data. As per AST data the total employment recorded a negative growth rate of -3.01 per cent during 1973-82 and it continued to show a negative growth rate of -8.76 per cent there after. But the observed trend with the BES data is only marginally different.

**Table 2.9**
**Total number of workers and the average number of working days in the Cashew Processing industry of Kerala**

| Year | Number of working days | Total number of Factories | Number of Workers | Employment Per Factory |
|---|---|---|---|---|
| 1974 | NA | 265 | 119999 | 452.83 |
| 1975 | NA | 267 | 122465 | 458.67 |
| 1976 | NA | 272 | 135264 | 497.29 |
| 1977 | 85 | 270 | 134350 | 495.59 |
| 1978 | 97 | 243 | 122029 | 502.18 |
| 1979 | 113 | 261 | 130208 | 498.88 |
| 1980 | 80 | 260 | 127550 | 490.58 |
| 1981 | 62 | 260 | 127550 | 490.58 |
| 1982 | 73 | 262 | 127737 | 487.55 |
| 1983 | 70 | 232 | 102774 | 442.99 |
| 1984 | 76 | 243 | 104727 | 430.98 |
| 1985 | 103 | 244 | 102844 | 421.49 |
| 1986 | 42 | 253 | 101915 | 402.83 |
| 1987 | 70 | 264 | 107067 | 405.56 |
| 1988 | 104 | 274 | 111372 | 406.47 |

Source: Bureau of Economics and Statistics for Total Number of Factories and Total Number of Workers
Kerala State Cashew Development Corporation for Average Number of Working Days:

The total number of workers during the seventies moved around 1.2 to 1.3 lakhs where as since 1982 it declined to around 1 lakhs. Similarly the average number of working days and the employment per factory also has shown a declining trend since 1982. It is, thus, evident that there has been a decline in the employment in the industry most of it was accounted by the decline in the organised sector. Thus, there appears to be a shift from the organised

sector which imply increasing casualisation and exploitation of labour force. In fact the casualisation is not confined to the unorganised sector alone. Even in the organised sector around 50 per cent of the labourers are not permanently employed and are paid on piece rates for all the workers excluding those in the grading[6]

Apart from declining employment and increasing casualisation,another manifestation of crisis of workers could be wage rate per day. As it will be evident from the forthcoming discussion, the Government fixed minimum wages for the workers. But the actual earning could depend on the productivity of the worker. Hence, an analysis of the minimum wage would not provide a clear picture of the worker's earnings.

Another possible source of information is AST from which one could estimate the annual earning of the worker (see Table 2.10).

**Table 2.10**
**Annual wage per worker for different industries in Kerala**

| Year | Wage per worker Rs('000) | | |
|---|---|---|---|
| | Cashew | Coir | Cotton spinning |
| 1978 | 1.10 | 4.02 | 6.00 |
| 1980 | 0.90 | 4.96 | 9.08 |
| 1982 | 1.01 | 10.92 | 9.22 |
| 1984 | 1.74 | 7.41 | 13.49 |
| 1986 | 2.53 | 9.28 | 8.73 |
| 1988 | 2.86 | 11.16 | 17.75 |

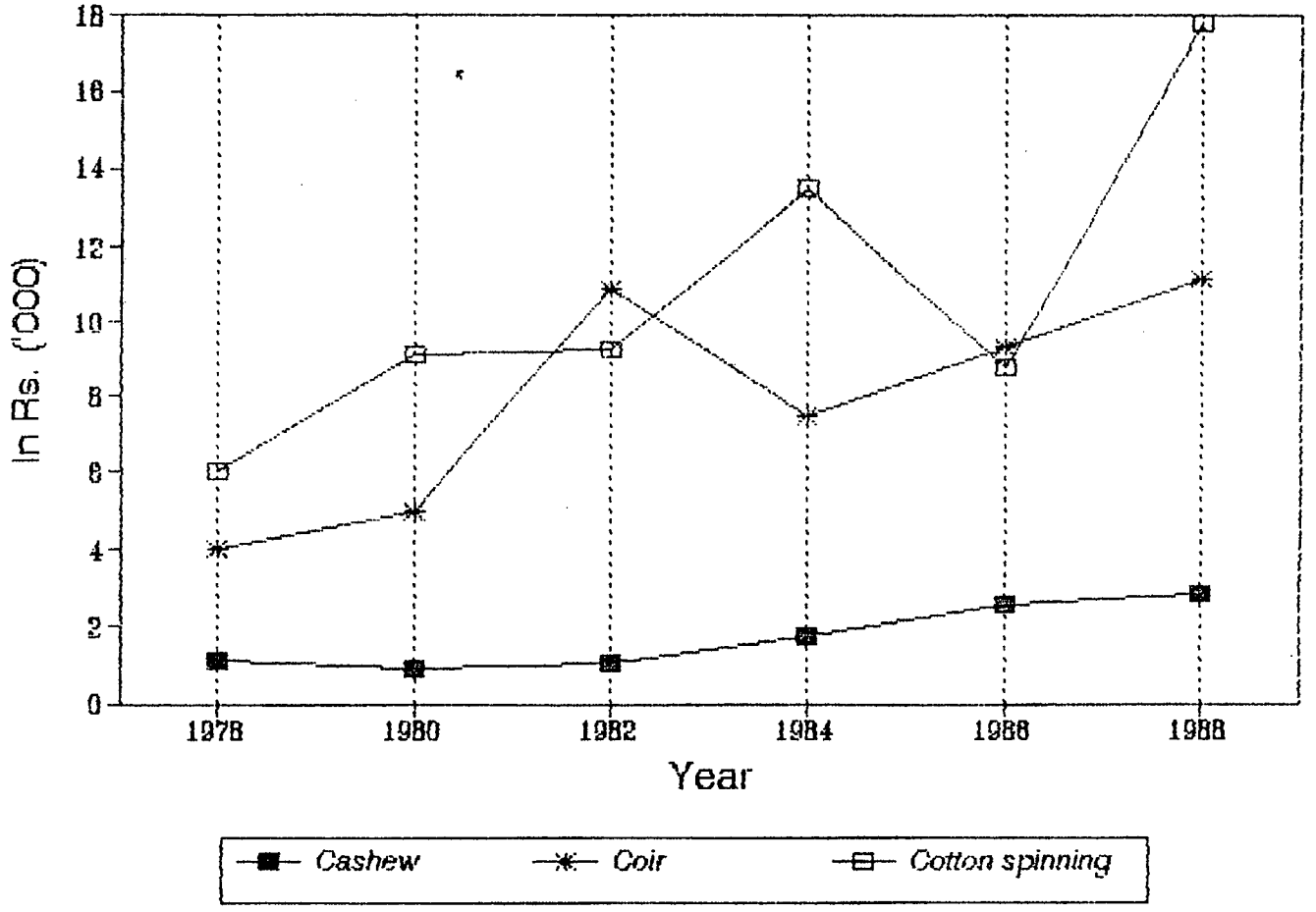
Source: Supplement to Annual survey of Industries; C.S.O

[6] The difference between permanent and casual workers is that, while the former is eligible for dearness allowance and other benefits the latter is not. The current rate of dearness allowance is Rs:13 per day.

When the annual earning per worker for cashew industry is calculated for the period from 1978 to 1988,(at current prices) it showed an increasing trend (see Graph 2.3). But when this is compared with that of other traditional industries like coir and cotton spinning, it is found that the annual wage per worker is much lower than the other two. To be more specific in 1988 a worker in cashew industry received only less than one-fifth of her counter part in coir and less than one eighth in cotton spinning. It is also seen that the gap between them is increasing over the period.

*Graph 2.3*

*Annual Wage/Worker in Diff Industries*



On the whole it is evident that the crisis of the workers that originated in the cashew processing industry of the Kerela in the late 1960s continues even today. While the production and export of cashew has recorded a revival in the eighties, possibly as a result of the liberalised policy measures, the exporters in search of more efficient production organisation, have adopted such strategies which ultimately would have led to accentuate the crisis that the workers were facing since the early seventies. At this juncture, it is important to see how has the Government reacted to this situation.

***State intervention in cashew processing industry:***

Tt may be stated at the outset that a detailed analysis of the form and content of state intervention and its impact on the industry is a question that needs a separate enquiry and is obviously beyond the scope of the present study. Nevertheless, it may be useful to have an overview of the ways in which state intervened and its impact. Analysis in this section is too preliminary and, hence, firm conclusion is not warranted.

Given the fact that cashew processing is an industry where 25 per cent of the total industrial workers in Kerala are involved and a certain level of organisation had been attained by the workers, the state has had an important role to play in its development, particularly in the recent past. The most notable state interventions came in the form of minimium wage legislations, import export policy (which we have already discussed) and the

monopoly procurement.[7]

On the basis of the demand of the early unions minimum wage act was enacted and implemented in 1952. Only some marginal increase was recommended by this and no mention was made about the payment of dearness allowance. Again on the basis of the demand by unions a minimum wage advisory committee was appointed in 1959 which recommended payment of dearness allowance subjected to fullfillment of minimum stipulated output. Again in 1960 the prevailing law was revised by incorporating provision for cost of living index.

The factory owners tried to evade the payment of minimum wages by adopting various measures. This included; a) reducing the quantity of raw nuts supplied to each worker by recruiting more workers making them ineligible for dearness allowance b) underweighing the output they processed c) recording wrongly the number of working days d) processing nuts outside the factories in an unorganised form *Kudivarappu* so that there is no obligation to pay minimum wages. The practice of Kudivarappu led to the shifting of industry from organised to the unorganised sector leading increasing unemployment and casualisation.

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[7] Other forms of government intervention included formation of the cashew workers welfare fund. Under this scheme an amount of 1.2 crores is collected by levying 20 paise per kg. of procured nuts sold to processors. In 1987, the Kerala State assembly passed the Kerala Cashew Workers Relief and Welfare Fund Amendment Bill providing mainly for pension and other benefits to cashew workers. An employee of cashew factory who is unable to work on account of old age or uniformity or completes 60 years and a person who was an employee before the commencement of the act and completed 60 years or who is out of employment with permanent disablement are eligible for pension. The bill proposed a daily contribution of rupee 1 by the worker during the period of employment. The contribution of employees would be Rs. 20 per case.

At this situation government again intervened by enacting Unregistered Unit Prohibition Act in 1967. In 1968 the minimum wage act was made compulsory. Processors resorted to other alternatives to maintain their profit. A number of factories were shifted from Kerala to the neighboring states where the labour cost was comparatively less because of the lack of minimum wage legislations.[8] Minimum wage legislations was again enacted in 1969. As a protest against this the processors closed down many of the factories creating unemployment. It was at this time that the Kerala State Cashew Development Corporation was formed with the aim protecting the workers and it took over 34 factories.

Since there were no restrictions in procurement of nuts within the state, processors could collect nuts at a lower price from growers, process it in other states and make a large profit out of it. Growers were the victims of this, who were given prices "not in relation with the prices of kernels" (K.P. Kannan, 1983). Growers were exploited in some other ways like underweighing nuts, cuts in price blaming inferior quality, delayed payment, payments in instalments without interest etc. Small processors also found it difficult to make their factories work because of the non-availability of nuts. The industry which used to provide employment throughout the year during the sixties could only provide employment for 3 or 4 months later on. "In order to bring back the industry, at least to assemblance of its past glory of sixties, efforts were made to give a face lift to the industry

[8] It was found that in Tamil Nadu the labour cost was only 6.5 per cent of total, whereas it was as high as 22 per cent in Kerala.

through various measures." (Indian Bank,1981)

At first the government of Kerala, under an order issued in 1975, restricted inter district movement of cashewnuts as well as movement outside Kerala. The state government also declared raw nuts as an essential article under the Kerala essential article controls, and detailed provisions for the purchase and distribution of nuts, were issued by the Kerala raw nut (restrictions and marketing) order 1976. The government restricted this order, based on the interventions by the supreme court and issued Kerala raw nut [marketing and distributions order. Raw cashewnut procurement and distribution order was enacted in 1977. By this law the procurement of raw nuts was made exclusively by co-operative sector appointing Kerala state co-operative marketing federation as the sole monopoly agent of the state government.

The main objectives of the procurement agencies were 1) to ensure remunerative prices for cashew growers for their produce and make cashew cultivation more profitable; 2) to have an equitable distribution of nuts among processors based on the muster role strength.

By adopting this policy Government could procure nuts in considerable quantities amount till 1980 except for one year, 1979, due to 1) fixation of law procurement price, 2) delayed entry into market, 3) large scale smuggling of indigenous raw nuts. Indeed by the introduction of monopoly procurement the prices of nuts have gone up in Kerala. It rose from Rs 1.80 per kg in 1970 to Rs 8.00 in 1981. Procurement of raw nuts depends mainly on three

situations namely 1) If the prices is low it would be disadvantageous from the side of growers who prefer selling nuts to other buyers offering more prices which enhance smuggling of nuts. 2) If the prices are high procurement would be high but the processors refuse to buy at that price which in turn cause loss to the government. 3) If the prices fixed by govt is more than that of the international price, it would affect the functioning of the industry as a whole.

The monopoly procurement appears to have not succeeded in ensuring remunerative prices to growers. Sub agents who collected the raw nuts did malpractices like underweighing nuts and are reported to reject the nuts on ground of low quality As a result growers ultimately used to get a low payment. Prices paid to the growers were lower when compared to the neighboring states like Tamil Nadu leading to large scale smuggling. The general dissatisfaction of the growers with monopoly procurement is evident from the growing gap between production and procurement (see Table 2.11). From the table it is evident that the proportion of the quantity procured in years with the monopoly procurement was not significantly higher than in years without monopoly procurement. In fact the proportion of quantity procured is found to be the highest in 1986, an year with out monopoly procurement.

Table 2.11
Trend in the Production and procurement of Raw Cashew Nuts from Kerala

| Year | Quantity Procured | Production Tonnes | Proportion of procurement to production |
|---|---|---|---|
| 1977* | 68191 | 84727 | 80.48 |
| 1978* | 79263 | 89776 | 88.28 |
| 1979* | 37144 | 82763 | 44.87 |
| 1980* | 60595 | 81900 | 73.98 |
| 1981* | 59806 | 78898 | 75.80 |
| 1982* | 61686 | 75495 | 81.70 |
| 1983 | 60951 | 77375 | 78.77 |
| 1984 | 48585 | 72294 | 67.20 |
| 1985 | 57259 | 80203 | 71.39 |
| 1986 | 83021 | 88710 | 93.58 |
| 1987 | 70940 | 81481 | 87.06 |
| 1988* | 63049 | 108264 | 58.23 |
| 1989* | 94240 | 106258 | 88.68 |
| 1990* | 82613 | 105369 | 78.40 |

Source:Quantity Procured:Special Office Quilon
Production :Stastics for Planning
Note: * indicates the years with monopoly procurement.

Lack of fall in kernel prices in the international market on one hand and the high cost of raw nuts and labour on the other created problems in processing raw nuts in the state. Manufacturers expressed their unwillingness to process the nuts internally procured at higher prices. In this background government of Kerala abolished monopoly procurement in Feb.1983 Instead floor price has been fixed. As per the fair price fixation order of State Government, manufacturers are free to purchase raw nuts at or above the fair price. The quantity so purchased should be processed in state itself. Movement of nuts outside state was banned. Thus industry could process 25 per cent more compared to that of previous years. Floor prices were not viable to growers and they started cutting down the cashew trees which in turn affected production. But another inhibiting factor was that, government

gave license to 70 additional factories for procuring and processing nuts, which caused greater strain on existing units, due to the already existing excess capacity of the industry.In spite of monopoly procurement scheme proving a failure in 1977-82 the government reintroduced the scheme again in 1987. On the whole while the state intervention appears to have succeeded in ameliorating the crisis of the industry, the workers continued to be in crisis as manifested in the declining employment and increasing casualisation.

***Concluding observations:***

In the present chapter we have analysed the evolution of the cashew processing industry and the different facets of crisis in terms of declining production, export, import, reduction in the number of workers, working days and increasing casualisation. We have approached the problem in a historical perspective. It was found that there are three phases in the growth of the industry. The first phase (1947-1968) showed an upward trend in exports, imports and production. This was followed by a period of crisis (1968-1992) where there was an absolute decline in exports, imports and production leading to a reduction in the number of factories, employment and the number of working days. Tndustry entered the third phase of revival since 1982. Tt was found that notwithstanding the revival of the industry in terms of increased production and exports, the workers continued to be in crisis as manifested in declining employment, number of days of work on the one hand and increasing casualisation on the other. Tt was argued that while the liberalized policy measures seems to have enabled the industry to overcome the crisis, the profit oriented

restructuring of the industry from organised to unorganised sector resulted in declining employment and increasing casualisation. How has the women workers adapted to this crisis? The forthcoming chapter makes a modest attempt towards answering this question.

# Chapter 3

## *SURVIVAL STRATEGIES OF WOMEN WORKERS*

*"My mother too was a worker in the andiappeez (cashew factory). Even when I was a little baby she would take me with her when she went to work. By the age of fifteen I was also forced to enter the same activity. My mother gave me the first lessons at work. In course of time I could shell more than what I could in the beginning. During those days we had to reach the factory by 5'o clock in the morning and had to work till 6 in the evening. Payment was on piece rate basis and a minimum quantity of 5 Kg were to be processed to get D.A (dearness allowance). The factory owners used to cheat us by underweighing the nuts. However we used to get employment through out the year on those days. It took long time for me to become the card holder. I could become a permanent worker only by the age of 25. Until then I was not eligible for any benefits of the permanent workers. Although I worked hard from morning till evening I could get only a low payment as I was considered as a casual labour. At my early years I could shell about 8 kilos per day. Since there was steady employment I could earn more during those days. Now a days there is job only for a few days in the factory.Also I have a lot of health problems like breathing problem, back pain, leg pain etc. Back pain is mainly due to the long years of squatting on the floor. At home I have three children to look after and my husband is no more. Since there is no work in the factory, I seek alternative employment. But the opportunities are few. We have to borrow from others. We try to adjust sometimes by reducing the number of meals and by avoiding costly items " (Omana, 58).*

*Introduction:*

In the last chapter, we have seen that women constitute about 95 per cent of the total work force in the cashew processing industry. Further, it is also shown that this industry in Kerala has been in crisis since the late sixties. For labour, this crisis has meant a decline in total employment, number of working days and low wage rate on the one hand and increasing casualisation on the other. To understand the response of labour to this ongoing crisis, it is essential to examine the nature of strategies adopted by these women workers for survival. In this context, we carried out a socio economic survey among women workers to gain some insights into this phenomenon. The results are presented in this chapter.

*Methodology:*

As the cashew processing industry of Kerala is mainly concentrated in Quilon, our sample was selected from one of the panchayats of this district. Quilon has a population of about 2,192,901, occupying an area of 2579 sq:kms composed of 76 Panchayats. Cashew processing is the major occupation of Kareepra, the panchayat selected for our survey, with an area of 23.20 sq.km and population of 25109. The choice of this Panchayat is also guided by the investigator's acquaintance with the study area. The main crop of this panchayat is paddy, with coconut and tapioca being the subsidiary crops. We have selected seventy households at random to cover a) workers employed in both organised and unorganised sectors. b) those belonging to different castes, and c) women employed in different operations.

Sample profile:

An examination of the profile of the sample households in terms of age, marital status, education, caste and family structure is given.

*Age structure:*

From table 3.1 it is observed that a majority of workers in the sample belong to the age group, 30-50 years. The negligible percentage of workers below thirty years seems to indicate that there has been hardly any new employment in recent years.

In fact, most workers opined that they cannot envisage a secure future for their children in this industry. Educated find the occupation unlucrative. In the organized sector the upper age limit is stipulated to be 60. However, there is no upper age limit for the workers in the unorganized sector of the industry. But most of the workers are compelled to withdraw from the factory by the age of sixty due to various health reasons.

Table 3.1
Distribution of workers according to age

| Age | Number | Percentage |
|---|---|---|
| Below 20 | 0 | - |
| 20 - 30 | 6 | 8.6 |
| 30 - 40 | 26 | 37.1 |
| 40 - 50 | 21 | 30.0 |
| 50 - 60 | 15 | 21.4 |
| 60 and above | 2 | 2.9 |
| Total | 70 | 100.0 |

*Age of starting work:*

When we look at the age of entry, we find that around 75 per cent joined the industry before they were twenty year old with a large segment (41 per cent ) joining the industry by fifteen years of

age. This indicates the low economic status of households offering such cheap female child labour.

Table 3.2
Distribution of workers according to the age of starting work

| Age | Number | Percentage |
|---|---|---|
| 10 - 15 | 29 | 41.43 |
| 15 - 20 | 23 | 32.86 |
| 20 - 25 | 11 | 15.74 |
| 25 - 30 | 6 | 8.57 |
| 30 - 40 | 1 | 1.40 |
| Total | 70 | 100 |

*Marital status:*

From Table 3.3, it can be seen that more than 25 per cent of the workers are either widowed or separated. This makes this group more vulnerable to the crisis. In fact, most of them have taken up jobs in this industry to tide over financial problems. It is also found that 34 per cent of the sample are engaged in secondary activities during the lean season.

Table 3.3
Distribution of workers according to the marital status

| Marital Status | Number | Percentage |
|---|---|---|
| Married | 49 | 70.00 |
| Widowed | 12 | 17.14 |
| Separated | 6 | 8.60 |
| Divorced | 1 | 1.40 |
| Unmarried | 2 | 2.86 |
| Total | 70 | 100 |

*Educational status:*

The education status of the workers is found to be very low. The factors _ the age at which they join the industry and low economic status- is found to be directly linked to their educational status. The failure of the literacy campaign in the early nineties is

revealed from the fact that only 2.9 per cent of the sample were additionally made literate through this effort. Another interesting aspect is that even those with high school level education are engaged in this work though the percentage is negligible.

**Table 3.4**
**Distribution of workers according to educational Status**

| Educational Status | Number | Percentage |
|---|---|---|
| Illiterate | 28 | 40.0 |
| Primary | 18 | 29.5 |
| Upper Primary | 20 | 26.4 |
| High School | 2 | 1.2 |
| SSLC | 0 | - |
| New literate | 2 | 2.9 |
| Total | 70 | 100 |

It is quite evident from Table 3.4 that the literate are not in favour of taking up employment in the cashew industry. This is probably because of the high opportunity cost involved in working in this industry.

***Caste profile:***

Caste-wise classification of the sample and its correlation to the activity in which they are engaged highlights certain interesting phenomena which partly reflect the occupational hierarchy of the Hindu caste system.

Table 3.5
Caste wise analysis of the sample households

| Caste | Number | Percentage |
|---|---|---|
| Nair | 19 | 27.14 |
| Ezhava | 16 | 22.86 |
| Velan | 25 | 35.71 |
| Scheduled Caste | 4 | 5.71 |
| Muslims | 2 | 2.86 |
| Goldsmith | 4 | 5.72 |
| Total | 70 | 100.00 |

Note: Velan is the local name for the caste group which had traditionally engaged in pottery.

Out of a sample of seventy households selected Velans, Nairs and Ezhavas form the major castes. Among the three activities normally performed by women workers, the most tedious one is shelling. Next comes peeling and then comes grading which however, need skill. A caste based analysis reveals that the lower caste women were engaged in the most menial tasks.

Table 3.6
Percentage distribution of house holds by type of activity and caste

| Type of activity/ Caste | Shelling | Peeling | Grading |
|---|---|---|---|
| Nair | 0 | 52.63 | 47.37 |
| Ezhava | 43.75 | 50 | 6.25 |
| Velan | 100 | 0 | 0 |
| Scheduled caste | 75 | 25 | 0 |
| Muslim | 100 | 0 | 0 |
| Gold smith | 25 | 75 | 0 |

The table 3.6 shows that all members of the Velan community in the sample are engaged in the activity of shelling whereas no one from the Nair caste are engaged in this activity,implying a high segregation of occupation in terms of caste.

*Domestic work:*

Most women workers seem to be sharing the drudgery of domestic labour along with other members of the family or in worst cases, handle it themselves without any sort of assistance. For those who are engaged in secondary activities, domestic work has to be performed outside their work hours. The working time in cashew factory is from 8 A.M. to 5.30 P.M. This would imply that a female labourer will have to put in 14 to 15 hours of labour every day.

*Economic Status:*

Female labour in the cashew industry in Quilon is mostly engaged in shelling, peeling and other jobs as grading. Of the total female labour force surveyed, around 54.3 per cent are engaged in shelling, 31.4 per cent in peeling and the rest in grading. Thus, shelling is the most important occupation of female labour in the sample. This operation needs considerable efficiency.

**Table 3.7**

**Distribution of workers according to activity**

| Activity | Number | Percentage |
|---|---|---|
| Shelling | 38 | 54.29 |
| Peeling | 22 | 31.42 |
| Grading | 10 | 14.29 |
| Total | 70 | 100 |

Due to factors discussed earlier, the average number of working days per year is considerably less in this industry. Majority of the workers in the sample obtain work only for an average of 100 days in a year.

*Earning per day:*

The wage rate is on a piece rate basis for shelling and peeling operations. For shelling, workers are given a basic wage of Rs:2.55 per kilogram whereas peeling fetches Rs:3.22/kg. An additional amount of 13 rupees per day is given for both shelling and peeling activities as Dearness Allowance. As for grading, wages are paid on a daily basis, ie., Rs:18 per day as basic wage, plus a Dearness Allowance of Rs:13.00. The daily wage income of workers ranges from Rs.25 to Rs:35 (see table 3.8). Majority of the workers in all three types of activities earn a daily wage between Rs.25 and Rs.35. It has to be noted that irrespective of the total nuts that are actually shelled or peeled the wages are paid only on the basis of the quantum of whole nuts, completely ignoring the quantum that may be broken in the process of shelling or peeling. This exploitative practise is ostensibly to prevent over speeding and negligence in the work. raw nuts or the initial roasting of the raw nuts.

**Table 3.8**
**Distribution of workers according to earning per day from the industry**

| Range of amount (Rs.) | Number | Percentage |
|---|---|---|
| 20 - 25 | 4 | 4.61 |
| 25 - 30 | 31 | 44.29 |
| 30 - 35 | 28 | 40.00 |
| 35 - 40 | 7 | 10.00 |
| 40 and above | 1 | 1.10 |
| Total | 70 | 100 |

Workers engaged in grading are found to be drawing wages in the range of Rs:30 to 35 per day. For those engaged in shelling, the rates range between Rs:25 and Rs:35. It is the efficiency in work that determines their daily earning. More the nuts processed, higher would be the earnings. However, though they work from

morning 8 a.m. till evening 5 p.m., the maximum earnings does not exceed Rs.30 per day. Nevertheless, it should be noted that even this maximum wage rate is much less than wage earned by head load workers, construction workers or agricultural labourers.

**Table 3.9**
**Distribution of workers by type of activity and daily income**

| Income/ Type of activity | 25-30 | 30-35 | Total |
|---|---|---|---|
| Shelling | 67.47 | 32.53 | 100 |
| Peeling | 58.15 | 41.85 | 100 |
| Grading | 0 | 100 | 100 |

With such low wage rates and uncertainty of employment, the women workers obviously are forced to depend on alternate sources of income, particularly during the off season. Their total household income is also low, as most of them (51.4 per cent) have only one additional working member in their family (See table 3.10).

**Table 3.10**
**Distribution of households working members other than cashew worker.**

| Number of working member | Percentage of Households |
|---|---|
| No working member | 18.6 |
| One | 51.4 |
| Two | 22.9 |
| Three | 7.1 |

Table 3.10 indicates that 18.6 per cent of the surveyed households have no other working member. It was also observed in the course of the survey that a woman worker gets employed in the peak season for 100 days on an average, with a daily wage rate of Rs.25-35. Thus, the total income per year comes to Rs.2500 to Rs.3500.
If we consider households with one additional working member, the

total family income for the year approximates to around Rs:6500 to Rs:7500. This, therefore happens to be the maximum possible earnings for a female worker family. Assuming an average family size of four, the maximum per capita income per month is only in the range of Rs.135 to Rs.155.

Moving on to study their access to food, we find that, given the low level of income, most workers rely on ration shops for basic food needs.

**Table 3.11**
**Distribution of House holds by source of purchase of goods**

| Source | Percentage of Household |
|---|---|
| Open market | 1.4 |
| Ration | 75.7 |
| Both | 22.9 |
| Total | 100 |

Even when covered by the PDS, due to low per capita income, the workers often resort to open market purchase simply because purchase on credit is possible. Some others rely on private loans and personal borrowing during the off season. Before we proceed to observe the outstanding debt position of workers, it is worth while to look at the savings pattern of the workers, in order to get a clear picture of the adjustment process of these women workers.

Table 3.12
Distribution of workers by accumulated savings and type of activity

| Type of Activity/ Savings | Shelling | Peeling | Grading | All |
|---|---|---|---|---|
| Below 1000 | 89.5 | 68.2 | 70 | 80 |
| 1000-5000 | 2.6 | - | 10 | 2.9 |
| 5000-10000 | - | 13.6 | 20 | 7.1 |
| 10000-20000 | 2.6 | 9.1 | - | 4.3 |
| 20000 and above | 5.3 | 9.1 | - | 5.7 |
| Total | 100 | 100 | 100 | 100 |

It can be seen from Table 3.12 that the female labourers are marginal savers. It could be discerned from the table that irrespective of the nature of activity, a vast majority of female labourers are not able to save beyond a meagre sum of Rs.1000.It may appear that workers pursuing comparatively better jobs like peeling and grading are able to accumulate more surplus as shown by the higher percentages against 1000 to 20000 and above categories. But a caveat in this regard would be in order. The accumulated savings of a household need not necessarily be formed from their earnings from cashew industry alone. Therefore, using this as an indicator of well-being would be unwarranted. It appears that whatever may be the saving propensity of these workers, the amount saved does not act as a guarantee to tide over situations of crisis.

The primary economic factors which force a woman worker to seek off- season employment are their income level and asset-liability position. The major assets which these labourers own are properties such as house, cultivable land, etc. Even female workers who inherit property take up alternate jobs to sustain the family

during the off-season. This may be because such assets are fragmented uneconomic holdings and do not meet the off-season income needs. About 68.5 per cent of the sample have land holdings of less than 20 cents. In households where male members are able to earn their subsistence minimum , women do not seem to seek any alternate source of income.

***Adaptation to the crisis:***

The cashew industry becomes active during the period immediately after the annual harvest season. As soon as the collected raw nuts are processed the employment opportunity of the women gets exhausted. Subsequently they are laid off from work. Also as we have seen in the previous chapter, there has been a restructuring of the industry from organised to unorganised sector where the actual earning is much less. The seasonal character of work and increasing casualisation lies at the root of the crisis of the workers in this industry. The quota of allotment of raw nuts procured through the monopoly procurement of the state is dependent upon the number of workers employed by each cashew factory.Since wage rates are low in the neighbouring states of Tamil Nadu and Karnataka , a portion of this is siphoned out of Kerala, denying the workers in the state to their full entitlement of employment and earning. It is a fact that the monopoly procurement practise itself is inefficient leading to smuggling of raw nuts across the border despite the existence of preventive squads, check-posts etc. This has also reduced the actual employment potential within the state. All this has eroded the economic position of these workers. It becomes imperative to look at the ways they adapt to overcome this crisis.

Most women workers adapt to this crisis in the following ways:

1. Taking up other works
2. Adjustment in consumption expenditure
3. Depending on private loans and personal borrowing

To adjust to the seasonal nature of the job, female labourers take up off-season activities However, from the sample it is seen that only 24 workers (34 per cent) out of seventy are engaged in other activities. This low sample percentage could be due to the lack of availability of adequate employment opportunities.It is already mentioned that the alternate avenues of employment available in the panchayat under survey is negligible.

Table 3.13
Distribution of workers by Other Activities

| Other Activities Engaged | Number | Percentage |
|---|---|---|
| Agriculture | 14 | 58.8 |
| Bricks work | 4 | 16.6 |
| Construction work | 2 | 8.2 |
| Trade and commerce | 2 | 8.2 |
| Domestic servants | 2 | 8.2 |
| Total | 24 | 100 |

The alternate opportunities available are work in agriculture, brick industry, construction, trade and commerce and as household servants.

As an alternative, most labourers resort to agricultural activities (around 58.8 per cent of the workers who opt for other activities in the lean season). This point needs to be stressed further. It can be noted that taking up agricultural activities does not need specific skill. Most female workers work as unskilled labourers in the paddy fields. These labourers might have been marginal farmers or landless tenants who had earlier resorted to opportunities like

cashew processing. Moreover, some workers have small plots of arable land.

But the important question to be answered is what are the deciding factors for taking up or not taking secondary jobs. Some of the factors can be inferred from analysing the socio-economic profile of this female labour force.

To start with, it is worth noting the marital status of these labourers.

**Table 3.15**
**Distribution of Households by off-season activity and Marital status**

| Marital Status/ Type of Activity | Married | Widowed | Divorced | Separated | Unmarried |
|---|---|---|---|---|---|
| Agriculture | 6.2 | 25 | 0 | 16.7 | 0 |
| Brick industry | 0 | 16.7 | 0 | 0 | 0 |
| Construction | 2 | 0 | 0 | 0 | 0 |
| Trade and commerce | 2 | 0 | 0 | 0 | 0 |
| Domestic servants | 0 | 0 | 0 | 16.6 | 0 |
| Total | 10.2 | 41.7 | 0 | 33.3 | 0 |

It can seen from above table that the workers who opt for alternate employment are either married, widowed or separated The widows and those separated can be characterised as female headed households. Since they are deprived of any other family income (not even five cents in most of the cases) taking up secondary works is the only option left out to them in the off-season. The married opt for alternative off-season employment primarily due to low family income or due to the lack of a second person employed in their family. Sometimes their income is the only source of family income. Most of workers under the female headed household category

complained about the non availability of jobs they can take up in the near locality. Shifts in the cropping pattern of the state away from paddy could be one reason for this as Suseela, a widow, stated that `nobody is interested in cultivating paddy these days' and she gets only 10 days work in the field. Another reason could be the contraction in construction activities which once boomed in this region(along with other regions in Kerala) due to the Gulf remittances. As Janaki, a separated women laments, she could fall back on construction work when there was no work in the factory and in the field. Now she is forced to take up the job of domestic servant which, according to her is less remunerative and not very dignified. Brick industry is another alternative open to them. However, job opportunities in the brick industry are also characterised by seasonality. Moreover, jobs available on a temporary basis are mainly casual and inferior.

The size of the family is also a factor that influences the decision to seek alternate employment.

**Table 3.16**
**Distribution of household by off-season activity and Family size**

| Family size / Type of activity | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| Agriculture | 0 | 25 | 0 | 8.3 | 18.2 |
| Brick industry | 0 | 25 | 0 | 4.2 | 0 |
| Construction | 0 | 0 | 0 | 0 | 4.5 |
| Trade and commerce | 0 | 0 | 0 | 4.2 | 0 |
| Domestic servants | 0 | 0 | 0 | 0 | 4.5 |
| Total | 0 | 50 | 0 | 16.7 | 27.3 |

Earlier, it has been noted that family size of most women workers in the cashew processing industry is limited to four or five members. However, from table 3.16 it is quite evident that the

decision to work is not influenced to any significant extent by family size. Here, it can be added that family size may become a decisive factor only when related to marital status and income levels. Therefore, these families take up off season employment not depending on their size alone, but may be in conjunction with their financial position, their income level and their debt-saving position.

The institutional factor which is worth observing is the caste structure of the labour force.

Table 3.17
Distribution of household by off-season Activity and Caste.

| Caste/ Type of activity | Nair | Ezhava | Velan | Scheduled Caste | Muslim |
|---|---|---|---|---|---|
| Agriculture | 0 | 0 | 17.2 | 50 | 0 |
| Brick industry | 0 | 6.3 | 3.4 | 0 | 0 |
| Construction | 0 | 0 | 2.2 | 0 | 0 |
| Trade and Commerce | 5.3 | 0 | 0 | 0 | 0 |
| Domestic servants | 0. | 0 | 1.3 | 0 | 0 |
| Total | 5.3 | 6.3 | 24.1 | 50 | 0 |

It has been noted earlier that most of the labourers surveyed are of Velan caste. Others are mostly Nairs (27.1%) and Ezhavas (22.9%). It can be seen that workers from higher caste as 'Nair' do not opt for alternative jobs. Even if they take up (only 5.3 per cent take up), they go for jobs as trade and commerce and not as physical labour in agriculture or construction or even in brick industry. This might be due to their higher position in the society. Compared to them, a higher proportion of lower caste labourers opt for off-season activity. The dominant off-season activity of agricultural labour comes from the Velas and Scheduled caste. While Velas also engage in brick industry and construction work Ezhavas restrict themselves to brick industry alone. The

above observation points to the fact that taking up of an alternative activity and the nature of activity opted for are determined, to a large extent, by the caste hierarchy of the labour force.

In addition to caste, the land holdings also seems to have a major role. It is found that 83.3 per cent of those engaged in other activities have a land size of only less than 10 cents.

When the size of land owned by different caste of people in the sample are considered it is seen that 88 per cent of the velans in our sample have only less than 10 cents of land. And they are found to be mostly engaged in other activities.

The other social factor which influence opting for an alternative employment is education. Earlier, it has been observed that a significant proportion do not go for other jobs in lean season . This immobility increases with the level of education or taking up an alternative activity in the lean season decreases with the level of education:

**Table 3.18**
**Distribution of Household by Education and Type of Activity**

| Education/ Type of Activity | Illiterate | Primary | Middle | High School |
|---|---|---|---|---|
| Agriculture | 20.1 | 5.6 | 0 | 0 |
| Brick industry | 3.3 | 5.5 | 0 | 0 |
| Construction | 0 | 0 | 5 | 0 |
| Trade and Commerce | 3.3 | 0 | 0 | 0 |
| Domestic servants | 3.3 | 0 | 0 | 0 |
| Total | 30 | 11.1 | 5 | 0 |

From table 3.18, it can be observed that those who take up jobs in the off season are mostly illiterate. And this explains why they

opt for unskilled work as in agriculture or jobs that require lesser skills as in brick industry or construction. However it can be seen that once an educated worker enters the job market for alternatives in the off-season, choosing between different opportunities of agricultural labour or construction is independent of the level of education. Sometimes, distress drives people in search of alternatives.

Adjustment in consumption is another way of adapting to crisis in the industry. Most of the workers are found to be not possessing any consumer durables like T.V., Radio etc. Most of them restrict consumption of costly items like meat and buying of clothes to work season. About 90 per cent of the workers buy clothes only when they get bonus. About 95 per cent of the sample excludes meat from their food basket simply because they cannot afford it. Households that come under this category makes some conspicuous adjustments in their consumption during off-season. This adjustment clearly brings out the hardships these households have to face. Consumption adjustment is made mainly in terms reduction of quantity and quality of food consumed:

1. Reduction in consumption.
2. Shifting to inferior varieties of food.

   This manifests in the following forms;

   1. Reducing the number of meals.
   2. Reducing the number of superior quality items in each meal
   3. Completely avoiding the above mentioned type of items.

4. Reducing both number of meals and items.

5. Reducing meals and avoiding number of items.

A detailed analysis of this observed phenomenon would be in order. The table 3.19 shows the percentage of workers in the sample reducing and those avoiding items.

About 20 per cent of the sample are reducing the number of meals, when there is no work. Their food consumption is restricted to just two meals a day mainly by combining breakfast and lunch to a single meal and altering the time while leaving the evening meal as it is. Instead they substitute tubers mainly tapioca, which is a main subsidiary crop cultivated in the study area.

**Table 3.19**
**Percentage of Households Reducing and Avoiding Items**

| Items | Reducing | | Avoiding | |
|---|---|---|---|---|
| | Number | Percentage | Number | Percentage |
| a) Fish | 25 | 35.7 | 21 | 30 |
| b) Vegetable | 15 | 24.3 | 32 | 45.7 |
| c) Milk | 14 | 20.0 | 26 | 37.1 |
| d) Fish + vegetable | 7 | 10.0 | 14 | 20.0 |
| e) Vegetable+milk | 7 | 20.0 | 18 | 25.7 |
| f) Fish+milk | 6 | 8.6 | 10 | 14.3 |
| g) Fish+milk+vegetable | 5 | 11.4 | 8 | 11.4 |

Fish is found to be the major item reduced and vegetable is that which is completely avoided. This in turn may have its repercussion on the health status of the workers as well as for the other members of the family.[1]

[1] This is an issue which falls beyond the scope of the present chapter.

The other types of adjustment are (i) reducing meals and reducing items and (ii) reducing meals and avoiding items.

Those who reduce meals and avoid items form the most vulnerable section of the sample and most affected by the crisis of the industry. These workers have the lowest income, indebted, without property or savings and depending mostly on loans during the off-season.

**Table 3.20**
**Percentage of Households Reducing and Avoiding meals/Items**

| Items | Reducing meals and Reducing items | | Reducing meals and avoiding items | |
|---|---|---|---|---|
| | Number | Percentage | Number | Percentage |
| a) Fish | 7 | 10.0 | 5 | 7.1 |
| b) Vegetable | 2 | 2.85 | 9 | 12.9 |
| c) Milk | 5 | 7.1 | 3 | 4.3 |
| d) Fish + vegetable | 1 | 1.4 | 3 | 4.3 |
| e) Vegetable+milk | 2 | 1.4 | 1 | 1.4 |
| f) Fish+milk | 1 | 2.9 | 3 | 4.3 |
| g) Fish+milk+vegetable | 1 | 1.4 | 1 | 1.4 |

The above analysis clearly throws light on the fact that workers are adjusting their consumption pattern to adapt to the crisis in the industry,by way of either reducing or avoiding food items.

Another way of adjustment is depending on other source of income to maintain the consumption level. About 18.5 per cent of the sample with out any conspicuous reduction in consumption depends on other source of income like,

1. husbands' income, 2. agricultural income and 3. borrowing.

To meet their requirements in the lean season that is when they are out of work, the labourers have resorted to loans.

Table 3.21
Distribution of House holds by Type of Activity and Loans

| Type of Activity/ Loans | Shelling | Peeling | Grading | All |
|---|---|---|---|---|
| Below 1000 | 68.4 | 68.2 | 20 | 61.4 |
| 1000-5000 | 18.4 | 9.2 | 50 | 20 |
| 5000-10000 | 3.6 | 13.6 | 10 | 7.2 |
| 10000-20000 | 6.9 | 4.5 | 20 | 8.6 |
| 20000-30000 | - | 4.5 | - | 1.4 |
| Above 30000 | 2.7 | - | - | 1.4 |

The message that is essentially conveyed is that around 81% of people resort to loans of small amount that is below Rs.5000 to tide over the crisis situation. Borrowing to the extend of more than Rs.10000 restricted to around 10 per cent of the households. They are mainly workers in shelling and peeling activity ~~etc~~.

When the outstanding debt of the workers are considered it can be seen that, about 90 per cent of the workers in the grading activity have a debt of below 1000 where as it is only 73.7 per cent for shelling and 68.2 per cent for peeling.

Table 3.22
Distribution of Households by Type of Activity and Outstanding Debt

| Type of Activity/ Outstanding Debt | Shelling | Peeling | Grading |
|---|---|---|---|
| Below 1000 | 73.7 | 68.2 | 90 |
| 1000-5000 | 18.4 | 22.7 | - |
| 5000-10000 | - | - | 10 |
| 10000-20000 | 7.9 | 9.1 | - |

Most of the workers in the grading activity belongs to the higher caste (Nairs) and they are not engaged in other activities during the off-season. Thus they depend mainly on small borrowing which is evident from the above table.

*Concluding observations:*

Women workers in the cashew processing industry are in a vulnerable situation now. There economic status is very poor. Cashew industry being their main source of income, crisis in this industry affects them greatly. Most of them have only one earning member and their land holdings are less than 10 cents. Most of the workers who are engaged in the 'dirty job' of shelling belong to the low caste (velan). Given their low economic status, they are the one who seek alternative jobs. The kind of jobs where they get access to are equally unskilled and poorly paid jobs in agriculture or construction.Their saving position is also very less. Thus they are compelled to seek for other alternative jobs. Opportunity for even these activities are very limited and even if they are available, they are also seasonal. Thus they have to depend on borrowing or adjust their consumption. It is found that the workers are forced to even reduce the number of meals to subsistence level.

# Chapter 4

## *CONCLUDING OBSERVATIONS*

A major objective of the present study was to analyse the growth performance of the cashew processing industry in Kerala focussing on the crises in the industry and to understand the survival strategies of the female workers during periods of crisis. The growth performance of the industry was analysed against the backdrop of various government policies. We also attempted to discuss the ramifications of the crisis with respect to the overall decline in employment, number of working days and increasing casualisation. The survival strategies of women workers were identified with the help of a socio-economic survey.

Our analysis of the growth performance of cashew processing industry unearths three phases. During the first phase (1947-68), there was an increasing trend in export facilitated by increased availability of raw nuts through imports and domestic production. The second phase (1968-1982) witnessed an absolute decline in exports on account of raw material shortage. Though there was an increase in shortage of raw nuts, the observed growth was not large enough to offset the decline in imports. The second phase of the industry was thus a period of crisis marked by decline in exports, reduction in employment, number of person days and increasing casualisation. The industry passed onto a new phase in 1982. This was marked by a revival in export performance derived from increased raw material availability on account of liberal imports and increased domestic production.

The revival of the industry in the third phase does not seem to have ameliorated the living conditions of the workers. During the crisis phase, the industrialists had resorted to various labour control strategies and cost cutting down exercises including retrenchment of workers, shift of production to the cottage sector and to centres outside the state. Even after the revival of the industry, many of the labour control strategies adopted during the earlier phase were continued. Thus, while the industry was ridden of crisis the plight of the workers continued unchanged or even worsened. This is evident from the continuing decline in total employment and number of person days of work as well as increased casualisation of the workforce.

Exploring the state of women workers in times of crisis was the second major objective of the study. The village-level field survey undertaken by us to analyse the survival strategies of the women workers reveals:

Majority of the workers are aged between thirty and forty. About 25 per cent of the workers are either widowed or separated. Most of them had started work in the cashew factories early in life. About 40 per cent the workers are illiterate. Women from low castes are engaged in the most menial tasks. The women workers are burdened with domestic labour in addition to day long work in the factory or other work when work is not available in the factory. Often, the domestic work they are forced to undertake all by themselves. Most of the workers were found to earn daily only in the range of 25-35 rupees. Employment in factories was restricted to, at the most, hundred days annually.

Most of the workers procure their daily needs mainly from the ration shops. The female labourers are found to be marginal savers. Around 80 per cent of the surveyed have an accumulated saving below Rs. 1000.

The survival strategies of the workers, in the absence of factory employment included:

1. Engaging in other kinds of manual labour
2. Adjustment of consumption
3. Borrowings
4. Dependence on other family members' income.

The alternative opportunities available for these women workers were in agriculture, brick making, construction, petty trade. Some of them found employment as household servants. The availability of alternative activity as well as the specific kind of activity is determined to a large extent by the caste status of the individual worker.

The workers who opt for an alternative job are mostly widows or separated from their husband. They are deprived of their family income and thus they have to support their families through employment in the lean season. The widows, who mostly opt for an alternative in the lean season, take up agricultural activities or sometimes in brick industries. The separated women also resort to agricultural activities and as servants .

Adjustment in consumption is another way of adapting to the crisis. Most of the workers do not possess any consumer durable. About 90

per cent of the workers buy clothes only when they get bonus. Adjustment in food consumption is secured in two ways. (a) Changing the items of consumption by including cheaper cereal and other substitutes. (b) Reducing the number of meals.

About 20 per cent of the sample were found to reduce the number of meals, when there is no work. Substitution is mainly by cassava, the main subsidiary crop in the village. Fish is the major item foregone; also intake of vegetables is reduced if not altogether dispensed with. About 95 per cent of sample households cannot afford to include meat in their diet.

Those who reduce meals or cut down items form the most vulnerable section of sample. Almost all of them belong to depressed castes. These workers have the lowest income; they are indebted, property-less and devoid of savings.

The analysis has brought out that workers adjust their consumption pattern to adapt to the crisis in the industry.

Those who do not make adjustments in consumption either rely on other sources of income like family member's income or on the property they possess. But it is found that most of them (51.4%) have only one working member in their family other than the cashew worker. About 68.5 per cent of the whole sample has land holdings below 20 cents. They are forced to depend on borrowings during the off-season to supplement income from alternate employment. Often they are pushed into 'debt traps' thus.

In the light of our analysis of the performance of the industry and the situation of the workers, it is fair to conclude that governmental intervention had been, at best, only partly successful. While the industry was able to come out of the crisis of the 70s, the crisis of the workers has persisted. The state government is yet to give serious consideration to the question of the survival of the industry in the long run. No government schemes to rehabilitate marginalised workers in alternate employment is evidenced.

Women who might have been phased out of the industry were not a part of the present sample. The state of such workers and the long run aspects of their survival merit examination. Similarly, at the realm of the family, inter-generational adjustments need to be understood, with detailed oral histories and involved participatory research.

The persistence of caste-based division of labor - with lower caste women in low paying and less clean work - in spite of the capitalist organisation and a strong trade union movement is an aspect of further examination. The trade union leadership has obviously not addressed the question of entry barriers that may exist. Further, the specificities of the trade union movement in an almost all-women industry like cashew processing is a larger question worthy of examination.

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