

Impact of Cashewnut Processing Industry on the Labour Market for Women in Kanyakumari District, Tamilnadu

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Preface

CEC undertook the study on cashewnut manufacturing industry and its impact on labour market in Kanyakumari district of Tamilnadu based on a call from the local partners to understand the structural changes the industry is witnessing as part of globalisation and its impact on women workers. The main objective of this study was to investigate the impact of cashewnut industry, a traditional agro-processing industry on the labour markets of Kanyakumari district and its feminised production process in the era of globalisation. It was also intended to recommend policy measures for improving the working conditions in the industry and labour organisation strategies.

The study informs us that more than one fourth of the total factories in the district are cashewnut processing units and the industry provides employment to nearly three-fourth of the total factory workers in the district. More importantly about 95 per cent of the workforce of about 50,000 in the industry was found to be women. Except in roasting, where men are engaged, other four major production processes viz., (a) shelling, locally termed as thallu, (b) bormah (c) peeling, (d) grading and packing are managed by local women workers.

While cashewnut processing industry took off in India in 1920s, centred around the clusters of Kollam in Kerala and Mangalore in Karnataka, the clustering of processing in Kanyakumari district of Tamilnadu started in 1950s. It accelerated in 1980s when the local supplies of raw cashew were not enough to meet domestic and international demand for processed cashew nuts. The increased dependence on imports and struggles of cashewnut workers against exploitation in Kerala, the traditional centre of the cashewnut industry, led to the slowing down of the industry. About half-a-dozen family combines of Kollam and Mangalore who control the cashewnut market started looking for alternative locations and strategies by which they could deny the legitimate rights of the workers. They shifted the industries from Kollam to other locations, mainly to nearby Kanyakumari district, where they could exploit the workers by paying paltry wages and get their nuts processed.

Generally, women workers start working at 7.00 in the morning and continue till 7.30 in the evening. Poverty and lack of alternative employment force women to enter employment opportunities offered by the cashewnut industry. Women take up employment before marriage, usually take a break during early years of marriage and rejoin employment later. This break is mainly because the industry, though of perennial nature, does not give permanent or regular employment to workers. Workers are paid either daily wages or piece rate wages (once in a week) in all processing activities.

Though trade unions are active in the district and they negotiate minimum wages annually, ensure payment of Provident Fund and yearly bonus for most of the workers, most of the women workers remain non-members of the union. Interestingly, in response to the activities of the trade unions in the region, employers once again began to look for alternative strategies of cost reduction. They changed their garb, from manufacturers to

traders. Though the industry in Kanyakumari continues to be dominated by producer-owned firms, a new phenomenon is emerging - subcontracting of processing through commission agents. The changed ownership is making the workers highly vulnerable, unorganised and exploited. The workers find their social security benefits denied to them in such a situation. The status of the industry as a 'seasonal industry' further emboldens the employers to keep the women workers informal, contractual and casualised. In addition to the prevailing low wages, workers experience further reduction in remuneration by way of underweighing of kernels in shelling and peeling sections.

Our study has shown that cashewnut processing industry, which imports raw cashew and exports healthy processed nuts, has an underbelly of unhealthy employment practices. The decade of globalisation has only accentuated this phenomenon.

New Delhi
December 1999

J John
Executive Director, CEC

Chapter I. Cashewnut Processing Industry in India

1. Cashewnut and its Nature

The Cashew plant belongs to the family “Anacardiaceae”. Botanists call it ‘Anacardium Occidentale’. The nut is about 22mm long and resembles the shape of a kidney. Its shell is about 3 mm having a soft leathery outer skin and a thin hard inner skin. Cashew is believed to be a native of South Eastern America (Brazil), brought into India in 16th century and made popular in the Malabar Coast of India by the Portuguese (Sathyadas, 1991). In Kerala where it is being grown in large tracts, it is known as *parangi andi* or ‘foreign nut’. The first scientific description of the cashew is found in Hortus Malabaricus, a classical monumental book on the valuable plant-wealth of Malabar (Kerala) written by the then Dutch Governor of Cochin, Hendrick Adriaan Van Rheede in 1678.

Nutritive Aspects of Cashew

All the parts of the cashew tree are useful in some way or the other. The nut is nutritious and tasty, containing 21.2 per cent protein, besides calcium, phosphorous and iron (see Table1).

Besides, it is also used in the treatment of several common diseases viz., loss of appetite, general depression, nervous weakness, scurvy, anaemia, gas trouble (acidity), cough, urinary and liver disorders and diabetes. The cashew apple is red or yellow in colour and has a pleasant taste. It contains 10.55 per cent of fermentable sugar and 261.5 mgs per 100 grams of vitamin C. Both the fruit and juice have good anti-corbutic properties valued as diuretic. The fruit has a healthy effect on the kidneys and in advanced cases of cholera. Cashew fruit is useful as an anaesthetic in persons suffering from leprosy, psoriasis, blisters, warts, corns and ulcers.

Table 1.1 Nutrients in popular nuts (per 100 kg.)

<i>Nuts</i>	<i>Water</i>	<i>Protein</i>	<i>Carbohydrate</i>	<i>Fat</i>	<i>Minerals</i>	<i>Food Energy (calorie)</i>
Almond	5.2	20.8	10.5	58.9	2.9	655
Cashew	5.9	21.2	22.3	46.9	2.4	596
Coconut (dry)	4.3	6.8	6.6	62.3	1.6	662

Coconut (fresh)	36.3	4.5	3.6	41.6	1	444
Groundnut	3	25.3	26.1	40.1	2.4	567
Pistachionut	5.6	19.8	16.2	53.5	2.8	626
Walnut	4.5	15.6	16.2	64.8	1.8	687
Source: Sathyadas (1991), p.25						

On fermentation the cashew apple yields an alcoholic beverage from which a spirit (for drinking purposes) is distilled in Brazil. In Goa, it is called "feni". It is reported that out of 73000 tonnes of cashew apple produced in Goa, 50000 tonnes are used for making feni, whereas in Kerala, which produces 95 per cent of the total 15 lakh tonnes of cashew apple, is wasted (Sathyadas, 1991).

Cashew tree is polygamous, tropical and subtropical and evergreen. It ranges in size from a small shrub in poor dry soil to a tree of 40 feet height in fertile soil and humid climate. The tree gives fruits just three years after it has been planted. The wood of the tree is used for shipping crates, boats, and for making charcoal. A gum, which resembles Arabic, is also obtained from the stem. The Red Indians derive a poison from the gum for their arrows and their weapons of offence and defence. It is found that the poison is closely related to other American poisons like ivy and sumac. One of the by-products of the cashew processing industry is cashewnut shell liquid (henceforth CNSL).

The cashewnut has a double outer shell, which accounts for 70 percent of its weight and is breakable only with a sharp blow. An acid oily liquid of phenolic nature lies dispersed between the two shells containing an alcohol "cardol" an anacardiac acid. The CNSL, extracted from this liquid and patented by a foreign Multinational Corporation, is used as lubricant in brake lining, manufacture of insecticides, ink, varnishes and polymers. It is also used for tarring boats and preserving wood from insect attack. Very recently, it has been discovered that the thin skinny layer covered over the kernel has tannin, which can be used to condition the skin in tanneries. Besides these multifarious uses, research is in progress to find the use of smoke emitted while roasting of cashew.

2. Historical Origin of Cashew Industry in India

Though cashew was brought to India three-four centuries ago, only after 1920 did proper processing for commercial purposes start. Prior to this, cashewnuts were collected from the markets in villages and distributed among small-scale processors. Villagers used the fruit and threw away the nut.¹ The kernel was sold only in the local market. Cashewnuts were mixed with sand and roasted in open pots, *chattis*, by the people of those days (Sathyadas, 1991).

¹ An interview with a old man aged 70 in Kuzhithurai

Initially the processing was started in Mangalore, (Karnataka). There are two views about the origin of the industry in Kollam. The first one is that Mr.Swaminathan of the erstwhile Madras Presidency was the pioneer². The second view ascribes it to Mr.Joseph Periera, an entrepreneur in Kollam in erstwhile Travancore State.³ After Mr Periera, another factory was set up by an Englishman, W.T.Anderson, in Kollam in 1931 employing about 2000 workers. The data given by ASI also supports this. Until the year 1910, there was no cashew factory in India. In 1911, there were three factories with 114 workers. This increased to 22 factories in 1950 with 30025 workers (see table 1.2). The availability of raw nuts and cheap labour in the suburban areas of Kollam, the existence of rail links, port facility and the enterprising spirit of Joseph Periera led to the birth and growth of the industry (Oommen, M.A., 1979).

Table 1.2 Some Characteristics of Cashew Industries by year in India

<i>Frequency Distribution of Years</i>	<i>No. of Factories</i>	<i>No. of workers</i>	<i>Value added (Rs.000)</i>
Before 1900	0	0	0
1900-1910	0	0	0
1911-1920	3	114	2402
1921-30	4	346	17525
1931-40	12	2584	10838
1941-50	22	30025	45611
1951-60	50	17154	216131
1961-70	163	47378	621727
1971-80	182	28372	253426
1981-1990	204	14701	288108
1991-1995	142	24033	243747
Total	782	164707	1699515

Source: Annual Survey of Industries, 1994-95 vol.1

In the initial period, Joseph Periera made many innovations by which cashew processing changed from sheer manual processing to semi-mechanical processing. They modernised

² Malayala Manorama (A Malayalam Weekly), April 23, 1988, p.31 cited in Sathyadas, 1991

³ See M.A.Oommen, 1979 and K.P.Kannan, 1981 for details.

traditional roasting so that extraction of CNSL was made possible. However, these modernisation processes hardly affected employment in the industry (Kannan, K.P., 1981).

3. Recent Trends in Cashewnut Industry

Production of Cashew in India

Cashew occupies 0.3 per cent of the total cropped area in the country (CMIE, 1998). The total area under cashew cultivation in 1993-94 was about 5.65 lakh hectares (see table). Though there is an absolute increase in all the states, simple growth rate showed a stable trend over the period. Kerala produced 34 per cent of the total cashew and it was cultivated in 51 per cent of the total cropped area (see table 1.3). In 1982-83, it accounted for 30.4 per cent of the total area under cashew and it has declined to 27.6 per cent in 1993-94. Other states such as Orissa and Karnataka stagnated between 10 and 13 per cent, with hardly any increase during 1982-94.

Table 1.3 Area under cashew in India, 1982-94 (in in ' 000 tons)

Year	Andhra Pradesh	Karnataka	Kerala	Maharashtra	Orissa	India
1982-83	30.5	60.3	149.7	22.7	52.5	492.5
1983-84	64.4	63.0	151.5	22.7	53.5	502.0
1984-85	66.7	66.2	152.6	22.7	54.8	509.8
1985-86	68.8	68.5	154.1	22.6	57.4	518.4
1986-87	69.9	70.6	154.9	22.7	58.2	523.0
1987-88	70.5	72.4	155.3	22.7	59.8	527.4
1988-89	71.0	72.4	155.3	22.8	60.0	529.3
1989-90	71.1	73.8	155.4	22.8	60.0	530.9
1990-91	71.1	74.1	155.4	22.8	60.0	531.9
1991-92	71.2	74.4	155.5	22.9	60.1	533.5
1992-93	71.7	74.6	155.6	47.9	60.1	560.3
1993-94	72.1	74.8	155.8	51.2	60.2	565.4

Source: Centre for Monitoring Indian Economy, issue on Agriculture, September 1998.

Cashew production in India has increased from 2.86 lakh tonnes to 4.17 lakh tonnes (see table 1.4). Though all the states have increased their production in absolute quantity terms, their contribution to total production has varied from state to state. Among other

states, Kerala produced nearly half of the total cashew produced in the country in 1989 and its contribution has reduced to one third (33.5%) in 1995-96. Andhra Pradesh and Maharashtra have improved their positions from 6.19 per cent to 12.75 per cent and 4 per cent to 9 per cent respectively. The annual average growth rate revealed that Kerala had the lowest growth of 0.36 per cent and AP the highest growth by 5.80 per cent during the years 1982-94. Similarly in production also Andhra Pradesh has increased its share from 12.82 per cent to 17 per cent and Maharashtra from 9.54 per cent to 16.7 per cent. Orissa stagnated with 10 per cent over the years. Tamil Nadu increased only marginally from 4 per cent to 7 per cent and Karnataka stagnated with 7 per cent.

Table 1.4. Production of Cashew in India by states

	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96
India	285.6	294.6	305.3	349.4	348.1	371.2	417.8
Kerala	139.5	142.1	143.2	151.6	140.2	149	140
Andhra Pradesh	36.6	37.8	40.4	44.9	46.6	50	71.7
Maharashtra	27.1	29.5	32	25.6	28.3	31.2	69.9
Orissa	28.6	29.1	31.8	39.1	43.4	46.5	43
Karnataka	24.6	25.8	26.8	31.3	31.5	33	37.6
Tamil Nadu	12.4	12.5	12.7	19.2	19.2	20	30.9
Goa	0	0	14.5	33.8	34.6	37	17.8
West Bengal	3.2	3.4	3.7	3.7	4	4.1	7

Source: Centre for Monitoring Indian Economy, issue on Agriculture, September 1998.

The Difference between Domestic Production and Imports

One of the reasons for slow growth of cashewnut processing industry is shortage of raw materials. Besides the efforts taken domestically to raise area under cashew, the proportion of domestic production is declining over the last 10 years. From table 1.5, it is evident that the imports which accounted for 14 per cent of the total supply in 1987-88, suddenly increased to 35.5 per cent in 1994-95. There is an absolute increase of imports from 42300 tons to 2.24 lakh tons in the same period. In this period, domestic production increased by 60.5 per cent only whereas imports increased seven times i.e., by 430 per cent.

Table 1.5 Availability of Cashewnut in India 1987-98 (in '000 tons)

<i>Production</i>	<i>Domestic</i>	<i>Imports</i>	<i>Total</i>	<i>% Domestic</i>
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Women in Cashewnut Processing Industry in Kanyakumari

1987-88	260.3	42.3	302.6	86.02
1988-89	274.3	29.5	303.8	90.29
1989-90	285.6	52.5	338.1	84.47
1990-91	294.6	66.7	361.3	81.54
1991-92	305.3	106.08	411.38	74.21
1992-93	349.4	133.3	482.7	72.38
1993-94	348.1	191.3	539.4	64.53
1994-95	371.2	231	602.2	61.64
1995-96	417.8	222.8	640.6	65.22
1996-97	na	212.6	na	na
1997-98	na	224.5	na	na

Source: Centre for Monitoring Indian Economy, issue on Agriculture, September 1998 & Various issues of Cashew Bulletin.

We have analysed some characteristics of cashewnut processing industry using the data available from Annual Survey of Industries since 1961. Many interesting observations were obtained from the analyses.

In 1961, Kerala accounted for 92 per cent of the **total number of factories** established and running in India and it had steeply declined to 42.01 per cent by 1984-85 and increased moderately by 1989-90 (47.35%) and again declined to 40 per cent in 1993-94. Among the other states, Tamil Nadu, which had only one factory in 1961, had increased its units to 62 in 1973-74 and further to 177 in 1984-85 and 252 in 1993-94. In relative terms, its proportion increased from 0.6 per cent in 1961 to 30.37 per cent in 1978-79 and further to 34.5 per cent in 1984-85. However, its proportion had declined to 30 per cent in 1989-90, again picked up to 33.5 per cent of the total factories in 1993-94. Andhra Pradesh has shown modest increase over the years 1961-94. It has increased from 0.35 per cent in 1971 to 12.4 per cent in 1993-94. It has never declined both in absolute and relative terms (1.6).

Table 1.6 Cashew Processing Units in India by states, 1961-94

State	1961*	1971C	1973-74 C	1978-79 F	1983-84 F	1984-85 F	1989-90 F	1993-94 F
Total	166	287	324	507	574	507	566	752
Andhra Pradesh		1		42	48	50	57	93

Karnataka		9		19	28	31	45	69
Kerala	152	210	227	265	263	213	268	300
Maharashtra	4	7	10	18	49	19	16	25
Orissa					3	4	4	5
Tamil Nadu		47	62	154	170	177	168	252
Goa		13	12	8	13	15	8	8
Other states	10		13					

Notes: F-Factory Sector, C-Census Sector, * - other states data include one factory in Madras Presidency and 9 in Mysore

Source: Annual Survey of Industries for various years.

Table 1. 6a Number of Factories remain closed by states

States	1961*	1971C @	1973-74 C	1978-79 F	1983-84 F	1984-85 F	1989-90 F	1993-94 F
Total	484	366	356	248	168	181	151	199
Andhra Pradesh		0		32	27	29	21	44
Karnataka		534		159	114	95	95	93
Kerala	485	400	405	319	236	281	217	347
Maharashtra	184	87	81	50	13	33	43	31
Orissa					12	9	6	1
Tamil Nadu		0	283	227	167	128	124	133
Goa		39	43	112	47	37	68	79

Other states	594		354					
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Note: Data includes those industries which have submitted their returns; F-Factory Sector, C-Census Sector, * - other states data include one factory in Madras Presidency and 9 in Mysore

Source: Annual Survey of Industries for various years.

One would expect that as the number of factories increases, the employment also would increase accordingly. However in the case of the cashewnut industry the trend appears to be quite different. Employment has not grown as rapidly as the number of factories. The index of the number of factories (for all India) increased (with base year 1961) from 100 to 453 in 1993-94, whereas in case of employment it was just 186 (see table 1.7). This could be due to many reasons. The first reason could be casualisation of employment in the industry. This has happened particularly in Kerala where more than 70 per cent of the total cashewnut workers are employed. Many studies in Kerala found that due to increasing cost of production particularly the labour and in order to evade labour legislation, employers went for alternative methods of production process, such as *kudivarappu* by which they can pay low wages and escape from providing social security benefits (Oomen, 1979, Kannan, K.P. 1984). The second reason could be due to government permission for importing raw materials (Oomen, M.A., 1979). Thirdly, sole control of the industry by a handful of trader-cum-processors. Fourthly, besides good demand for cashewnut, shortage of raw materials is a prolonged problem confronting the industry and hindering its growth prospects.

Table 1.7 Workers in Cashew Industry by States, 1961-94

State	1961*	1971C @	1973-74 C	1978-79 F	1983-84 F	1984-85 F	1989-90 F	1993-94 F
Total	80390	105015	115472	125617	96329	91622	85637	149494
Andhra Pradesh				1357	1317	1444	1188	4074
Karnataka		4809		3013	3182	2945	4293	6448
Kerala	73712	84057	92007	84560	62079	59756	58088	103971
Maharashtra	737	611	814	901	639	624	682	782
Orissa					37	34	25	6
Tamil Nadu			17533	34888	28457	22667	20815	33588

Goa		506	518	898	607	552	546	631
Other states	5941	15032	4600					

Notes: F-Factory Sector, C-Census Sector, @ - the data on other states include one factory in Andhra Pradesh and 49 factories in Tamil Nadu; * - other states data include one factory in Madras Presidency and 9 in Mysore

Source: Annual Survey of Industries for various years.

The **size of industrial units in terms of employment** also underwent considerable changes. The distressing fact in the cashewnut industry is that it has not increased the employment as its output or factories. It employed about 80390 workers in 1961, it steadily increased to 125617 in 1978-79 and from that year onwards the employment has declined continuously and stood at 85637 in 1989-90. Then it increased to 149494 in 1993-94 and 164707 in 1994-95 (see table 1.7).

If we analyse Tables 1.6 & 1.7 together, in 1961, Kerala had 92 per cent of the factories and employed 92 per cent of total cashewnut workers. In 1993-94, it had only 40 per cent of the factories, but employed 70 per cent of the total workers. The trend in Tamil Nadu is also surprising. It had 19.14 per cent of the total factories in 1973-74, employing 15.18 per cent of the total workers. Both became equal in 1983-84 (29%). From that year onwards, the proportion of the factories started increasing with decrease in the proportion of employment. In 1993-94, it had 33.5 per cent of total factories but employed only 22.4 per cent of total workers.

In order to see the changes in the workforce, we analysed **workers per factory**. At the all India level, the general trend is that the workers per factory had declined from 484 in 1961 to 199 in 1993-94. Kerala, though it faced a similar trend has picked up in 1993-94. There, workers per factory declined continuously upto 1983-84, picked up in 1984-85, then declined to 217 and improved the position to 347 in 1993-94. Tamil Nadu showed rapid decline upto 1989-90 and showed very moderate increase by 7 workers. Karnataka and Andhra also revealed declining trends during this period (see table 1.8).

Table 1.8 Average number of workers per factory in Cashew Industries by states

States	1961*	1971C @	1973-74 C	1978-79 F	1983-84 F	1984-85 F	1989-90 F	1993-94 F
Total	484	366	356	248	168	181	151	199
Andhra Pradesh		0		32	27	29	21	44
Karnataka		534		159	114	95	95	93
Kerala	485	400	405	319	236	281	217	347

Maharashtra	184	87	81	50	13	33	43	31
Orissa					12	9	6	1
Tamil Nadu		0	283	227	167	128	124	133
Goa		39	43	112	47	37	68	79
Other states	594		354					

Note: Data includes those industries which have submitted their returns; F-Factory Sector, C-Census Sector, * - other states data include one factory in Madras Presidency and 9 in Mysore

Source: Annual Survey of Industries for various years.

Merely analysing the factories and workers data may not reveal the **employment absorption capacity of the industry**. So it is necessary to see how many days in a year workers get employment in the industry. Cashewnut industry is still treated as a seasonal agro-based industry. It receives many concessions on this ground and thereby evades some of the labour legislation.

The ASI data showed that Maharashtra had higher average number of workers (table 1.9). On an average, Goa and Karnataka also had working days about 250 in a year during this period. However these states employ only 6 per cent of total cashewnut workers. On the lower side, Kerala has shown continuous decline up to 1978-79, though there was some fluctuation with declining trend. The working days declined from 245 in 1961 to 123 in 1993-94 which means the employability declined by 50 per cent in the thirty-year period. Among all these states, Tamil Nadu is the only state, which shows increasing trend in recent years. Though it had declined from 213 in 1973-74 to 102 in 1978-79, it has picked up to 154 in 1983-84, with moderate decline, again it started rising and touched 253 the second highest next to Goa in 1993-94.

Table 1.9 Average Number of Working Days in Cashew Industry by States

States	1961*	1971C @	1973-74 C	1978-79 F	1983-84 F	1984-85 F	1989-90 F	1993-94 F
Total	245	189	187	128	187	143	151	182
Andhra Pradesh				160	165	150	189	119
Karnataka		270		218	314	264	269	240

Kerala	245	154	164	115	131	105	58	123
Maharashtra	253	329	291	257	432	234	271	234
Orissa					165	116	199	60
Tamil Nadu			213	102	154	137	234	253
Goa		273	279	272	301	285	299	297
Other states	249	259	221					

Note: Data includes those industries which have submitted their returns; F-Factory Sector, C-Census Sector, * - other states data include one factory in Madras Presidency and 9 in Mysore Presidency

Source: Annual Survey of Industries for various years.

The **daily actual earnings of workers** estimated from the ASI data, increased from Rs. 1.41 in 1961 to Rs 22.16 in 1993-94 (see table 1.10). Among the states, Kerala workers received highest earnings per day. There it increased from Rs. 1.39 in 1961 to 55.50 in 89-90. Then it declined to 35.78 in 1993-94. In all the other states, the earnings increased continuously. The rate of growth of earnings increased with moderate growth up to 1984-85, then it increased in 1989-90 and declined again. Kerala showed a negative growth of 55.09 per cent between 1993-94 and 1989-90. One could observe a common trend in both the employment and earnings data. Where the industry is concentrated, the earnings grew slowly and negatively in some cases. In other regions, the wages have always increased.

Table 1.10 Daily Earnings in Cashew Industry by States (in Rs.)

States	1961*	1971C @	1973-74 C	1978-79 F	1983-84 F	1984-85 F	1989-90 F	1993-94 F
Total	1.41	3.02	3.76	6.86	7.81	11.02	22.16	26.77
Andhra Pradesh				3.46	9.38	10.35	13.80	34.08
Karnataka		4.34		7.47	10.99	13.21	19.62	39.23
Kerala	1.39	4.17	4.54	9.47	12.67	16.90	55.50	35.78
Maharashtra	1.12	2.74	2.83	3.89	4.82	10.57	13.87	28.78

Orissa					7.86	8.11	17.89	0.00
Tamil Nadu			1.78	3.02	4.90	7.25	13.97	21.48
Goa		3.89	3.29	3.61	10.14	11.17	19.42	31.07
Other states	1.62	1.66	4.92					

Note: Data includes those industries which have submitted their returns; F-Factory Sector, C-Census Sector, * - other states data include one factory in Madras Presidency and 9 in Mysore Presidency

Source: Annual Survey of Industries for various years.

Cashewnut industry over the period has met with crises. The **number of factories that remained closed** is a simple variable to show such a trend. Until 1984-85, the proportion of factories that remained closed to the total number of factories working in India increased steadily. In 1971, it was 12.5 per cent which, jumped to 34.5 per cent in 1984-85. From then onwards, it came down and stood at 8.5 per cent in 1993-94. As the industry's dependence on imported raw cashew increases, the fluctuations in international markets directly affect the domestic industry. This is accompanied by labour unrest and increasing cost of production. Among the states, in Orissa and other states where the number of factories are less, the chances of their being closed are high. Except Goa, in states where there are more number of factories working, the chances of closure are less. It was 5-6 per cent for Kerala and Tamil Nadu, whereas it was 60 per cent for Orissa, 20 per cent in Maharashtra, 13 per cent in Andhra Pradesh and Karnataka (see table 1.6a).

Export - Import trends of Cashewnut Industry

Historically, cashewnut processing is an export-oriented industry. As mentioned earlier, only after identifying the American market, did the cashewnut industry start to grow. The export of kernels in 1962 was 46,436 tons and it increased to 65,025 tons in 1974-75 (Kannan K.P., 1978, p.6). In 1981-82, cashewnut accounted for 2.2 per cent of total exports, then it declined to 1.7 per cent with fluctuation till 1985-86, and again it increased to 2.6 per cent in 1986-87 (Sathyadas, 1991, p.36).

Table 1.11 Exports of Agricultural Commodities in post-reform period (Rs. Lakh)

Item	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98
All Commodities	4404181	5368826	6974885	8267340	10635335	11881732	12628575
Agricultural & Allied products	787762	876951	1260920	1326942	2044232	2436257	2379838

Basmati rice	49918	80064	106126	86532	85067	124764	167435
Cashew	67151	74485	104531	124465	123570	128548	138393
Cashew nut shell liquid	402	381	289	244	145	277	674
Manufactured goods	3241112	4054062	5223997	6399131	7943334	8737738	9451072

Source: Centre for Monitoring Indian Economy, issue on Agriculture, September 1998.

However, this trend continued till the recent year 1997-98, for which data is available. During this financial year cashewnut products accounted for only 1.1 per cent of the total exports. In value terms, its exports in the post-reform period has increased from 675 crore rupees in 1991-92 to 1390 crore rupees in 1997-98 (see table 1.11). Within the agriculture sector also, its contribution is declining over the years. Its contribution has declined from 8.58 per cent in 1990-91 to 5.8 per cent (table 1.12) during the post-reform period.

Thus, in terms of its contribution to export scenario, the cashewnut industry has shown a declining trend. During the post-reform period, the difference between import and export earnings is also stagnant at around 53 per cent (see table 1.13). The major buyers of Indian cashewnut are USA and Netherlands. These two countries account for about 62 per cent of our total cashewnut exports (USA- 38.4 per cent and Netherlands 23.8%) in 1977-98. In 1995-96, exceptionally, Russia purchased 21.26 per cent of total exports of 1235 crores. However, afterwards it has dipped to less than one percent (table 1.14).

Table 1.12 Exports of Major Agricultural Commodities

by Quantity in tonnes						
Commodity	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98
Basmati rice	324790	527227	442125	373314	523157	581791
Non-basmati rice	255619	565189	448495	4540699	1989040	1721798
Wheat	36749	390	86628	632468	1145898	1561
Pulses	34309	43601	50507	61355	55216	160183
Groundnuts	4343	254207	51123	118908	148780	225221
Cotton	63735	312558	70753	33281	269584	165023
Cashew	58399	74842	76897	70068	68856	76323

Spices	128709	182330	154954	203729	222086	241229
By Value in lakhs						
Basmati rice	80064	106126	86532	85067	12474	167435
Non-bas-mati rice	17496	22546	34047	371741	192472	160038
Wheat	1021	21	4234	36676	69845	42
Pulses	5344	7359	9041	13181	13158	35474
Groundnuts	772	17063	10132	23069	32584	55716
Cotton	18178	65359	13976	20354	157451	83993
Cashew	74485	104531	124465	123570	128548	138393
Fresh fruits			18875	23019	24440	25929
Fresh vegetables	31242	41434	24798	29741	33438	30634
Spices	39342	56891	61224	79352	120214	140770
Source: Centre for Monitoring Indian Economy, issue on Agriculture, September 1998.						

Table 1.13 Import and Export of Cashew Products in India, 1991-98 (Rs. Lakh)

	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97
Export	74485	104531	124465	123570	128548	138393
Import	37633	48270	69129	76008	68757	74395
% of R2 to R1	50.52	46.18	55.54	61.51	53.49	53.76
Source: Centre for Monitoring Indian Economy, Agriculture, September 1998 & Various issues Cashew Bulletin						

Japan and South Korea are the major buyers of CNSL oil, one of the by-products of cashewnut industry used in the manufacture of varnish and insecticides. Upto 1994-95, they imported 66-94 per cent of our CNSL. Later, other countries such as UK and US started showing interest on buying CNSL. In 1997-98, India exported 6 crore rupee worth of CNSL, for which UK and Japan contributed 20 per cent each.

Table 1.14 Major destination of Cashew Exports from India, 1991-1998 (Rs. Lakh)

Countries	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98
World	67151	74485	104531	124465	123570	128548	138393
USA	20135	32548	43137	45917	34923	45555	53189
Netherlands	16970	16859	21708	21369	20921	32150	32875
Japan	6428	5639	8095	9135	10022	9910	9793
UK	2370	5598	7026	6613	4230	7970	9136
UAE	2099	1623	1926	3920	3838	4052	4390
Australia	3600	2754	4588	6317	5008	5525	3394
Singapore	2370	1955	1689	2403	2350	2924	1801
Russia	3576	62	2596	9183	26265	879	1495
Hong Kong	2081	1710	3886	6040	2392	2102	1402

Source: Centre for Monitoring Indian Economy, issue on Agriculture, September 1998.

In value terms (see table 1.12), cashewnut exports grew from 58599 tons in 1992-93 to 76897 tons in 1994-95, declined from then onwards for the next three years, 1994-97 and increased moderately again to 76323 tons in 1997-98. In value terms, it increased continuously from 745 crores in 1992-93 to 1383 crores in 1997-98. There was a moderate decline by 0.72 per cent in 1995-96 but started picking up with slow increase in exports. Among other agricultural exportables, cashewnut stands next to spices and fresh fruits in terms of moderate fluctuations and growth. In fact, these commodities recorded positive growth in the post reform period.

Table: 1.15 Workers in Cashewnut Industry from Census 1991 by state, residence and Sex

State	Total			Urban		
	Persons	Males	Females	Persons	Males	Females
Andhra Pradesh	4870	1570	3300	3430	960	2470

Assam	320	260	60	240	200	40
Bihar	120	100	20	60	60	0
Goa	818	146	672	112	37	75
Gujarat	1000	770	230	880	650	230
Haryana	10	10	0	10	10	0
Himachal Pradesh	4	4	0	0	0	0
Karnataka	6470	1500	4970	3510	890	2620
Kerala	62470	18130	44340	11630	5030	6600
Madhya Pradesh	550	240	310	470	190	280
Maharashtra	1700	690	1010	910	430	480
Meghalaya	6	4	2	1	1	0
Mizoram	1	1	0	1	1	0
Orissa	2011	1491	520	440	390	50
Punjab	60	60	0	60	60	0
Rajasthan	90	60	30	70	40	30
Tamil Nadu	6570	1220	5350	670	510	160
Tripura	2	0	2	1	0	1
Uttar Pradesh	690	600	90	290	280	10
West Bengal	550	410	140	220	180	40
Anda & Nico. Islands	4112	3441	671	0	0	0
Chandigarh	6	5	1	6	5	1
Delhi	20	11	9	18	9	9
Lakshadwee p	303	274	29	189	160	29

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Pondicherry	10	5	5	10	5	5
Total	92763	31002	61761	23228	10098	13130
Source: Census of India, 1991.						

4. Data on Employment and Workers - Limitations

We faced difficulty in estimating the exact number of workers engaged in this industry. Different data sources provide data differently. According to the ASI, only 1.6 lakh workers were engaged in this industry in 1994-95. G.K.Nair in an article (Business Line, 8.5.98) estimated that Kerala itself employed 4-5 lakh workers. Census provides us with different and highly underestimated data that in 1990-91, only 96763 main workers were employed in this industry (1.15). Since the data is only about main workers, similar data on marginal workers may increase the number of workers to a certain extent. The data on industry-wise marginal workers is not available. Moreover, the bias of the census investigator in entering the work of female workforce also raises suspicions.

There are two types of surveys conducted by ASI one called 'Factory Sector' and the other, 'Census Sector'. The data in Factory Sector includes those factories that are registered with Inspector of Factories, which employ at least 10 workers with power and 20 workers without power. The data in 'Census Sector' include those factories that employ at least 100 workers. Since units in cashewnut industry require at least 100 workers to process, we assume that the data from factory sector and census sector can be interchangeably used. Though this is a justification for using census and factory sector data, there is no data available in either factory sector or census sector continuously for all the states for all the years. So we used the data available for the recent years and analysed the results. The non-availability of data on factory sector for all years and unregistered manufacturing sector establishment and employment by industry is another important and major difficulty in studying the cashewnut industry.

ASI data on employment also suffers from many flaws. It is based on firms submitting their returns under Factories Act, 1948. In recent years, the number of industrial units failing to submit their returns has tended to increase.⁴ In 1994-95, it was 5 percent. It could also lead to underestimation. Moreover, only the employer supplies the data. This is also responsible for under/overestimation.

5. Summary

Since the beginning, the industry is more export oriented. Motivation among the entrepreneurs emerged after tapping the American market. Since then, it has grown dramatically and the production process changed itself from manual or cottage based to semi-mechanised. However, the modernisation process did not affect the employment because the

core processes required large number of labourers and could not be replaced by machinery.

The recent trends in the industry revealed that it is shifting its traditional centres to new locations. However, this shifting has not benefited the new locations in the equal manner. On the one hand, while states like Andhra and Maharashtra have increased their production of raw cashew, they could not increase their employment in the industry. On the other hand, Tamil Nadu has increased its employment without increasing area under cashew. Thus, the cashewnut industry is getting the raw cashew from a few states and processing it in other states. The trends in earnings revealed the after-effects reflected in the earnings of cashewnut workers. Besides increase in their earnings in all centres, the growth of earnings in the traditional centres tended to decline. Moreover, cashewnut-processing industry has reduced the number of working days in the traditional centres and increased it in places where it can pay low wages, say Tamil Nadu.

In the post reform period, its contribution is also not very high in terms of its contribution to total exports. The overall growth of cashewnut production in India has increased only by 60 per cent during 1987-95. The reliance of cashewnut processing industry on imports has increased dramatically from 14 percent to 34 per cent. Nevertheless, it has lot of growth potential if the production of cashew increases or availability of raw nuts from African countries is tapped. Our analysis is in a way restricted to organised segments of the industry and particularly to those firms, which have submitted their returns.

Chapter II. Cashewnut Industry in Kanyakumari District

In the previous chapter we found that in Tamil Nadu, which is not a major cashew growing state, the number of factories and employment has grown rapidly. Many studies pointed out that there was a major shifting of industries from Kerala to Tamil Nadu. It was also found that the cashewnut industrialists shifted their firms to evade labour legislation and denying the worker's legitimate share of wages in Kerala. However, it is imperative to find out the exact reasons for such a shift, and its implications for both the states. Yet, another question that needs to be probed and how the factories sustained over the years and their organisational strategies.

More than 90 per cent of the cashewnut industries in the state are located in Kanyakumari, a border district of TamilNadu. Villupuram district also produces cashew kernels but the production process is manual and its contribution to total state production is minimal (Kannan, K.P., 1984). Thus, the trends of the industry in Kanyakumari could be generalised as the trend of cashewnut industries in Tamil Nadu.

In this chapter, we have two sections. In the first section, we will investigate the growth of industry and employment in Kanyakumari district and see how cashewnut industry plays a predominant role in generating employment. In the second section we will look into how cashewnut industry entered Kanyakumari and its ownership patterns in the district.

1. Kanyakumari: An Introduction

Kanyakumari district once known as the granary of Travancore lies at the south-western part of Indian peninsula. It was in Trivancore for a long time and then merged with Tamil Nadu in 1956 under the State Linguistic Reorganisation Act. It is famous for its vast green stretches of paddy fields, rich forests, coconut groves and mineral sands. The district has many beautiful spots, besides Cape-Comerin, the southern most tip of the sub-continent where two seas and an ocean mark the land's end. The district has been named after the Goddess Kanniyakumari Amman who is the popular deity of the area. Legend has it that the Goddess Parvathy in one of her incarnations as Devi Kanniya did penance on one of the rocks of this land's end to obtain the hand of Lord Shiva (Census of India, 1981).

Kanyakumari district with Nagercoil as district headquarters has two revenue divisions with four taluks: Padmanabhapuram has Vilavancode and Kalkulam taluks and Nagercoil has Agastheeswaram and Thuvala taluks.

Historically, besides cultivation of paddy, banana, and vegetables, the major occupation in the district, traditional industries also had flourished in the district (Franco & Jebanesan, 1999). The major old-time industries in the district are handloom weaving, wood-carving, coconut-shell-carving, village smithy, stone carving, chalk industry, cotton industry, oil extraction etc. Wood carving skills seen in Padmanabhapuram Palace, stone carving in Suchindram temple are a few examples of exemplary skilled manpower available in the district.

One of the other major non-agriculture employments in the rural areas was manufacture of palm sugar (Census of India, 1961). There were large tracts of palm trees in the district⁵. Many families engaged in manufacture of palm sugar. In this industry, all the members of the family both men and women engaged equally. In those days, people preferred to marry off their daughters to the palm tree climbers rather than to government employees, because they earned better than the government servants did. People used all the materials made of palm tree products in their houses. Since the income is not sufficient to run the families, owing to felling of palm trees on the larger scale, people look for alternative employment opportunities.⁶

Agriculture: Nearly 63 per cent of the workforce depends on agriculture as their mainstay (Census of India, 1991). From table 2.1, it is evident that the major crops cultivated in the district are coconut (19.9%), rice (38.42%), tapioca (10.95%) and banana (7 %) and rubber (15.08 %). These five crops account for more than 85 per cent of the total cropped area of 1.04 lakh hectares in 1997-98. Area under cashew accounted for 2.4 per cent of the gross cropped area. Though there appear to be more potential to increase area under cashew in the region, the state is not showing much interest in doing so. In fact, Comptroller and Auditor General of India in his report (March 1997, No.3) accuses the state government for not utilising the funds allocated by the centre for cashew nurseries in the state.

Table 2.1 Area Under Major Crops in Kanyakumari District

Year	Paddy	Banana	Tapioca	Rubber	Total
97-98	31244	4597	9715	18063	63619
96-97	33659	4559	8297	19420	65935
95-96	36020	4036	9255	22089	71400
94-95	37565	3987	9554	21663	72769

⁵ To quote, "In Kanyakumari district, Melpuram centre is noted for its production of palm leaf products. There is a multipurpose cooperative society which supplied raw materials as also finished products. A training-cum-service centre function in Melpuram of Vilavancode taluk. In Derisanapatnam, situated in Thuvala taluk, some families are engaged in manufacturing toys out of palm leaves." (Census of India 1961)

⁶ Discussions with some of Kuzhithurai elders on 15.1.1999.

93-94	38541	3615	9598	21406	73160
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Source: Assistant Director Statistics, Nagercoil.

In 1995-96, average operational holding was 0.29 hectares. SC and ST farmers hold 0.14 and 0.08 hectares respectively. Those farmers who own less than two hectares constitute 98 per cent of the total farmers but cultivate 65.4 per cent of total operational holdings and those who own more than 2 hectares own 34.6 per cent of the total operational holdings (table 2.2).

Table 2.2 Number and area of operational land holding, 95-96

Size class	Number				Area (in hectares)			
	SC	ST	Others	Total	SC	ST	Others	Total
Below 0.2	418		15433	15851	4.08		174.59	178.67
0.2-0.5	1197	49	192133	193379	222.5	3.96	32370.07	32596.53
0.5-1	119		19832	19951	84.98		13769.625	13854.605
1-2	62		9282	9344	84.65		12680.465	84.65
2-3	22		2326	2348	51.37.5		5602.38	5602.38
3-4	7		934	941	24.35		3183.37	3207.72
4-5	4		472	476	19.25		2088.54	2107.79
5-7.50	4		503	507	24.03		3059.88	3083.91
7.50-10			226	226			1944.33	1944.33
10-20	2		192	194	21.3		2123.65	2144.95
Above 20			93	93			6537.59	6537.59
Grand total	1835	49	241426	243310	262.64	3.96	70854.025	71120.625
Average					0.14	0.08	0.29	0.29

Source: Assistant Director Statistics, Nagercoil.

(a) Work Participation Rate and Literacy in Kanyakumari

Among the districts, Kanyakumari has some interesting features. According to 1991, Kanyakumari had second (to Madras) highest rates of literacy (72%), higher than the state average of 63 per cent (Census of India, 1991). This had reflected in lowest work participation rate⁷ of 11.03 per cent. The proportion of women who participate in the non-agricultural activities is also second highest (next below to Kamarajar district where Sivakasi is located) in the state. Nearly 40 per cent of the total female main workers engaged in non-agricultural activities. In 1971, including marginal workers, it was 37 per cent. Among the taluks, Vilavancode (rural) had highest proportion of (54%) women workers participating in secondary sector activities. Similar trend was observed in 1991 with a lesser proportion. It is due to division of workers into main workers and marginal workers in census operation⁸. The nature of work appeared to be nothing but employment of women in cashewnut processing industry.

Moreover, during our visits, we found that in the whole town of Kuzhithurai where the main government offices are located, only one factory is working. All the rest of the factories are located in surrounding villages. Since the government provides concessions to establishing factories in rural areas, the cashewnut factory owners utilise this opportunity and enjoy the benefits of having village factories.

(b) Industrialisation in Kanyakumari District

Though there is some consolation that it is having a higher proportion women workers engaged in non-agricultural employment in the district, the industrial development spear-headed in the whole state in the last few decades has not touched Kanyakumari. Still it is one of the industrially backward districts in Tamil Nadu. The relative index of development constructed by CMIE in 1993 showed Kanyakumari with 80 per cent which is 20 per cent less than all India index of 100 and 55 per cent less than the state index of 135. Though there are more town panchayats, the rate of urbanisation (16.88%) is just half the state average growth of 34.15 percent and less than country average of 25.73 per cent (CMIE, 1993).

There is no major industry set up in the district. The one and only central government industry is Indian Rare Earths Limited which processes mineral sand. In 1995-96, medium industries provided employment to 2135 persons (see table 2.3). Among the industries in Kanyakumari, cashewnut-processing which employed around 59000 workers in 1997-98.⁹ Recently Government of India inaugurated a Nuclear Power Plant in Koodan-

⁷ Work participation can be defined as a proportion of workforce to total population. Higher work participation means more people in the society participate in economically productive activities and vice versa. However it can be contradicted that due to deprivation also people would participate in the labour market. In case of Kanyakumari, particularly due to higher literacy, the proportion of non-workers' category is higher than working women.

⁸ Main workers are those participate in productive economic activities for more than 186 days in a year. Remaining workers were called as marginal workers. Many an occasion, it happens that women were included in marginal workers even if she spent most part of the year in an occupation.

⁹ Various official sources provide different estimates due to methodological differences. This data is provided by District Industries Centre. Even in 1988, the same number of workers was engaged in the Women in Cashewnut Processing Industry in Kanyakumari

gulam, which would give employment to a few highly skilled persons. Otherwise, no major industrial or factory-based employment is available in Kanyakumari.

Table 2.3. Some Medium Industries in Kanyakumari District, 1998

Name	Product	Employees			
		Skilled	Semi skilled	Others	Total
Kanyakumari District co-operative Spinning Mills Ltd;	Cotton Yarn	57	483	115	655
Morarji Borex Ltd.	Rubberwood			28	28
Nagammal Spinning Mills Ltd.	Cotton Yarn	34	301	40	375
Indian Rare Earths Ltd. Manavalakurichi	Mineral Sand	31	724	50	805
TAC floor Company	Coir Mattings	11	131	18	160
Anusham Rubber Industries Ltd.	Latex Dipped Gloves			35	35
Prabhu Beverages	Soft drinks	35	16	51	102
Ponjesley	Filament	1	8	9	18
Total		169	1663	346	2135

Source: District Industries Centre, Nagercoil

In the unorganised sector, fisheries sector employ 49000 workers; tea, rubber and cardamom plantations provide full employment to 3900 workers (table 2.4). Fishnet industry, one of the newly established industries with 57 factories is providing employment 3550 workforce (Franco & Jebanesan, 1999).

2.4 Workers in Fishing and Rubber & other Plantations

industry. Trade unions estimate 40000 workers in the industry. However, there is no data available on exact number of workers both organised and unorganised sectors.

Year	No. of fishermen			Tea, Rubber, Cardamon
	Inland	Marine	Total	
1995-96	8155	40850	49005	3900
1994-95	8155	40850	49005	3877
1993-94	1555	45674	47229	na

Source: Assistant Director Statistics, Nagercoil.

Generally, the wages in agricultural sector would be lower than in the non-agricultural sector. We have collected details of actual earnings data (see table 2.5) for Kanyakumari district which is quite surprising and quite unusual for Tamil Nadu trends. The wages of agricultural labourers is higher than the wages for non-agricultural labourers. In 1993-94, it was Rs.61.30 and it increased to 91.80 in 1995-96, whereas in the non-agricultural employments, it ranged between Rs.44 and Rs.59 in 1993-94, which increased to Rs.65 and Rs.85 per day. Recently Government of Tamil Nadu revised Minimum Wages in agriculture to Rs.53 and thus it is of no relevance in Kanyakumari district. Other reasons are (a) lack of entrepreneurial skill (b) higher cost of land (c) being away from state capital (d) lack of government initiative (Franco & Jebanesan, 1999).

Table 2.5 Daily Actual Earnings of Workers in Kanyakumari District, 1993-96 (in Rs./day)

Type of workers	1995-96	1994-95	1993-94
Agricultural Labourers	91.8	55.8	61.3
Non agri - Skilled			
Carpenter	84.1	92.5	59.1
Blacksmith	71.7	62.5	47.5
Mason	85.5	82.5	57.5
Unskilled	65.0	52.5	44.5
Average	79.6	69.2	54.0

Source: District Handbook (for various years), Assistant Director of Statistics, Nagercoil.

A young entrepreneur whom we met in District Industries Centre, says:

“The main barrier in industrialisation is high cost of production. Being in the border of the state of Tamil Nadu, for any marketing or other purposes, we have to go Madras and

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transportation cost is very high. Moreover, government is not showing any interest in establishing large-scale industries. For instance, recently much of the forestlands were converted to rubber plantations and it is employing nearly 5000 workers on regular basis and 12000 workers on casual basis. In the private sector also it is growing and giving part-time or full time employment to 50-60000 workers in the district. But we have no big rubber factories in the district. It has to be exported to other districts. Moreover, Kerala, neighbouring state also attracts labourers. This leads to labour shortage. Even we entrepreneurs, take up initiative, we are struggling hard to survive in the field and going in for alternative opportunities. For small entrepreneurs, it is also not profitable to shift to neighbouring districts. If 10 persons like us start some entrepreneurial activities, only two are able to withstand.”¹⁰

(c) Labour Force and Employment

If we look at the supply of technical manpower and demand for labour, the former is more than the latter. The data on unemployment provided by government employment agency disclosed that out of total persons registered with them, only 2.27 per cent for male and 0.6 per cent for female were absorbed into organised sector employment. It is increasing very slowly for male and fluctuating for female (see table 2.6). The number of persons produced by technical institutions in two years is equivalent to the number of total employees in the medium industries as a whole (see table 2.3). However one cannot deny that the technical persons could also be employed in informal sector in small-scale industries or opting for out-migration.

2.6 Unemployment in Kanyakumari district (employment exchange)

	Persons registered		Vacancies Notified	Placements Made			
	Male	Female		Male	in %	Female	in %
1995-96	11608	10768	451	263	2.27	68	0.63
1994-95	11052	10432	516	230	2.08	88	0.84
1993-94	71588	67685	620	498	0.70	118	0.17

Source: District Handbook (for various years), Assistant Director of Statistics, Nagercoil.

If we analyse taluk-wise industries and employment as per the information provided by the official sources, Kalkulam has 375 factories that were registered with factories employing 12000 workers. This is followed by Vilavancode, which has 150 factories but employing 34553 workers. This is due to more of cashewnut factories existing in the taluk. Within the organised segment of the workforce, 77 per cent of the total employment in Kanyakumari is contributed by cashewnut industry. In terms of number of facto-

¹⁰ Interview with Mr. Kumarasamy Pillai, Azhagiapandiyapuram, Kanyakumari on 14.01.1999.

ries registered with Inspector of Factories under Factories Act 1948, cashewnut industry accounted for 24 per cent of the total factories registered in the district (see table 2.7).

2.8 Small Industries in Kanyakumari by Industry groups(1998) (Value in Rs.Lakhs)

Industry	NIC Code	No. of SSI units Regd	Land & Building	Plant & Machinery	No of Workers
Food Products	20&21	1022	1652.72	2168.87	49901
Beverage, Tobacco & Tobacco Products	22	58	134.65	40.50	621
Cotton Textiles	23	28	31.36	27.29	193
Wool, Silk & Synthetic Fibre Textiles	24	3	3.88	1.10	25
Jute Hemp & Mesta Textiles	25	1	0.83	2.00	4
Hosiery & Garmets	26	2279	1040.87	844.46	8858
Wood Products	27	719	504.55	671.70	3936
Paper Products & Printing	28	361	236.57	257.45	1876
Leather Products	29	272	112.96	115.01	981
Rubber & Plastic Products	30	379	1094.9	737.64	2454
Chemical Products	31	346	231.40	49.93	2647
Non Metallic Mineral	32	468	370.42	795.01	4864
Basic Metal Industries	33	10	31.71	4.90	53
Metal Products	34	555	309.50	491.93	2647
Machinery & Parts (except electrical)	35	123	127.84	154.61	583
Elec. Machinery & Appaaratus	36	325	132.87	155.43	1396
Transport Ewipments & Parts	37	213	41.44	54.89	1228
Misc.mfg. Instruments	38	314	248.42	211.45	1058

Storage & Warehousing	74	4	1.24	0.71	6
Medical Health Service	93	4	7.67	3.00	14
Personal Service	96	216	212.40	124.40	492
Repair & Service	97	677	290.24	370.50	2236
Other Service	99	23	19.92	10.73	57
Business Service	82	30	47.70	20.58	101
Total		8431	6846.34	7314.63	86571

Source: District Industries Centre, Nagercoils cited in Franco & Jebanesan

Similar trend is also disclosed from data on small industries. Small-scale industries provide employment to approximately 87000 workers (see table 2.8). Among the small industries, cashewnut industry employs more than 50 per cent of the total factory employment. Among the agro-based industries, cashewnut industry accounts for more than 30 per cent of the total industries. It is followed by coir industry and hulling of paddy (see table 2.9).

2.9 Agro Based Industries in Kanyakumari District, 1997-98

Type	Nos.	in %
Hulling of Paddy	212	16.87
Flour Mill	127	10.10
Rubber	102	8.11
Coconut Oil Mill	62	4.93
Pickles	7	0.56
Fruit and Jam	2	0.16
Wet Grinding	52	4.14
Aval Mill	6	0.48
Chops	5	0.40
Coconut fibre Products	293	23.31
Cashew	389	30.95
Total	1257	100.00

Source: District Industries Centre, Nagercoil

Though cashewnut industry accounts for such a large-scale employment in the job market of Kanyakumari district, so far no research was done to bring out historical origin of industry in Kanyakumari district. The available studies have neglected the impact on labour and employment and concentrated on organisation-related issues. With growing concentration of industries in the district, questions like - what are the impact on the houses of cashewnut workers, whether the employment in cashewnut industry is dignified or not, how the production is organised, to what extent it is different from factories in Kerala etc. need to be addressed.

2. Origin of Cashewnut Industry in Kanyakumari

Though ASI shows that only one factory existed in Tamil Nadu in 1961, some of the historical evidences reveal that cashewnut industry entered Kanyakumari prior to that and probably in 1955. To quote,

"The first cashewnut factory in Tamil Nadu was started in the year 1955 at Palavila in Kanyakumari district by late Mr.Innasi Muthu Nadar.¹¹ He was inspired by his close associate Mr.G.Biswas, a prominent cashewnut industrialist in Kollam. ...The export of cashew kernels to the international market from Tamil Nadu was undertaken first by Mr.G.Biswas himself. In 1958, under the firm name " Cape Cashew Industries", Mr.G.Biswas sent the first consignment of his export containing 400 cases of cashew kernels through the Cochin port."¹²

2.7 Factories registered by taluk, industry groups and workers employed, 1995-96

NIC 198 7	Industry	District Total		Vilavancode		Agastheeswar ram		Thuvalai		Kalkulam	
		Factor ies	Work ers	Factor ies	Work ers	Factor ies	Work ers	Factor ies	Work ers	Factor ies	Work ers
20- 21	Food Products	213	46094	120	33714	24	1079			69	11301
22	Bever- age, To- bacco & Tobacco products	1	67	1	67						

¹¹ Mimeograph of CPI(M) Office, Kuzhithurai.

¹² Interview with Mr.Ambrose, the son of Mr.G.Biswas on 20-10.1988 quoted in Sathyadas, 1991, p.8.

23	Cotton Textiles	4	185	1	13	2	172	1	582		
26	Hosiery, Garments & Coir	21	501	4	38	9	309	1	18	7	154
27	Wood Products	33	484	8	126	4	62	2	25	19	296
28	Paper products and printings	15	269	3	60	8	143	2	26	2	66
29	Leather products	20	163	6	60	1	12			13	91
30	Rubber & Plastic products	12	679			8	679	4	69		
31	Chemical products	25	333	3	39	10	271	6	171	6	23
32	Nonmetallic Minerals	14	370	1	112	8	211	2	98	3	47
33	Basic metal industries	2	10			1	10	1	10		
34	Metal Products	6	100	4	82	1	18	1	18		
35-36	Machinery and Apparatus (including Electrical)	5	53	1	16	3	37	1	16		

37	Transport Equipment & Parts	12	na						1	12	
38	Miscellaneous Mfg. Instruments	99	15	1	15				3	98	
40		52	na						2	52	
42		1	4			1	4				
43		2	10			1	10	1	10		
97	Repairs & Services	116	982	3	211	19	771		2	94	
215 1.00	Cashew industry (in %)	24.19	77.84	75.00	97.47	3.00	22.81	nil	nil	10.13	38.34
Tot al		653	50319	156	34553	100	3788	22	1051	375	11978
		(158)	(3917 0)	(117)	(3367 9)	(3)	(864)			(38)	(4592)
Note: Figures in brackets are cashew (factories/workers); na - Not Available											
Source: District Handbook 1995-96, Assistant Director of Statistics, Nagercoil.											

It is also confirmed by discussions with the local people in the study area. When reorganisation of states by lingual basis was taking place, a group of local politicians started asking separate statehood to Kanyakumari area. Government at that time arrested many of those politicians and Mr. Innasi Muthu Nadar, one among them escaped and went to Kollam. He stayed there for sometime and he came back with the skills required to process cashew. He started his own thatched cashewnut factory. It was similar to cottage processing. He went to each and every door in Palavila and called women to work. Later he was not able to manage. At that time, Vijayalakshmi Cashew (VLC) came and bought this factory.'¹³

13 Interview with Sabariyar Adimai, Thirutthuvapuram who was associated with Innasi Muthu Nadar. Women in Cashewnut Processing Industry in Kanyakumari

Later, owing to shortage of raw materials along with workers' struggles to raise wages in Kerala, cashewnut industrialists changed the mode of production by which the cashewnut was processed in houses. In this method, locally referred to as *kudivarappu*, they employed workers on casual basis.¹⁴ When Kerala Government banned *kudivarappu*, cashewnut industrialists had started shifting their production activities to Kanyakumari on a massive scale. However, those who shifted from Kerala set up thatched roofing, which can be dismantled as the industrial climate become favourable. In other words, it was just temporary arrangement. The 'soft' approach of officials made cashewnut industrialists satisfied. So, the thatched sheds put up earlier were replaced by tiled buildings. In fact, processors found shifting as more lucrative than *kudivarappu*. It has been confirmed by our interview with officials. "In order to promote industrialisation in this industrially backward district, we were unofficially directed by government," says Regional Inspector of Factories.¹⁵ Apart from cashewnut industries, taking advantage of the lack of alternative employment in the district, some cashewnut processors also started other industrial activities such as tin factories and fishing factories in Kanyakumari. All the supervisory staff were recruited from the employer's locality while the workers belonged to Kanyakumari. During slack seasons when cashewnut factories were closed down, the supervisory staff of some of the cashewnut factories worked in the tin or fishing factories (Oommen, M.A., 1979).

3. Ownership and Organisation Patterns in Cashewnut Industry

Cashewnut processing industry, due to its highly speculative nature of business fluctuations in the international market for raw nuts and kernels and severe competition among industrialists had resulted in concentration of the industry in a few hands (Oommen, M.A., 1979, p.70). In a study conducted in Kerala, it was found that out of 156 factories, 85 were owned by six employers and only one employer was holding 17 per cent of the total factories.¹⁶

Since Kanyakumari is an offshoot of Kollam cashewnut industry, the same ownership pattern prevails in this district too. There is no uniformity in the organisation of cashewnut processing factories in Tamil Nadu. In majority of the firms, one person or one family the is sole proprietor of a number of factories located at different places (Nair, B.P.C., 1985) and are functioning as combines (Sathyadas, 1991). In recent times, VLC, KPP, RMC, Prashanti, Mark, Mohan's International are the major processors in Tamil Nadu.

By functioning as combines, they get many advantages: (a) they are able to get loans from the same credit institutions in different names; (b) derive all the advantages of industrial units in the small-scale sector; (c) possibility of evading labour laws; (d) estab-

14 Though literally *kudivarappu* means household or cottage processing, it was carried in the factories in a clandestine manner by some of the processors. See M.A.Oommen, 1979, p.71 for details.

15 Interview with Mr.Thankaraj, Regional Inspector of Factories, Thirunelveli on 13.1.1999.

16 Report of the Minimum Wages Committee, Government Press, Trivandrum, 1959, p.9.

lishing monopolistic control over the markets for cashew kernels and (e) keeping the trade secrets. Moreover, they change their administrative staff from one factory to another factory quite often, so that they do not get any opportunity to get into contact with local producers (Sathyadas, 1991).

A study conducted in 1979 revealed that, out of 68 factories in Tamil Nadu, "vendor group", one of the big family concerns in cashewnut industry and the descendent of P.Krishna Pillai, Kollam had 26 factories. During the survey, we came to know that there were more than 60 factories functioning under VLC, one of the combines of 'vendor' group. These owners by operating as combines, become monopolies in the industry. Even after 35 years of growth of cashewnut industry in Kanyakumari, there is no single cashewnut processor who is from Kanyakumari who is able to establish firmly. A study found there were only 12 local cashewnut processors in the district in 1987 and it had come down to 3 in 1988, as nine of the local processors have given their factories on lease to big processors.

The cashewnut factories are running with five types of organisation: (1) Factories owned and processed by same company / proprietor: This is simple and self-explanatory. An individual or company will have its own factory premises and process the cashewnut and market it; (2) Factories owned by a single person / family but they do not own raw cashew. They will process cashewnut for others and charge "per bag" basis. They will incur the entire expenses and process cashewnut for others. (3) Direct Leasing: Some factories, when they incur heavy losses, and if they are in the stage of closing them down or unable to run them, they would lease out to some other companies. The company which leased-in the factory will pay rent monthly and it will incur all other expenses including wages and maintenance etc. (4) Indirect Leasing: Some companies, when they exhausted all their stocks, they will invite other companies to come and process the cashewnut. They will get a fixed rent for the machinery based on bags of cashew processed. During this period, the lessee has to pay wages. (5) Some employers who are not able to run the factory and if no company is ready to lease-in their firm or if they do not want to lease-out to companies, they may give it to individuals who in turn process cashewnut and will get processing charges. They are also known as commission processors. They will incur all the cost of labour, electricity, maintenance and pay rent to factory owner. They may process cashewnut for one or more companies.

It appears that all these types of organisation did not emerge all of a sudden. Over the period, due to many problems in running the factories, the local entrepreneurs were not able to purchase raw cashew. The cashewnut industry is always facing shortage of raw cashew because the production has not increased in proportion with increased processing capacity and export markets. This has led to a dependence on import of raw cashew, as we have already seen, Government of India allows a company to import on the basis of its installed capacity and number of workers engaged. Since import of raw materials require heavy infrastructure and capital, it is possible only by the big magnates in the industry. That is why the local entrepreneurs were not able to sustain in the first method. Moreover, the infrastructure required is not only for imports but also to market the produce - kernels and CNSL. Since the local entrepreneur had to depend on big companies and banks (which deal only with big companies), he had to go for alternative options avail-

able to him. Thus, vulnerability attached with the small enterprise led the owners to opt for second, third or fourth type of organisation. When some entrepreneurs find it difficult to run their firms and wish to leave the industry, they opt for the fourth method. If an entrepreneur is not willing to give it to other companies, or no company is ready to lease-in it, then he invites somebody who worked as manager in other firms and lease it out to him to run the factory. However, it is his responsibility to get cashew to process, maintain the factory etc. He should give the monthly rent for the factory whether he is processing or not processing. It is simply hiring out somebody else.

The types of organisation have adverse implications on labourers. If the company is of the first type, there are more chances of regular employment, regular payment of wages and provision of welfare measures like provident fund, bonus etc. If the type of company is the fifth, there is no guarantee of getting back your provident fund savings, wages similar to other big companies, bonus etc. These commission processors, if they incur loss in one factory this year, then the next year, without informing provident fund officials and factory inspectors, they shift over to other companies. The final losers will only be wage labourers. The owners of the company also do not take any responsibility for workers' problems. We will see in detail about how workers are affected by the ownership patterns in the forthcoming chapter.

4. Summary

There is visible change in the employment pattern in the district. The traditional non-agricultural activities such as manufacture of palm sugar, woodcarving, and other activities related to handcraft are declining. They are being replaced by new agro-processing industries. Two types of non-agricultural activities are emerging in the district. One depends on what is being produced locally in the recent decades (Rubber). The area under rubber also increased with decrease in the area under paddy. Other types of industries depend on raw materials produced not just outside the state but also outside the country (Cashewnut). In the case of the former, the government did not take up any initiative to set up rubber factories. In the case of cashew, the production in Kanyakumari is very negligible and no efforts were taken by the state to increase the area under cashew production.

The distribution of land is also unequal. Though Kanyakumari has the highest literacy rate, it has low work participation rates. In terms of non-agricultural employment especially for women, next to Kamarajar district it leads all other districts in the state. However, by national standards, it is still an industrially backward district and has very low rate of urbanisation. The high cost of production and bottlenecks in infrastructure appears to be main reasons for such backwardness. The growth of organised employment is very slow and negligible. When compared with the annual supply of skilled manpower, the industries could not provide employment, which also leads to migration to neighbouring states. Perhaps this reflects the unwillingness on the part of employers to pay attractive wages and to observe labour legislation.

The cashewnut-processing industry plays a crucial role within the factory sector employment. It accounts for 24 per cent of the total number of factories but gives employment to

77 per cent of the total organised sector employment. Among small-scale industries and agro-based industries also, the role of cashewnut industry is a critical one.

In the beginning, the cashewnut industry entered Kanyakumari as a temporary arrangement to evade from enforcement of labour legislation in Kerala. When the processors were able to pay very low wages and got their cashew processed, they permanently established their units. Moreover, the nodding acceptance by the state officials and not enforcing the labour legislation in the name of 'rural industrialisation' has also played a major role. Though this has generated employment to unskilled women, for many years the cashewnut processors were very careful in not raising the workers' wages. Their ownership patterns they followed were quite sufficient in discouraging the local entrepreneurs to enter the industry. However, the implications of such strategies are adverse to the interests of the labourers, which will be analysed in the forthcoming chapters.

Chapter III. Labour Market in Cashewnut Processing Industry

To assess the implications for the overall labour market in the changing industrial scenario of Kanyakumari district, it becomes imperative to understand how the labour market for cashewnut workers operates. It is also necessary to investigate how institutions such as trade unions, recruitment channels and other non-contractual arrangements relating to labour markets are emerging in response to new employment opportunities. Hence we conducted the primary survey in a region which comprises more than 75 per cent of the cashew industries established in the district. In this chapter and the following ones, we propose to analyse the results of the survey.

1. Methodology

The criteria for choosing a location among numerous cashew factories and their workers needs to be enumerated first. Among four taluks in the district, Vilavancode has more than two-thirds of the cashew factories established (see Table 2.7). So we chose Vilavancode to conduct the study. Apart from the primary survey, investigations were carried out in other industries also.

Vilavancode consists of two panchayat unions viz., namely Melpuram and Medugummal. Due to limited time and unavoidable reasons, we restricted our sample of women workers' families to 100. We selected 50 households from each panchayat union. Since male workers constitute 4-5 per cent of the total workers in the industry, we interviewed only 6 male workers. The households were randomly selected from one corner of the panchayat to the other. In Melpuram, for instance we started at Kaliakavilai and ended at Chemmanagalai. In Medugummal, we went from Kuzhithurai to Kollancode. The data was collected from workers of 31 factories from both the panchayat unions. In each factory, a maximum of five workers was interviewed. The survey was conducted from 8th February 1999 to 24th March 1999. The selection of workers was based on availability or random basis without adhering to any statistical methods.

Limitations of the Study

Though we have covered many issues relating to the industry, employment, and workers, the details of employers are not covered because of the difficulty in contacting them.¹⁷

Nevertheless studies done earlier (Nair, 1985 and Sathyadas, 1991) and meetings with some managers and employers helped us understand the ownership patterns better.

The working hour pattern of the cashewnut-processing industry is different from that in other industries. It starts at 7 a.m. for female workers and 5.30 a.m. for male workers. So workers leave early in the morning and get back home only in the evening. In the evening, they were exhausted and it seemed a crime on our part to expect them to sit with us and answer questions. Some responded eagerly, others not so enthusiastically. On Sundays, however the response was uniformly good. There could be some bias due to this factor, though we took utmost care to avoid this.

Some workers, as is usual in other field researches, were afraid of losing their jobs if they responded. For instance, the questionnaire had a question on 'work on Sundays' (see Appendix for questionnaire). In the course of our fieldwork, when some young cashew workers said 'yes' to this, their mothers scolded them for disclosing such details.¹⁸ When their daughters go to the cashew factories, the mothers hide the age of the daughter if she is below fifteen.¹⁹ In some cases they did not disclose whether their daughters were working or not. On other occasions, when family members interfered and responded instead of the workers, the workers looked frightened and scolded them for disclosing the 'truth'.

2. Production Processes in Cashewnut Industry

Before we start analysing the survey results, an understanding of the processes of the industry is necessary. It is a labour intensive industry, which requires less technology and more labour. Besides many subsidiary activities, this industry involves five production processes²⁰ viz., (a) Roasting locally known as *varappu*, (b) Shelling, locally termed as *thallu*, (c) bormah (d) peeling, (e) primary grading locally referred to as *pass* and (e) final grading and packing. Subsidiary activities include oil extraction and manufacture of tins.

In **roasting**, only male workers are employed due to the toughness of the task. In most of the factories, five or six men work as a team and everyone does different tasks in the process. The raw nuts are roasted in order to make the shell brittle and loosen the kernel from the shell; the nut is soaked in water to raise the moisture content of the kernel in or-

they just showed us the factory and when it comes to 'business', they stop talking about it. Some managers directed us to contact 'head offices'. When we contacted, the Head office they straightaway said that they discourage such researches on the industry. Though, we have sent questionnaires we have not received any reply.

18

As per the Factories Act 1948, all the registered factories should declare one day as weekly holiday.

19

By employing persons below the age of 14, an employer would face punishment for violation of Child Labour Prohibition Act, 1996.

20

Krishnakumar, S., "Women in Workforce - The Cashewnut Labourers in the State of Kerala", contributory paper, SILR, Centre for Education and Communication, New Delhi. 1998.

der to reduce the risk of breaking. Frying is done either by drum roasting or oil bath roasting. In the former the raw nuts are put into a rotating drum and heated. Burning of shell liquid helps in the maintenance of the temperature in the drum. The drum is rotated for three to five minutes by hand, sprinkled with water and the material is removed from the roasting drum. In the oil bath roasting process, raw nuts soaked in water are passed through a bath of cashewnut liquid at 175-205°C for one to two minutes. The roaster is embedded in brickwork and heated in a furnace which uses the cashew shell as a fuel. In this process, the shell gets heated rupturing the cell walls and releasing the shell liquid. Roasted nuts are then conveyed to a centrifuge, where residual liquid adhering to the surface of the shell, is removed by centrifuging the nuts mixed with ash and the product is taken for shelling.

In a day, one team can roast 20-50 bags of raw nuts. Since the roasted nuts cannot be kept for more than 12 hours, precautionary steps are taken to see to it that all the roasted nuts are shelled on that particular day itself. If it is not possible to shell on that day itself, the next day you will get only broken nuts which will be graded as poor quality. The workers in this section come at 5.30 in the morning and roast half the total bags to be roasted on that particular day. Thus they work from 5.30 to 10.30 in the morning and go home. The rest of the raw nuts are roasted from 12 noon to 3 p.m. Sometimes, in the evenings, they go at 5 p.m. and work upto 6.30 – 7 p.m. Apart from these tasks, workers also have to check the outer shells (thodu) separated from nuts in the shelling process to see if there are any left out nuts. The raw nuts that arrive at the factory are also unloaded and dried in the sunlight by the male workers. They also collect thodu (shells) and store them in a building.

The workers are employed from local areas. They are paid daily wages once a week. CITU recognised trade union in the region fixes daily wages. For loading and unloading, the workers themselves fix the rates per bag or per load and share equally.

In **shelling** or **thallu** process, only women workers are employed. One male *mesthiri* (supervisor), either from Kerala or belonging to the same caste of the employer but staying in Kanyakumari, is employed by the owner. The task of the *mesthiri* is to look after the section: whether any worker is not working or eating the kernels and so on. Using a wooden hammer, women workers break the shells. Only in one or two factories in the study area, machines were used to break the shells. While breaking the shells, a thick liquid substance comes out and irritates the fingertips or burns the skin. Newly recruited workers, if they are not careful, become victims. As payment is made on the basis of the kernels successfully recovered (i.e. without breakage or damage), maximum attention is given to minimise the breakage and damage of the kernels.

Apart from wages and dearness allowances, workers in this section also get roasted shells one day in a week free of cost. This thodu, they use as fuel or collect and keep it for long. Later it is sold to charcoal merchants.

In **drying**, also called as **bormah**, the shelled kernels are heated to loosen the thin red layer. In one factory, we found electric heaters being used to dry and again cold water is pressed on it to harden the kernel with loosened thin outer layer. One male / female worker is employed in the process who is paid daily wages.

Peeling section is similar to shelling and workers are employed in large numbers. In this process, the thin layer is removed with the help of a small knife. Workers in this process need to be skilled in removing the outer layer.

In **thallu** or **pass** section, peeled kernels are graded into small nuts, broken kernels, half-broken kernels etc. Here too, large numbers of workers are employed but not as much as in the other two sections. In the **grading** section, kernels are further sorted out as whole, split and broken ones in accordance with international standards. The split and broken ones are generally dumped in the local markets at lower prices. Before being packed in four-gallon tins, they are kept in humidifying chambers for twelve to sixteen hours after grading so that breakage during storage or transit does not occur. **Packing:** Tins after being vacuumised are filled with carbon dioxide and the kernels packed. It is technically called the vitapack method. Lids after being packed are soldered so that exposure does not occur.

3. Primary Survey: An Introduction

We met 104 cashewnut workers and collected details about their homes and workplace. Since entry into cashewnut factories is restricted, it was not possible to contact the workers at the workplace, hence information was collected at their homes. During the interviews, we observed conditions of housing. Out of 104 workers, one worker gave insufficient information, so her schedule was rejected. It is very common to find families from which more than one member is going to cashewnut factories. However, we collected information from only one worker per household. In our survey, apart from 104 workers, we also identified 34 additional cashewnut workers and we collected some basic information from them. Out of 104 persons, five are working in roasting. Shelling (37) and peeling (36) employ more or less same number of workers and we did not come across any worker who works in bormah section. Next to roasting and shelling, pass section also has a considerable number of workers (see Table 3.1). Ninety four per cent of the workers are female. This is similar to the other studies carried out in Quilon at the workplace as well as at home (Kannan, K.P., 1979 & Deepa, G.L.1994). Since the cashewnut-processing industry requires only a few male workers in roasting and Borma sections, this trend was observed. If we add men engaged in other activities as watchers, supervisors, clerical assistants and other administrative staff, the proportion may go up.

(a) General Attributes of Cashewnut Workers

Age: Majority of workers are in the age group of 19-25 and 36-45 (Table 3.1). Out of 103 workers, 34 belong to 19-25 and 31 are in 36-45 age group. We identified only one child worker in the survey. Though the retirement age for a worker is 58, we found one worker at the age of 65 working in a factory. The age distribution of workers indicates a pattern in which women workers start working from the late childhood stage until marriage. After marriage, they discontinue for a few years, probably to look after kids or because of the unwillingness of the husband to allow the wife to go out for work. After a few years they rejoin the workforce in order to substantiate the family income. Out of 103 workers, 73 work in the shelling and peeling sections alone. Male workers are generally engaged in the roasting section. Only one male worker is working as a tin-filling *macaud* a category of workers who were not exactly supervisors but assisted the management. All the

male workers are above 25 years but below 55. There is no clear segregation of workers in certain sections.

Caste: Nadars, a traditional toddy-tapping caste (Singh, K.N., 1998) is predominant in the district as well as in our survey. In our survey they constituted more than 72 per cent of total sample households (Table 3.2).

In Kerala, many studies expose the prevalence of caste-based segregation of the cashewnut workforce. Scheduled castes or lower castes work in the shelling section, which tends to be more unhygienic than the other sections. Relatively, forward castes were engaged in peeling and grading. Even the habit of eating in special rooms by forward caste workers, as in the past continued (Krishnakumar, 1998). In Kanyakumari, we do not observe such a phenomenon. Workers from all castes work in the shelling section. In fact one worker, who happened to be a Panikker, a forward caste was working in the shelling section. Two other workers, Pillais, again a forward caste, were working in the shelling section. One Ezhava worker, considered as lower / backward caste in Kerala was working in the grading section.

The state government has classified all castes into caste groups (see Table 3.3). According to it, five workers belong to forward castes, 78 workers to the backward category. Another surprising finding is that there are no forward caste men working in the cashewnut-processing industry as workers.

Employers' caste: We tried to see whether any caste nexus exists among employers, who prefer workers from their own castes. We found that only two respondents who are 'Nair' by caste responded that their owners belong to their caste. In order to know whether any local-born entrepreneurs own factories, we asked the workers where their employers came from. Ninety-two workers said that their owners were from Kerala.

Religion: In comparison to other districts, Kanyakumari has the largest proportion of Christians. This is also reflected in our survey. Forty-eight workers were Christians and the rest Hindus (53) (Table 3.4).

Marital Status: We categorised the workers into five groups. More than half of them were married (Table 3.5). Though it may be an exaggeration, we interviewed eight widows in our random sample. Out of 47 unmarried workers, 35 were in the roasting and shelling sections. In other sections such as pass, grading and packing too, more unmarried workers were working. It may be due to the fact employers prefer unmarried workers to married because they could work till late in the evening whereas married women had to rush back to do household chores and to look after children. Efficiency could also be another reason. But it was surprising to find that widows and destitutes were working in roasting, shelling and grading sections but not given any *macaud* jobs.

Literacy: As pointed out earlier, Kanyakumari stands second in literacy rates among other districts of Tamil Nadu. In our survey, out of 126 cashewnut workers, nearly 80 per cent of them were literate (Table 3.6). Of these, 29 per cent workers had studied upto primary level, 35 per cent upto middle level and 14 per cent upto secondary level. Section-wise data is available for only 103 workers. Almost all the male workers were literate. Among females, shelling workers are both literate and illiterate. It appears that there is no link between the section where the worker works and his / her literacy. All the *macauds*

have studied upto middle level (8th standard) only. This means that literacy appears to play a limited role in accessing better paid jobs in cashewnut-processing industry particularly for women.

Occupation of other Household Members: In our study area, besides agriculture, toddy tapping was one of the major occupations in the olden days. Women were then making palmyra products from palm leaves, palm sugar etc. However, we found only one agricultural labourer and a toddy-tapper. Construction industry appears to be giving more employment to male workers. Forty five per cent of the total male workers were employed in it. Many workers said that they took up unspecified coolie work. This category gives employment to 26 per cent of the male workers. Nearly 70 per cent of working women were absorbed in cashewnut industries, the alternative occupation being housework (see Table 3.7).

Otherwise, cashewnut-processing industry gives employment to 46 per cent of workers in all the surveyed households. Nineteen per cent of workers depended on construction work and unspecified coolie work amounted to 12 per cent of total employment. Inclusion of housework as one of the service sector occupation led to a considerable proportion of women being shown as employed.²¹

Land Holdings and Ownership of House: Out of 97 households only 48 have arable land and a house to reside (Table 3.8). The land owned range from two cents to 250 cents but only one household had 250 cents of land and rest of them 2 to 30 cents. If we exclude the 250 cents landholder, the average land holding comes to 10 cents only. 45 respondents have homestead land only. Four respondents have got their homestead land free of cost from church and the church helped them to construct houses by providing loans. Eight households do not have their own land. Across the sections, there is difference between those who own land and those who not. Out of five male workers 4 had some (2-10 cents) arable land.

Migration: Twenty-eight households had sent at least one member outside for work. Among them, 23 (Table 3.9) belonged to the Nadar caste. Within the Nadar caste, those who owned lands had greater probability of sending their family members outside. Among those migrants, more than 84 per cent had gone to the neighbouring state - Kerala. Other places where employment was got were Bombay, Mysore and Madras. The jobs available to them mostly related to construction. This is particularly so in Kerala where the wages for local labourers were higher than that given to construction workers from Tamil Nadu. Due to this, migrant workers were preferred to local workers.

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For a very long time, recognition of tasks carried out by women were neglected in estimation of national accounts. Whether the work in houses by housewives could be considered as economically productive or not is still being debated. In 1993, System of National Accounts recommended to incorporate many tasks carried out by women as economically productive and thus included housework in the contribution of women to the economy.

Working hours and holidays: As per the Factory Act, a registered factory has to close once in a week and working hours should not go beyond 48 hours a week. Generally this law is not enforced in the unorganised industries i.e. those units which do not register themselves with Factories Act. Besides the fact that almost all the factories in cashewnut-processing industry are registered under the Factories Act, they are not following the eight-hour duty in the strict sense. However, during visits to some of the factories, we found invariably, a board with information on working hours, holidays and name of Factory Inspector hanging on the walls.

In general, women workers start work from 7 a.m. in the morning. Work goes on upto 7.30 p.m. More than 40 respondents said that they started work between 7-7.30 a.m. Around 50 respondents said that they started between 8-8.30. In the evening, most of them stop work at 5.30-6. Forty-four workers stop at about 6-6.30. The break for lunch is also very short. Seventy-eight respondents said they take 15-50 minutes break only. Only 17 said they took about 60 minutes i.e. one hour. Those who take one hour go home to have lunch. Though most of the workers bring lunch boxes with them, they are not allowed to take rest in the factory. The piece rate system of wage payments indirectly forces the workers to take very short breaks for lunch. On an average, a worker works 9.21 hours a day. In a week, if Sunday was excluded as holiday, they work for 56 hours a week. Maximum they work 13 hours a day (78 hours a week) and minimum of six hours (36 hours a week). This may vary with the section in which the workers are working. Those who are working as *macauds*, and in packing sections have higher working hours of 10.30 hours a day (63 hours a week). In sections like shelling and peeling where the largest number of workers are employed, maximum they work for 11.30 and 10.15 hours (69 & 61.5 hours) a day respectively. Minimum in both the sections, they work eight hours a day. Marital status also plays an important role that the married women workers worked for fifteen minutes than the unmarried women workers. This difference is due to their dual role by married workers, looking after the household chores and as cashewnut workers. The average time they take for lunch in both the sections is 29 minutes in a day. The average time by which they stop working is 5.46 p.m. for shelling and 5.41 p.m. for peeling workers. In a week, a worker is working 56-78 hours against the official norm of 48 hours a week. Piece rate system helps the employers to achieve higher production with less rest in between the work.

We also came to know that most of the factories work on Sundays also. Even on festival days and national holidays they function. One employer proudly said that besides running the factory on Sundays, he was paying wages for national holidays. This is supported by our findings. Sixty-nine workers said that their factories worked on Sundays also. But when we asked whether they go on those days, only 26 said 'yes'. On many occasions, they were hesitant to disclose information on this issue. Some workers said that only if there is some work, they go.

Age at work: As pointed out earlier, cashewnut-processing industry by shifting from Kollam to Kanyakumari was able to process the nut by paying a meagre payment as wages and negated the labour legislation and employed child workers (Kannan, K.P., 1984, Sathyadas, 1991). However, no study was carried out to either prove or disprove such trends. Our study confirms such employment of child labourers. The data on age at

work revealed that five women workers started working at the age of 7-10, 43 started when they were below 15 and more than 61 workers (out of 103) entered the cashewnut-processing industry when they were below 19 (Table 3.10). There is significant difference between male and female workers. In the case of male workers, all of them joined only after 20 years.

4. Labour Market Issues in Cashewnut-processing Industry

In recent years, many labour market studies give more importance to issues relating to labour market structure, demand and supply conditions, institutions influencing them (Harriss et al, 1990). Other issues debated are: after schooling, if a person wishes to enter labour market, how is he/ she able to get access to it, what could be the motivating factors, how he/she gets information about employment and who helps them to enter the job market etc. However, there is a dearth of such studies in developing countries such as India. In our study, though in a restricted sense we tried to get answers to these questions with reference to the labour market in the cashewnut-processing industry.

Motivational issues

Before entering the labour market, the person has to be motivated or some socio-economic forces of her/his background may force him / her to enter the cashewnut labour market. Why are workers interested in this industry? What motivates them to enter? Are external or internal (to her/his family) factors responsible? The answers are quite varied and it would be difficult to codify and explain them sharply. It is possible to group them, however. The first and foremost is poverty induced by insufficient income to the family. To quote what Meena, who works in a cashewnut factory for seven years said, "*Prior to marriage, my family was in utter poverty. Income was not sufficient to look after all the members. Since I was the eldest daughter in my family, I started going to work at the age of eight.*" Another worker, Kamala says, "*we were three daughters in the family. In our house, our parents said that if we go to work, we could save for marriage. Since we did not go school, we started working. I started at the age of 10.*" From these responses, it is clear that poverty induced by insufficient income, need to save for marriage, illiteracy, or inability to attend school forced them to enter the cashewnut-processing industry labour market. Another type of problem also emerges from the family but with different reasons. To quote Sulochana, '*Kashtam (difficulty) in house. Father cannot do any job. Mother was just staying at home. We have to marry off elder sister. So my elder sister and I started going*'. Here the worker as a daughter took initiative and entered the labour market. To quote Rosemary's response, "*Kashtam and pattini²² in house. Husband is not getting regular employment. Even if it is available, he used to get drunk and not give it at home. So I started going.*" From these two responses, the behaviour of main breadwinner and insufficient number of male hands to work in the family forces the women to enter the in-

dustry. Third comes from individual worker's problem associated with schooling. "*I Lost interest in studies. Got scolded and beaten by teachers. So I stopped going to school. In order to avoid going to school, I started going to factory,*" says an unmarried girl. "*I was studying in 9th standard. If I go 10th standard, I feared that I might fail in 10th exam, so I stopped going to school. So my parents insisted that if I was not interested in going to school, then I should go to the factory, so I started going to factory*". Here both school and parents forces the children to go cashewnut-processing industry.

The above mentioned reasons are common responses (came at least from ten workers each). The response of poverty induced entry even when the workers were in childhood was recorded in our schedule more than 30 times. Other responses such as 'avoiding idleness at home', 'losses in previous occupation,' 'desertion of husbands,' 'irregular employment opportunities' (especially men), also motivated workers to enter cashewnut-processing industry labour market. Only two workers said that they started going to cashewnut factory just for 'time pass'.

(a) Job Access in Cashewnut-processing Industry

Human capital theory argues that workers are ranked according to their productivities and based on their productivity, they get absorbed in labour markets. With lower productivity, workers lag behind in the queue. In India, studies have pointed out that only formal sector might operate in such manner and in the informal sector, many institutional factors influence the job access (Breman, 1979; Harriss, et al., 1990).

Earlier in Kerala, where the cashewnut-processing industry grew on a large scale, it was found that workers were employed through contractors, locally referred to as *moopans*. They got commission from workers for recruitment on a regular basis. Workers were subjected to various kinds of exploitation, including sexual exploitation (Kannan, K.P., 1981). However, it appears that the employment through contractors is still existing. The Annual Survey of Industries for the year 1994-95 reveals Kerala as the only state where 289 workers were employed through contractors.

In Kanyakumari such a phenomenon was not observed. If a worker wished to work in a cashewnut factory, she first approached her neighbour who was already employed. The neighbour took her to the factory and introduced her to the manager. Forty-five of the 94 women workers accessed the job in this way (Table 3.11). If not, relatives played this role to a considerable extent. Fifteen workers went on their own and got recruited. Organised recruitment agencies both government and private play no role in cashewnut-processing industry.

In case of male workers, access to cashewnut-processing industry labour market is very difficult because of the limited demand. So employers use different strategies and control the labour market. If a man wished to enter the cashewnut-processing industry and came across information that, there was a vacancy or if a new factory was established, he had to mobilise ten women workers and meet the employer. Only then was he given a job in the roasting section. Sometimes he took his wife and daughters to get them recruited. However once the recruitment was done, no commission was paid. Neither did the person exert any control over the persons taken to the factory by him. In our interaction with women workers, we did not come across any incidences of male workers' behaviour

comparable to erstwhile contractors of Kerala. Moreover five of the six male workers we interviewed were members of the trade unions and in fact, some of them were union presidents in their factories.

Skill Acquisition: After entering the cashewnut-processing industry, how do workers learn their skills, how many days do they take to learn the skills? Is there any cost incurred in training the workers? Most of the respondents said that there was no such concept as apprenticeship or special training. It did not take them long to learn the skills. On an average they take 36 days to learn the skills. About 38 workers learned in 16-30 days, 32 workers learned in 30-60 days, 24 workers learned in 60-90 days and only 2 workers took 120-180 days to learn the skills in the industry. Thus 70 per cent of the workers take only a month or less to learn the skills in the industry. However it varies with sections also (Table 3.12). The roasters learn in 13 days. Grading workers took 75 days and those who were in pass section also took long - 60 days.

How do they **learn the skills**? Since the nature of job in this industry is simple, we found 96 workers learned by looking at others who were also working in the firm. Only five workers (male in roasting section) said that they learned with the help of persons who were appointed to train them (Table 3.13). However, during discussions with elderly workers, we came to know that initially employers brought workers from their own factories in Kollam to train the local workers. After the local workers learned the skills, Kollam workers were sent back as there was no need for them as the local workers had become skilled.

Though there is no direct cost incurred to train workers, if a new firm was established in the region, it had to train the new recruits. Other options open to the new firm were to get skilled workers from other firms working in the area. But in order to attract the workers, new firms give lumpsum advance. However, we did not come across any worker who accepted advance to work in their factories. In fact, the concept of advance is used in a different sense. At the time of Onam, a major annual festival in the region workers can get some loan as advance and it will be deducted from their salary in instalments. In case of emergency, workers get advance from managers but the amount would not exceed Rs.100. It appears that male workers are able to get higher amount of loans or advances from cashewnut factories. One worker has got loan of Rs.3000 from the employer.

In firms managed by commission processors, the concept of higher advance to get women workers from other factories was prevalent. Office bearers of trade unions disapprovingly said that it was certainly true and increasing. By this (a) women workers lose their seniority and all the benefits a worker will get at the time of retirement (b) it is difficult to organise them under the trade union.

(b) Terms and Conditions in the Cashewnut-Processing Industry

By terms and conditions, we mean how are the workers paid and on what basis, what are their earnings, monetary, other benefits and related issues. Since cashewnut-processing industry comes under the Minimum Wages Act, they should be paid as per regular revisions (see below). In the case of the cashewnut-processing industry in Kanyakumari,

every year trade unions recognised by the employers sit with employers' associations and a consensus is arrived at on revised wages, dearness allowance, workload and bonus.

Majority of workers are paid on piece rate wages. In **roasting** locally known as **varappu**, workers are paid on daily basis. Apart from roasting, if they are engaged in loading and unloading of raw cashew, they are paid separately and the rates are fixed separately by the workers themselves. The payment is made once in a week. In **thallu** or shelling process, workers are paid on a kilo basis. They are also paid once a week. Apart from benefits common to all the workers in the industry, workers in this section are allowed to take one day out turn of the broken outer shell themselves. For instance in one factory we found every Friday workers are given all the shells they break on that day. They either use this as charcoal in their houses or sell them to charcoal purchasers. By this they get around Rs.15 on that day. Broken kernels are not paid for. Since broken kernels are considered low quality, the workers have to lose their earnings, if the nuts get broken.

Workers in **bormah** section are daily wagers payable weekly. In **peeling**, the workers are paid a bit higher than in shelling because it requires some intricate skills and experience. They are also paid on a per kilo basis every week similar to workers in shelling. In **pass or grading, packing and tin filling**, workers are paid on a daily basis. Apart from daily wages, similar to workers in other sections, they are entitled to dearness allowances. **Maccauds** of all the respective sections are paid wages as per their sections. In addition to their work-based wages, they are given extra payment equal to wages for two kilos of shelled / peeled kernels. Other employees viz., supervisors or mesthiris, watchers, managers are paid monthly wages.

When we asked the workers about their wages, only a few said that they were given as per the wage settlement of the year. Some workers said that the wages were paid as per previous year's settlement. Since the unions make agreements starting from Onam, the revised wage should also be paid from that month onwards. However, awareness about the new rates was very low among the workers. A number of them just guessed the rates. Hence, the average piece rate calculated from all the workers' responses (Rs 2.57 for shelling) and wage settlement rate (Rs 2.60) did show some difference.

In roasting, the average wage is Rs.59.03 inclusive of dearness allowances (Table 3.14), whereas in wage settlement, the basic wage is Rs.55 and Rs.5.37 is given as dearness allowance calculated on the basis of increase in district consumer price index. Adding both will give Rs. 60.37, which is less than the prevailing wage by Rs.1.34. Similarly in shelling, the actual wages paid per kilo are Rs.2.58, settlement differs with this amount by 2 paise. In peeling there is no difference between settlement and actual wages. In grading, actual wage is less than the settlement wage by Rs.2. It is also possible that if the graders do not fulfil the workload, they are not given dearness allowance. This would suppress the average wage we estimated in our survey.

So, even if we presume that all the employers are paying, as per the settlement, this does not allow us to conclude that the workers are better paid in the study area. There are a few other aspects, by which employers exploit the unemployment-induced low wage rates for women in the district. We will analyse them further in the later sections with evidence.

The wages for other non-agricultural employment is higher than the wage in this industry by more than two times.

In rubber plantations, even in smaller ones, workers are able to earn Rs.50-100 in a day. Brick kilns industry, which employ 5000 workers in Vilavancode taluk, give Rs.30-40 per day for child labourers aged 12-13, Rs.80-90 for women and Rs.100-120 per day for men. Workers in beedi rolling earn minimum of Rs.30 a day. We have already seen in the previous chapter that wages in agriculture are higher than that in non-agriculture by more than 15 per cent, even though we cannot strictly compare owing to irregularity attached to those sectors.

K.P.Kannan in his study in 1979 observed that the wages in Tamil Nadu for cashewnut workers were one eighth of the wage rates prevailing in Kerala. In the 1990s, this difference to a certain extent appears to have declined to a certain extent. However, when compared with revised minimum wages in Kerala for cashewnut-processing industry (Table 3.15), cashewnut workers in Kanyakumari are still underpaid. For processes where men are involved, the Kanyakumari cashewnut workers are earning just 50 per cent of the earnings of male cashewnut workers in Kerala and in the case of women, it is just 25 per cent.

It is argued that the cost of living in Kerala, particularly in Kollam is very high and the wages in Kerala cannot be compared with Kanyakumari. We have collected the retail prices of some of the essential food prices (Table 3.16) for Kerala and Marthandam. The difference of rice price is less than 10 percent only. In case of Tapioca, it was around 25 per cent in 1995. If this is the situation, the argument of price differences is not a convincing one.

(c) Minimum Wages in cashewnut-processing industry – a note

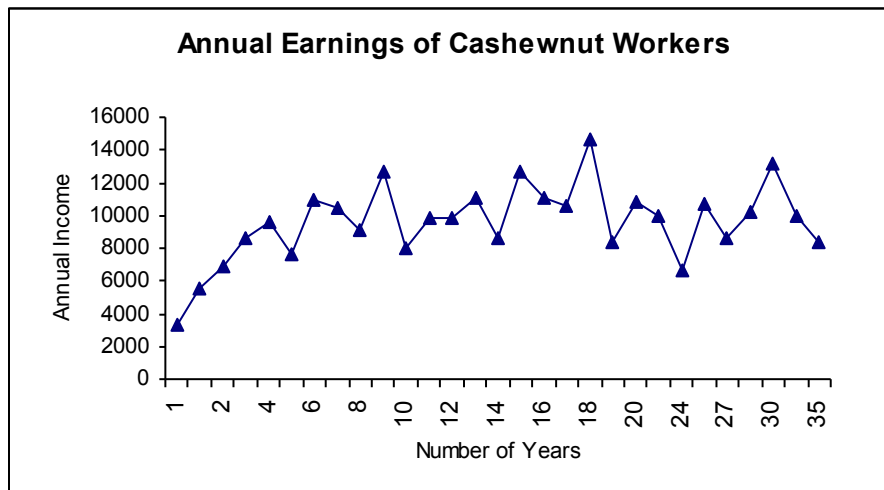
As pointed out earlier, the state-supported cashewnut industrialists were negating the enforcement of labour legislation in the district. It was due to prolonged struggles by the workers through trade unions, the Government of Tamil Nadu fixed minimum wages for cashewnut processing industry from 1983 onwards (see Table 3.17). The concept of dearness allowance and workload were also fixed in the later years. The main problem is that nobody knows that there exists minimum wages for cashewnut-processing industry in Tamil Nadu and the joint secretary of CITU while discussing about whether there exists minimum wages in this industry said that it is not possible to fix minimum wages in this industry because workers are paid piece rate wages! The Regional Inspector of Factories, Thirunelveli proudly claims that cashewnut-processing industry is the only unorganised industry out of other 45 agro-based industries where minimum wages are fixed and revised regularly and employers strictly adhere to Minimum Wages Act 1948. In fact, he opined that they are paying more than the prescribed minimum wages.

However, when we compare minimum wages in the neighbouring state, Kerala with that of Tamil Nadu for the last year, we are surprised to note that the gap between them is large (see Table 3.15). Moreover, we cannot completely deny that the role of trade unions is negligible. In fact, the wages, dearness allowance, bonus and other provisions are revised every year, so union and workers in the region are more concerned about wage settlements every year than the Minimum Wages fixed with irregularity in the Labour Board

office at Madras. A comparison of minimum wages and wages arrived at wage settlement reveals that the former is less than the latter (see Tables 3.17 & 3.18). We did not come across a single worker who was aware of Minimum Wages Act. While fixing minimum wages, the minimum workload was also fixed (Table 3.19). Even on this issue also, we found that the state-stipulated workload is higher than the workload arrived at by employees through negotiations. For the year 1996, both are equal in all the process except grading of one variety of nut *kara niram piruval*. Thus the concept of minimum wages also appear to be an eyewash by the state and the role of labour institutions like trade unions play crucial role in cashewnut processing industry in the district.

(d) Mobility in Cashewnut-processing Industry

In any labour market, mobility is an important aspect embedded in the minds of labour market participants. It is mainly two types: inter industry/occupational mobility and intra-industry mobility.²³ In case of our study area, the women workers in cashewnut processing industry have little chance to move to other sectors or industries because there is no other industry similar to the cashewnut processing industry on a larger scale and that too locally accessible. As said earlier, their only option is to become housewives. Have the earnings of workers increased with their experience? We have tabulated the number of years with their annual earnings.



Annual Earnings: The workers in shelling and peeling are earning less than all other groups. The minimum and maximum of each group vary considerably. It was Rs.4600 and for Rs.10520 for shelling and peeling section workers. For workers in *macauds* and other supervisory and skilled work such as grading, tin filling and packing the range goes up to Rs.7000-20800. Workers with experience of at least ten years are able to earn Rs.10000 in a few sections and it goes up to 20 years. After twenty years, their annual income started to decline. One can expect inverted 'U' shape of the earnings curve. For workers in shelling and peeling, the prospects earning higher income even with greater

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There are a other types of mobility such inter-generational and intra-generational mobility. But we restrict ourselves to above mentioned types only.

experience is very less. Only at two points of time they get above Rs.10000. They are able to earn higher income after 6-7 years of experience. Their income starts to decline after 17 years of experience. We did not ask the women workers on what basis they are recruited in each and every section. Nevertheless, it is very clear that a job in this industry is certainly a dead-end one where there is no promotion and better prospects. This is particularly true for workers in shelling and peeling. Hence, if the workers want better incomes and revised wages, the only way is through struggle. Suppose, a girl enters shelling at the age of 16, at 23, she will be able to earn better due to experience but if she continues to work, at the age of 36, her income will start declining due to declining efficiency (or kilograms of cashewnut shelled or peeled).

Years of work: Though the industry entered Kanyakumari in the 1950's, it expanded rapidly in the 1980's. The employment data of the workers with experience confirms this trend (Table 3.20). Three workers are working in the industry for more than 30 years. Twenty-six workers have at least 16 years of experience. Though 27 workers have 1-5 years of experience, our study found considerable number of workers (46) have spent 6-15 years in the industry. The younger workers joined the industry just 14 days prior to the survey and one worker joined more than 35 years before the survey.

(e) Turnover

Turnover is defined as number of times a person changed her / his jobs, employers or both in his working life. In many a occasion it work against the rights of workers and for the benefit of employers. In our study, out of 104 workers, 46 workers have said that they have changed their workplaces at least once in their working life. 14 workers said that they have changed their employers twice and two workers changed thrice. The main reason for changing their jobs was the long distance to the factory and also the occasion of marriage (see Table 3.21).

From their responses one could presume that during the initial stages of employment, factories were located at distant places, so workers went to those factories and as more and more factories got established in the region, they stopped going to distant places and joined the nearest firm. This is substantiated by another observation from Annual Survey of Industries at the all India level as well as in Tamil Nadu, that the number of factories increased with decline in the average number of workers employed in each factory (see Table 1.8).

Besides these factors, strategies adopted by employers also play major role in increased turnover in the industry. By paying hefty advance, the new firms / commission processors get trained workers from other factories so that it can increase production and get a surplus out of it. The big companies, which are trendsetters due to huge operating surplus, will not lose as long as they get sufficient workers to their factories. In recent times, they follow a strategy by which they withdraw themselves from the responsibility of providing social security to workers and get the work done. They give raw nuts to independent entrepreneurs who are ready to process on commission basis (fifth type of ownership). The commission processors are merely interested in the commission. They recruit workers who are skilled and working in some other factories by giving higher amount of advances. Only with optimal efficiency and unlawful means, are the commission processors

able to run the firm. When workers come for higher advance, they are also ready to sacrifice certain provisions and benefits, which they were getting in the previous firm.

5. Summary

The first part of the primary survey was analysed in this chapter. Majority of the women workers in cashewnut processing industry belongs to two groups. Those who are unmarried (and teenaged) and those who are married (but in the early thirties). These workers entered cashewnut labour market when they were very young as child labourers. Their composition in the industry-specific labour market reflected the district level trends in caste, religion and literacy trends but majority of them studied upto middle level. They might have entered the cashewnut labour market as dropouts. One third of the cashewnut workers' families send one of their family members outside the district and in particular to Kerala for construction work.

As far as the study region is concerned, for men, construction related activity gives more employment to male workers. Next to it, coolie work of various sorts probably service related works give employment to male workers. Nearly 70 per cent of the women workers depend on cashewnut processing industry. Their next option is housework.

The main motivation behind the women workers willingness to enter the cashewnut labour market is the poverty caused by insufficient income. Education and loss of income earners, personal habits of earning members also influence entry to a certain extent. Besides these, women also enter labour market to save for dowry (to be paid for their or their sisters' marriages) a major social institution in the region. The entry to cashewnut labour market is very simple and one only needed the introduction of the neighbour or relatives. Learning skills is also uncomplicated. On an average it took 34 days to learn the skills in the industry. Though there is no direct cost involved in training workers, competition among the employers is leading to changes in recruitment and workers are bought by the new entrepreneurs and exploited. Workers are also changing their employers due to long distance and marriage. Nearly half of the total workers surveyed changed their employers at least once in their working life.

Besides the fact that Kanyakumari is one of the districts where the cost of living is high, workers in cashewnut industry are earning only poverty-line incomes. There is no relationship between literacy and earnings. The relationship curve between experience and income is inverted 'u' shaped one. Workers in shelling and peeling sections are earning less than in other sections. They are able to get wages equivalent other women supervisory workers for a very short period after 17 years of work.

The concept of minimum wages is unknown among the workers as well as among the trade unions. The workers are also unaware of recent wage settlements. However, the regular revision of wages and other benefits through negotiations by trade unions is more or less followed by the industry. The negotiated terms are better than the ones fixed by the state. In the last 16 years of enforcement of the Act, it was revised only thrice. Despite the influence of trade unions in wage fixation, the cashewnut processing industry is able to grow by paying just half (for men) or quarter (for women) the wages prevailing in its traditional bastion.

6. Tables Chapter III

Table 3.1 Age Distribution of Cashew Workers by Section and Sex

Age/ Section	Female											Male			Total
	2	4	5	6	7	8	22	55	56	99	Total	1	9	Total	
less than 14	1										1				1
15-18	4	4	0	1	0	0	0	0	0	0	9	0	0	0	9
19-25	7	16	6	0	2	0	1	1	1	0	34	0	0	0	34
26-35	7	5	3	1	0	0	0	0	0	0	16	2	0	2	18
36-45	13	10	1	2	0	0	2	0	0	1	29	2	0	2	31
46-55	4	1	0	0	0	1	1	0	0	0	7	1	1	2	9
65	1										1				1
Total	37	36	10	4	2	1	4	1	1	1	97	5	1	6	103

Note : Section Codes: Roasting -1, Shelling -2, Peeling 3, Borma / Drying -4 Pass -5, Grading -6, Packing -7, Cooking -8, Tin Filling -9, 22-Shelling macaud, 55-Pass macaud, 56-Pass/Grading, 99 - Tin Filling - macaud

Source: Primary Survey

Table 3.2 Castewise Distribution of workers by section

Sections / Caste	1	2	3	4	5	6	7	8	v	Total
Roasting		5								5

Shelling	1	27	1		1		4	1	2	37
Peeling	4	24	2		1	1	2		2	36
Pass		9							1	10
Grading		2		1			1			4
Packing		2								2
Cooking									1	1
Tin Filling									1	1
Sheeling - macaud	1	2						1		4
Pass-macaud		1								1
Pass/Grading					1					1
Tin Filling - macaud									1	1
Total	6	72	3	1	3	1	7	2	8	103
Caste codes: 1 - Fisherman, 2 - Nadar, 3 - Scheduled Castes, 4-Nair, 5-Pillai, 6-Barber, 7-Ezhavar and 8 - Panikker; v- not available / refused to say										
Source: Primary Survey										

Table 3.3 Distribution of Cashew workers by Government classification, sex and section

Sections / Government Caste classification	BC		FC	MBC	SC	Not responded		Total Female	Total Male	Total Not responded	Total
	Female	Male	Female	Female	Female	Female	Male				
Roasting		4					1		5		5
Shelling	31		2	1	1	2		37			37
Peeling	26		1	5	2	2		36			36

Women in Cashewnut Processing Industry in Kanyakumari

Pass	9					1		10			10
Grading	3		1					4			4
Packing	2							2			2
Cooking						1		1			1
Tin Filling							1		1		1
Sheeling macaud	- 2		1	1				4			4
Pass-macaud	1							1			1
Pass/Grading						1		1			1
Tin Filling - macaud						1		1			1
Total	74		5	7	3	8	2	97	6	10	103

Note: BC- Backward Castes; MBC - Most Backward Castes; SC - Scheduled Castes; FC - Forward Castes

Source: Primary Survey

Table 3.4 Religion of cashew workers by section

Religion/Section	1	2	4	5	6	7	8	9	22	55	56	99	Total
Hindu	3	18	15	5	4	2	1	1	2		1	1	53
Muslim									1				1
Christian	2	19	20	5					1	1			48
Refused to say			1										1
Total	5	37	36	10	4	2	1	1	4	1	1	1	103

Note : Section Codes: Roasting -1, Shelling -2, Peeling 3, Pass -5, Grading -6, Packing -7, Cooking -8, Tin Filling -9, 22-Shelling macaud, 55-Pass macaud, 56-Pass/Grading, 99 - Tin Filling - macaud

Source: Primary Survey

Table 3.5 Marital Status of Cashew Workers by section

Section	1	2	3	4	5	Total
Roasting	5					5
Shelling	17	14	3	2	1	37
Peeling	10	21	2	3		36
Pass	1	6	2	1		10
Grading	3	1				4
Packing		2				2
Cooking			1			1
Tin Filling	1					1
Sheeling - macaud	3	1				4
Pass-macaud		1				1
Pass/Grading		1				1
Tin Filling - macaud	1					1
Total	41	47	8	6	1	103
Notes: Marital Status : currently married -1, never married -2, widow -3, married but destitute - 4, never married but living with a married - 5						
Source : Primary Survey						

Table 3.6 Educational Status of Cashew workers by section

Section/Literacy	1	2	3	4	6	v	Total
Roasting	2	2	1				5

Shelling	14	7	4		11	1	37
Peeling	10	10	5	2	8	1	36
Pass		4	3		1	2	10
Grading	1	2			1		4
Packing			2				2
Cooking						1	1
Tin Filling			1				1
Sheeling - macaud	1	3					4
Pass-macaud		1					1
Pass/Grading		1					1
Tin Filling - macaud		1					1
Surveyed workers	28	31	16	2	21	5	103
All Cashew workers	37	44	18	3	24	8	134
Note: Educational Status: Upto Primary -1, Above primary but upto middle -2, Above middle but upto secondary -3, Above secondary but upto higher secondary - 4, Above higher secondary - 5, Illiterate -6, v - not available							
Source: Primary Survey							

Table 3.7 Sectoral Classification of workers in survey households by sex

		Female	Male	Total
Agriculture	no. of workers		2	2
	row %	0.0	100.0	100.0
	row %	7.3	92.7	100.0
	col.%	2.2	44.7	18.5
Manufacturing	now	128	9	137

	row %	93.4	6.6	100.0
	col.%	69.9	7.9	46.1
Quarrying	now		2	2
	row %	0.0	100.0	100.0
	col.%	0.0	1.8	0.7
Services	now	45.0	18.0	63.0
	row %	71.4	28.6	100.0
	col.%	24.6	15.8	21.2
Traditional	now		2	2
	row %	0.0	100.0	100.0
	col.%	0.0	1.8	0.7
Unspecified	now	6	30	36
	row %	16.7	83.3	100.0
	col.%	3.3	26.3	12.1
Total	now	183	114	297
	row %	61.6	38.4	100.0
	col.%	100.0	100.0	100.0
Total population		297	192	489
Source: Primary Survey				

Table 3.8 Details of ownership of House and Land of cashew workers by section

Item	1	2	4	5	6	7	8	9	22	55	56	99	Total
------	---	---	---	---	---	---	---	---	----	----	----	----	-------

Women in Cashewnut Processing Industry in Kanyakumari

HHds owning land & house	3	17	18	3	1	2		1	1		1	1	48
upto 2 cents			1	1				1				1	4
2.1-5	1	6	6	2	1								16
5.1-10	2	3	6								1		12
11-20		5	5										10
21-30		2				2			1				5
250		1											1
HHds owning land only	1	15	17	6	2		1		3				45
Homestead Land		11	12	6	2		1		2				34
Land given by Church		1	2						1				4
Government Land		1	3										4
Residing in Relatives' House/ Land	1	2											3
Others													
No Lands		3	1										4
Details not availble	1	2		1						1			5
Total	5	37	36	10	3	2	1	1	4	1	1	1	102
Note : Section Codes: Roasting -1, Shelling -2, Peeling 3, Pass -5, Grading -6, Packing -7, Cooking -8, Tin Filling -9, 22-Shelling macaud, 55-Pass macaud, 56-Pass/Grading, 99 - Tin Filling - macaud													
Source: Primary Survey													

3.9 Land Holding status of Migrants by caste

	Fisher- men	Nadar	SCs	Pillai	Ezhav ar	Panikk er	Total Migra nts	Non- migrant s	Total
HHds owning land & house									
2.1-5		4				1	5	5	10
5.1-10		3	1				4	6	10
11-20		6					6	3	9
21-30								5	5
250								1	1
HHds owning land only	1	9		1	1		12	22	34
Homestead Land		7		1	1		9	17	26
Church Land	1						1	3	4
Government Land		2					2	2	4
v		1					1	7	8
Grand Total	1	23	1	1	1	1	28	49	77
Note: v - details not available									
Source: Primary Survey									

Table 3.10 Age at work of Cashew workers by section

Age at work / Section	1	2	4	5	6	7	8	9	22	55	56	99	Total

7-10		4		1									5
11-15		17	16	2	1	1				1			38
16-19		4	6	5					2		1		18
20-25	1	2	5		1	1	1	1					12
26-30	2	4	3	2	1				2			1	15
31-35	1	3	6		1								11
36-40	1	3											4
Total	5	37	36	10	4	2	1	1	4	1	1	1	103
Source: Primary Survey													

Table 3.11 Sources of Help by Sex and Section

Section / Help Codes	Female					Male			Total
	1	2	3	5	7	1	2	6	
Roasting						2	2	1	5
Shelling	15	14	5		1				35
Peeling	18	11	5	1	1				36
Pass	8	1							9
Grading		1	3						4
Packing	2								2
Cooking	1								1
Sheeling - macaud		2	2						4
Pass-macaud	1								1
Pass/Grading		1							1

Tin Filling - macaud		1							1
Total	45	31	15	1	2	2	2	1	99
Help codes: Neighbourhood -1,Relatives - 2, Self -3, Introduced by Family Member - 4, Union - 5, Mobilised some workers and approached the employer - 6, Friends - 7									
Source: Primary Survey									

Table 3.12 Average number of days by which workers learn the skills by section and sex

Section	Female	Male	Average
Roasting		13	13
Shelling	29		29
Peeling	39		39
Pass	59		59
Grading	75		75
Tin Filling		15	15
Sheeling - macaud	20		20
Pass-macaud	30		30
Pass/Grading	60		60
Tin Filling - macaud	15		15
Average	37	13	36
Total Workers	96	7	103
Source: Primary Survey			

Table 3.13 Mode of learning the skills in the cashew industry by section and sex

Section	Person employed in the factory			By looking at other workers in the factory			Total
	Male	Fem	Total	Fem	Male	Total	
Roasting		1	1		4	4	5
Shelling	2		2	35		35	37
Peeling	2		2	34		34	36
Pass				10		10	10
Grading	1		1	3		3	4
Packing				2		2	2
Cooking					1	1	1
Tin Filling				4		4	4
Pass macaud				1		1	1
Pass / Grading				1		1	1
Tin Filling Macaud				1		1	1
Total	5	1	6	91	5	96	102

Source: Primary Survey

Table 3.14 Details of wages paid to workers by section, sex and basis of pay

Sections	Basis of pay	Details	Weekly			Monthly		Total
			Female	Male	Total	Female	Female	

Roasting	per day	NOW		5	5			5
		AP		59.03	59.03			59.03
Shelling	per kilo	NOW	37		37			37
		AP	2.58		2.58			2.58
Peeling	per kilo	NOW	36		36			36
		AP	3.1		3.1			3.1
Pass	per day / work	NOW	10		10			10
		AP	20.76		20.76			20.76
Grading	per day / work	NOW	3		3		1	4
		AP	25		25		29	27
Packing	per day	NOW	2		2			2
		AP	38		38			38
Cooking	per day	NOW	1		1			1
		AP	29		29			29
Tin Filling	per day / work	NOW		1	1			1
		AP		82	82			82
Sheeling - macaud	per kilo + extra	NOW	4		4			4
		AP	2.6		2.6			2.6
Pass-macaud	per day / work	NOW	1		1			1
		AP	24		24			24
Pass/Grading	per day / work	NOW	1		1			1
		AP	na					na

Tin Filling - per month macaud	NOW				1		1
	AP				800		800
Total no. of workers		95	6	101	1	1	103
Note: NOW - Number of Workers, AP - Average Pay Souce : Primary Survey							

Table 3.15. Minimum Wages in Cashewnut Industry - Kerala and Tamil Nadu, 1998 (Rs.per kg.)

Process	Tamil Nadu	Kerala
Shelling	2.6	8.11
Peeling	3.1	10.32
Grader	24	58.57
Tin Filler	24	24
Loadins worker / Fireman	55	75.75
Dearness Allowance	5.37	27
Notes: For Kerala, Cashew Industry Employers have got stay order recently not to enforce the revised Minimum Wage Rates Source: Kerala Gazette, vol.43, no.2062, dated 18th December 1998 and CITU, Kuzhithurai		

Table3.16 Average Retail Prices of Principal Commodities,1993-1996

Item	Marthandom			Kerala			Difference in %		
	1993-94	1994-95	1995-96	1993	1994*	1996	1993	1994	1995
Rice									
Samba	7.08	8.42	9.33	7.49	7.93	9.67	5.54	-6.19	3.52
Ponmone y	6.46	7.41	8.07	7.03	7.51	8.8	8.13	1.30	8.29
Palmgur									
Local	16.04	15.75	16.75						
Salem	12.31	12.58	11.77						
Tamarind	11.69	12.83	14.50	14.78	15.99	20.36	20.92	19.74	28.78
I	11.69	12.83	14.50						
ii	10.27	11.83	13.63						
Tapioca	1.73	2.03	2.50	2.76	2.8	3.36	37.35	27.53	25.47

Note: (*) data for first nine months only

Source: District Handbook (for various years), Assistant Director of Statistics, Nagercoil. & Kerala Economic Review

Table 3.17 Minimum Wages in Cashew Processing Industry, Tamil Nadu (Amount in Rs.)

Processa	1996d	1993		1983	
		per kg	per day	per kg	per day
Shelling (per kg)	2	2.05	20.5	0.8	7
Peeling (per kg)	2.25	2.4	19.2	0.75	7
Peeling-Shelling pieces (per kg)	2.25	2.25	18		
Gradingb (per day)	18	.15-3.65	18-23.5		7

Roasting, Borma workers, oil expeller operator, tinker, packer (per day)	38		30e	Rs.10f	
Mycad, miscellaneous work in lab checking, kernel checking, tin filler, cook, sweeper /scavenger (per day)	18		29		
Supervisory mycad (per day)	24				
Checker (per day)					7
Tinker (per day)					8
Borma Operator (per day)					12
Packing/Filling (per day)			29		210 p.m.
Supervisor, maistry, Watchman (per month)	550		560		
Clerk/Typist (per month)	575		610		250
Cashier/storekeeper (per month)					250
Watchman, Peon, Officeboy, Attender (per month)					210
Peon (per month)			560		

Notes : (a) Where the nature of the work is same, no distinction in wage should be made to arrive at monthly wages; (b) It include grading of white wholes, scorched wholes, desert wholes, kattal, kari, scorched splits, kara Niran Piruval, puzhikothu, puzhikothupodi, pirival podi, small scorched pieces, scorched pieces, scorched butts, kattal pieces; (c) Tin filler has to be paid Rs.2 per day extra only on the days she/he is doing filling works, besides his normal work; (d) (i) Fixed Dearness Allowance fixed (from 1993) at Rs.2 per day and it was linked to 247 points of CPI for Nagercoil with base 1982=100, (ii) In this year it is mentioned that where the nature of the work is same, no distinction in wage should be made to arrive at monthly wage of Rs.530 and daily wage of Rs.26 and (iii) wherever the existing wages are higher then the minimum wage fixed herein, the same shall be continued to be paid; (e) except packer; (f) it is per 50 bags and thereafter 80 paise per every bag subject to a minimum of Rs.7 per day;

Source: Minimum Wages Section, Labour Board, Government of Tamil Nadu and Tamil Nadu Government Gazette, Extraordinary dated 16th February 1983 , p.135 of Part II Section 2.

Table 3.18 Wage Settlements in Cashew Industry, Kuzhithurai, 1986-1998

Process	1-8-86 -1-12- 88	2/1/87	05/03/ 1989(a)	1.2.19 90	01/04/ 1992(b)	01/12/ 1994©	01/04/ 1995(d)	8/24/9 6	9/1/97	05/11/ 1998(e)
Roasting	20	21	22.5	27	32(g)	38(f)	38	43	48	55
Shelling	0.06	0.05	1	1.3	1.75	2	2	2.2	2.35	2.6
Peeling	0.09	0.1	1.1	1.6	1.95	2.25	2.25	2.55	2.8	3.1
Grading	1.25	nil	10.5	11	13	18	25	20	21.75	24
My- cauds / Women maistries	nil	nil	8.25	11	13	18	18	20	21.75	24

Notes: (a) (i) Arrears had to be given from 15th April 1989; (ii) all the workers were given shirts, trousers and chappals; (b) arrears be given from 20-4-1992; (c) (i) based on the cost of living index for Nagercoil, Dearness allowance was fixed at Rs.2 which will be revised once in six months; (ii) workload for various quality of nuts and production processes was also fixed; (d) DA (Rs.2 for 258 points and 2.5 paise per points) should be given from 1/4/1995 and workload was revised; (e) DA was calculated on the basis of 10 paise per point (f) this wage settlement was made for workers in other sections including borma, oil-exPELLER operator, tinker and packer; (g) it includes Rs.5 for efficiency and good attendance

Table 3.19 Minimum workload in Cashew Processing Industry (in Kgs.)

Process	as per MWA		as per Negotiations	
	1996	1993	1994	1996
Shelling	6	10		6
Peeling/Peeling-Shelling pieces	5	8		5
Grading				
White wholes	100	130	100	100
Scorched wholes	100			
Desert wholes, kattal, kari, scorched bites	10	20	14	
Kara niram piruval	6	11	10	9
Puzhukothu	6	10	6	6
Scorched pieces, scorched butts	12	15	12	12
Kattal pieces	4	5	4	4
Source: Centre of Indian Trade Union, Kuzhithurai & Minimum Wages Section, Labour Board, Government of Tamil Nadu.				

Table 3.20 Experience of cashew workers by section

Section / Experience	<1	>1<5	6-9	10-15	16-20	21-25	26-30	30-35	Total
Roasting	1	2			2				5
Shelling	1	5	8	8	3	6	3	3	37
Peeling	1	12	11	9	2		1		36
Pass		3	4	2	1				10

Grading	1	1		1	1				4
Packing		2							2
Cooking							1		1
Tin Filling						1			1
Shelling Macaud		1		1	1		1		4
Pass Macaud			1						1
Pass / Grading		1							1
Tin Filling Macaud			1						1
Grand Total	4	27	25	21	10	7	6	3	103
Source: Primary Survey									

Table 3.21 Labour Turnover in cashew industry

Reasons	First Job	Second	Third Job
Clash with colleagues	1		
Distance	24	8	2
Father's job	1		
Irregularity	1		
To help husband to get his job in cashew factory		1	
Marriage	14	2	
Insufficient income	1		
No work	1		
Transfer of house	1		
Ill health		1	
Not responded	3	2	

Total	46	14	2
Source: Primary Survey			

Chapter IV. Social Security and Labour Market Institutions

In the preceding chapter we focused on the general attributes of the workers in the cashewnut processing industry, their households and certain issues related to labour markets. In this chapter we will examine social security measures for the workers of the cashewnut processing industry in Kanyakumari district; employers response to these measures; and occupational health and safety. Another issue discussed in this chapter is the role of certain institutions and organisations, particularly trade unions. Finally, we will look into the impact of the industry on the lives of workers, their savings, living conditions and long term changes in their socio-economic conditions.

1. Social Security in Cashewnut Processing Industry

According to labour laws, apart from wages to be paid on piece-rate basis, the cashewnut processing industry should provide other benefits such as dearness allowances, bonus, provident fund, gratuity, pension, ESI or medical allowance, paid leave, maternity benefit, etc. Besides these, as a safety measure, employers should also provide soap, gloves, oil, cloth, footwear, etc. But in reality, the workers in cashewnut processing industry are denied most of these benefits. In Kerala, the basic provisions such as minimum wages, Employees State Insurance facilities were made available only after prolonged struggles of the workers (Kannan, K.P.1981). The Minimum Wages Act was also introduced only after 33 years of growth of the industry. In Tamil Nadu it was introduced in 1983, after 25 years of the existence of the industry.

In spite of the failure of cashew crop in Kerala for the last two consecutive years 1997 and 1998 (The Hindu, 13. 4. 99), this industry continued to running throughout the year. As per the Payment of Gratuity Act 1972, establishments in cashewnut-processing industry are given the status of seasonal ones and the workers in these establishments can get gratuity for seven days of every year of service. Since the workers stop working after marriage, they are not remain entitled to maternity benefits.

(a) Provident Fund

Any establishment falling in the category of the notified industry/class of establishments employing 20 or more persons from the date of its being set up is covered by under the Employees' Provident Fund Scheme, 1952. At present there are 177 industries / class of establishments to which the scheme has been extended (EPFO, 1997). Those firms, which employ less than 20 workers can also be covered on voluntary basis. The contribution of employers to the fund is fixed at 12 per cent of employees' wages for 20 worker-

firms and 10 per cent for firms coming under voluntary basis, sick firms, and establishments in jute, beedi, brick, coir and guar gum industries. From 22nd September 1997 onwards a part (8.33%) of the employer's contribution has been diverted to Employee's Pension Scheme, 1995.

The employer has to deduct 12 per cent of employees' salary, add up his own contribution and deposit it in a nationalised bank. The Act says that those who fail to comply with the statutory provisions of the Act and Schemes are liable to face stiff penalties. Those who default in the payment of inspection charges or administrative charges or in contributing towards the fund shall be punishable with imprisonment for a term which may extend to three years but which shall not be less than one year and a fine of Rs.10,000 in case of default in payment of the employees' contribution which has been deducted from the employees wages and which shall not be less than six months and a fine of Rs.5000 in any other case.

As per the data furnished by official sources, nearly 38,000 workers in cashewnut industry have subscribed to provident fund account (see Table 4.1). The spurt in the growth of subscribers is due to changes in the legislation and strict enforcement in the region. Prior to 22nd September 1997, the Act covered only those firms, which have spent three years from the date of its set up. As revealed by Inspector of Provident Fund in the study area, to escape from the Act, every two or three year, employers frequently changed their names and registration.

According to our survey, nearly 77 per cent of the workers are availing themselves of the provident fund scheme in their factories (see Table 4.2). It is compatible with the coverage of 76 per cent of the 50,000 cashewnut workers in the district. But are workers really satisfied with the way it is being organised? What are the problems with the Act? Why are the rest 23 per cent of workers still not subscribing to EPF?

Table 4.1 Subscribers to Provident Fund in Cashewnut Processing Industry

Date	No. of establishments	No. of subscribers	Growth in percentage
30.7.1996	179	19583	-
30.9.1997	380	37709	92.56
30.9.1998	382	37986	0.73

Note: The data pertinent to the region consists of Kanyakumari, Thirunelveli and Chidambaranar districts. Since cashewnut industries are located only in Kanyakumari district, the data is also pertinent to Kanyakumari district.

Source: Regional office of the Provident Fund, Thirunelveli.

In the course of a discussion, the Provident Fund inspector, the enforcing authority of the Act, said that the employers in cashewnut processing industry show apathy towards introducing PF to their workers. He said: *“Though we are trying our best to cover all the*

registered factories, the ownership pattern and trade unions' biases attitude is a hindrance in the enforcement of the Act".

Table 4.2 Number of workers receiving Provident Fund benefits

Section	Yes	No	Getting receipt	Total
Roasting	5	1	4	6
Shelling	30	7	30	37
Peeling	26	10	22	36
Pass	10		9	10
Grading	3	1	3	4
Packing		2		2
Cooking		1		1
Tin Filling	1		1	1
Shelling Macaud	4		4	4
Pass Macaud	1			1
Pass / Grading		1		1
Ting Filling Macaud	1		1	1
Total	81	23	74	104
Source: Primary Survey				

Illustrating further the poor enforcement of the Act, he commented: *'the commission processors (for details, refer chapter 2), work in a clandestine manner to escape from the Act. They lease-in a firm for one year and if they incur losses, shift over to another one the following year without paying workers' contribution as well as his (employer's) contribution and it is very difficult to trace them.'* As per the Act, any employee having problems with Provident Fund can contact him and he will take appropriate steps to solve the problem. *'But no one is ready to disclose her/his name,'* he laments. Once he received a complaint from the local trade union that some firm is not providing PF facilities to workers. When he visited the firm, he found that the concerned trade union just in order to put the employer in trouble had made such a complaint. On the same day, he found a

neighbouring firm was not complying with the Act. “*Why are trade unions functioning in such a biased manner*”, he asks.

The way provident fund is handled by the employers forces the workers to opt out of the scheme. There is no assurance given by the employers that the workers’ contribution along with employers’ contribution has reached the Government Account. The workers are given receipts for the payment of provident fund only once at the end of a year. Some employers give once in two years only. In our survey, seven workers said that employers deducted their earnings for provident fund but were not given their receipts.

Since most of the workers want to save for their marriage, if their earnings go to the provident fund, they face many hurdles in getting their savings back. Generally in the regional office of the Provident Fund, workers are not allowed to enter. They have to approach their employer and if the worker is not a bonafide employee of the factory, she / he has to run from pillar to post. If a worker has saved say Rs.1000-2000, two visits to regional office will cost her / him a minimum of Rs.200. A considerable part of the money has to be spent on getting the provident fund savings back. Otherwise he/she has to approach trade unions for help.

Moreover, most of the workers said that the major problem they faced at the workplace was non-payment of provident funds, for the recovery of which trade unions are needed.

Employers follow a strategy through which they deny the workers’ legal rights. If a worker change her / his firm due to the reasons pointed out in the preceding chapter, her / his provident fund gets discontinued. Even if a worker joins the firm of the same company but located in a different place, employers do not continue the provident fund subscription. In this way they make the worker a new recruit in the next firm. Her / his chances of getting gratuity and pension therefore recede.

(b) Pension

Recently the Government of Tamil Nadu has announced pension schemes for workers in the unorganised sector. It plans to set up a separate Board to enhance social security benefits such as pension, insurance, and gratuity to unorganised sector workers. Workers in cashewnut processing industry are also covered under the scheme. If a worker changes his/her firm continuously, how will her/his account be continued? If the workers change their employers, how will the scheme be implemented? The present scheme, Employees Pension Scheme, 1991 allows a worker to get pension only if he / she has worked for at least 10 years. That may not cover those who are working with different employers during their working life. The new scheme envisages novel ways to get contributions from employers and employees. Complete details of the scheme are yet to come.

We have seen in our survey that many workers have been working for more than 20 years. Even after announcing the Employees Pension Scheme 1995, four years prior to our survey, not even a single worker is getting pension from cashewnut processing industry of Kanyakumari. This clearly shows how the employers (by not keeping the workers with seniority) evade themselves from providing one of the major social security measures.

(c) Employees State Insurance (ESI) / Medical allowances

The ESI hospitals for cashewnut workers are facing closure in Kerala where nearly 60 per cent of the total cashewnut workers are employed (The Hindu, 6th February 1997). In Kanyakumari, such facilities provision is yet to reach the cashewnut workers. When there are no ESI hospital facilities, the employer has to give medical allowances to workers. In our study, only one worker who belongs to caste of her employer said that she is getting her medical bills reimbursed from her employer. Otherwise, all the workers said that their employers were not giving any medical allowances. Suppose a worker became sick in the factory premises, the manager gave her wage for that day.²⁴ One worker said that she along with other two workers was injured in an accident. A wall of the factory building fell down on them and they had to be treated in hospital for a week. But the management gave only Rs 60 for her and Rs 25 to two other workers and sent them home.

(d) Bonus

Another major problem the workers face at the workplace is problems over payment of bonus. Its origin is quite interesting. Earlier, employers in cashewnut processing industry of Kollam reduced one rupee from the wages of each worker and gave that as bonus during Onam festival. Through prolonged struggles, workers were able to get a part of the profits of employers as bonus. Workers in Kanyakumari also made struggles in late 1970s and early 1980s, which resulted in fixation of bonus through negotiations.

From then onwards, every year work stoppages take place prior to Onam to fix bonus percentage. Employers in consultation with local trade unions fix bonus as a percentage of each workers annual earnings. For instance, last year it was fixed at 22 per cent of every worker's wages.

In our study, 34 workers got Rs. 1500-2000, 27 workers, Rs.1000-1500 and 13 workers got less than Rs.1000 starting with Rs.600. Two workers get bonus of Rs. 4000 and above. One worker got more than Rs. 5000. However, even in this case, employers engaged in many fraudulent means through which they reduce the bonus: (a) they do not provide employment-card to each worker. If it is given, it would reveal how much work the worker does everyday. Being branded as a seasonal industry, it evades the issue of employment card; (b) they keep different registers - one for payment of wages, another for payment of bonus and third to report to factory inspectors and other officials. If one looks into those registers together which is near impossible, one gets a very different picture. They use those registers to manipulate accounts of workers. If they want to punish some workers who behave / resist / talk against management (managerial staff) the employment registers are manipulated accordingly. This is one of the main reasons for low bonus payments to some workers. From the discussion with the workers, we found that

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Since most of the factories are managed by appointed managers, it is the manager who is the sole authority of the factory. Moreover, some workers also voiced the suspicion that the manager gives them the wage for that day but write another amount as medical allowances paid to the sick workers.

prior to Onam, it was very common in the factory premises, a few workers who get annoyed argue with the managers on the issue of bonus.

2. Occupational health and safety in cashewnut industry

The nature of work in each process of cashewnut industry is different and has its own health hazards. In the roasting process, workers have to breathe the smoke that comes out and get respiratory troubles. In shelling, as pointed out earlier, the liquid, which comes out while breaking the nut, burns the fingers and causes black spots in the face and hands. In shelling and peeling, women have to squat for a long time (from the morning). A study in Kerala found that most of the workers were affected by lung diseases and women suffered from disease of the uterus (K.P.Kannan, 1979). Another study in 1989 found 33 per cent of the surveyed workers were afflicted with Asthma, 26 per cent from rheumatism and 22 per cent are affected by tuberculosis (Nair & Thomas, 1989).

Table 4.3. Workers responses on health problems

Section	Workers having regular health problems	No. of workers who said the present job creat health problems			Total number of workers
		Yes	No	Yes. But other reasons can't be ruled out	
Roasting	5	3	3		6
Shelling	28	19	9	6	37
Peeling	23	15	14	4	36
Pass	5	5	4	1	10
Grading	2		2	1	4
Packing	1	1	1		2
Cooking			1		1
Tin Filling			1		1
Shelling Macaud	4	3	1		4
Pass Macaud	1			1	1
Pass / Grading	1	1			1

Ting Filling Macaud	1	1			1
Grand Total	71	48	36	13	104

Source: Primary Survey

We tried to probe whether workers had any regular health problems. We further asked whether they felt that their health problems were caused by the cashewnut industry. More than 70 workers said that they had some health problems. Out of these workers, 48 said with certainty that working in cashewnut processing industry was the reason for their illness. Thirty-six workers denied it (Table 4.3). Thirteen workers said that they were not sure whether cashewnut-processing industry was responsible for their health problems.

Most of the workers said that they suffered from back pain, pain around the vertebrate, respiratory problems. Others complained of *vaatham*, a mild form of rheumatism. We collected information on what facilities employers give workers to protect them from the health hazards in the industry. The response is dismal. Nobody is given gloves in shelling. Those who work in shelling have to get accustomed to the bad smell attached to the oil and burns on the fingers and the face. Very few companies provide oil for protecting the coating of the hands. Otherwise women workers have to bring white limestone sand from outside the factory and use it. Due to this, they get their fingers burned. Susan, a middle aged worker says, *"I get pain continuously and body ache. My spinal cord is also affected. Sometime back I was admitted to a hospital for one week without going to work. Even now such pain come and goes. I am sure that because of the work in the factory for long hours in a squatting posture, is causing these health problems. But in order to save my family, I have to bear the pain."* Another worker says, *"I get vaatham and pain in my hands and legs. We can't bend our hands and legs. Once I did not go to work for one full year. Management did not give anything."* These occupational problems not afflict only workers in shelling and peeling but in other sections also. One worker, Malathi working in packing section says, *"I am suffering from vaatham and body pain. Since I carry big boxes, chest pain also comes. Cold and headache also come."*

Since there is no ESI hospital for cashewnut workers, either they go to government hospitals (where proper medicines are not available) or to the private hospitals, which are mushrooming in the district and which charge heavily. Some workers have said they do not bother about the pains and simply pray. Others have said that though they have many health problems, they have to continue with the job to eke out their livelihood.

An office bearer of CITU affiliated trade union said that five ESI hospitals were sanctioned in 1996 for workers in cashewnut-processing industry in Kanyakumari. Even the locations and buildings were selected. After the new government came to power in the state, there were some contradictions in sanctioning the hospitals and doctors, so the issue was kept aside.

Dr.Jayalal, a medical officer in a government hospital says most of the cashewnut workers who come to hospital have asthmatic troubles. He suggests that the workers should be given gloves to work. Dr.Beula, a medical officer in a private hospital says that the work-

ers are highly malnourished and they do not take food properly. She also said that hardly women workers from cashewnut processing industry come with uterus problems.

3. Role of Trade Unions in cashewnut processing industry

Trade unions as a labour market institution have a special role in influencing the labour market. Apart from struggling for rights of workers, they also play crucial role in recruitment in some countries. In developing countries such as India, as casualisation and feminisation of workforce increases, organising women workers is the most important task facing the trade unions today. Since women workers constitute more than 95 per cent of the total workforce in cashewnut processing industry, we trace how the trade union emerged in the industry and outline the tasks ahead for them.

In Tamil Nadu, though the Communist Party of India (Marxist) is not a strong political party, it has organised a considerable portion of the organised workforce. However, whichever political party rules the state, its trade union would always be in the front regarding workers' rights. This part of Kanyakumari is a stronghold of CPI(M) and this is reflected in all other spheres viz., trade unions, cultural organisations etc., CPI(M) has only one MLA in Tamil Nadu and he is from Kuzhithurai constituency. Centre of Indian Trade Union (CITU), a trade union wing of CPI(M) leads all other trade unions in the study area. In case of conciliation or for any labour problems, cashewnut industry employers recognised the trade union affiliated to CITU.²⁵

If we trace the origin of *Tamil Nadu Munthiri Paruppu Tholilalar Sangam* (TNMPTS – Tamil Nadu Cashewnut Workers Union), an affiliate of CITU, was started just after the shifting of cashewnut factories from Kollam to Kanyakumari. It appeared in the late 1960s, with very humble beginnings amidst great difficulty. It took three to five years to become a registered trade union. As per the Trade Union Act 1926, seven workers can form a trade union but mobilising seven workers in those days was very difficult. Cashewnut Industry employers who have recognised TNMPTS to fix and revise the wages, workload and consult now, tried many ways to stop the formation of the trade union. In the beginning, the union was started in three factories – one in Palavila, Kootappuli and another in Maruthancode, all of them owned by Vijayalakhmi Cashew (VLC). Many a time, employers bribed government officials not to register TNMPTS. When they went with some workers to form a union, the workers were also weaned away so they withdrew on their own. So it took three to five years to get registration.

Late Mr.G.S.Mani, ex-MLA was the founder of the cashewnut workers' union. It was his efforts in the 1960s the led to the formation of the union. Mr.Jestus, the then vice-chairman of TNMPTS, recalled his days in 1960's: *In those days, women workers were paid*

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One could also argue that since Vilavancode is the border area of Kerala, its influence on Vilavancode cannot be neglected. And the CITU is very strong among cashewnut workers of Kollam. Thus CITU affiliated cashewnut worker union in Kanyakumari is also an offshoot of Kollam CITU.

10 paise for shelling, one of the major production processes in the industry, women workers were sexually abused by men who were employed as supervisors. Any worker raising questions was sent out immediately. Since there were only a few factories functioning, there was no labour shortage. It was also a period of shortage of raw materials. Many companies, due to shortage, closed their factories frequently.

When we asked whether the union brought about any strikes he recalled one. *'It was one occasion, when an employer sacked two women workers, we went to management for conciliation. We also had meetings with labour officers. The management agreed to pay a few rupees as compensation but refused to take them back. The union called for a strike. At that time, on the grounds of raw cashewnut shortage, management closed the factories. But they were kept in godowns and smuggled to Kerala. The workers picketed and stopped that also. Again management announced lockout for two months. Two months for workers who depend on daily wages is quite long period and they were tired. When five persons were arrested, workers got emotional and more workers went to jail. They were kept in Palayamkottai for fifteen days. After the arrest, CITU, state government or management did not take steps to get them released. After 15 days, they were released. From then onwards, management was always upto many tricks giving misinformation about the union through neighbours' houses of workers who are engaged in union activities.'*

'It was very difficult to organise women workers,' he says. 'Even if we give them training in union activities, after they get married, they stop going to work. The training goes waste. When compared with other activities in the area, wages are quite low. This is another reason for the inability to organise them effectively.'

Besides problems in organising the workers, inter-union rivalry is also an important problem facing unions today. *"Unions of other political parties, rather than mobilising workers, are engaged in defaming CITU union and engage in anti-campaign. They threaten workers that they may lose their jobs,"* criticises Joint Secretary of CITU, Kuzhithurai. In fact it is true that other political parties and their trade unions are not playing a significant role in the cashewnut industry. Very recently, Mr. Nanukuttan, supporter of Denis – the Ex MP of Kanyakumari constituency formed two unions under the umbrella of INTUC. One of them is a supervisory employees union and other is a workers union. In one of his pamphlets, he criticises CITU that it was threatening some companies such as VLC, IRP and IFE which are paying provident fund, gratuity, maternity benefit, medical allowance, oil, soap perfectly and thus destroying the whole industry. Other criticisms include (a) CITU is not fighting to make work in the cashewnut processing industry non-seasonal (b) it is soft on other companies in Kanyakumari district. Mr. Jestus agrees that in the last 10 years, workers are getting regular work in the whole region. But the union is not strong enough to fight their cause.

One of the CITU office bearers claims that TNMPTS has more than 10000 workers as members, which is more than 30 per cent of the total workforce. The role of trade union is more of a conciliating body (mediator) than of organising the workers and training them to struggle for their rights. Every year, it is like a festival when employers invite TNMPTS for wage agreements. Other small trade unions used to complain that CITU goes hand in hand with employers in a clandestine manner. After negotiations, the revised wage rates are submitted to the Government of Tamil Nadu. They go and collect funds

from workers when they get their bonus in each factory. Then the role of the trade union for that year is over. Unless there is a problem for a particular worker, like problems in getting provident fund, or some workers are sacked from the company etc. union does not involve itself in any other task.

CITU has appointed Ms.Mary as vice-president of TNMPTS for namesake. She is working as a librarian in a private library. She says that it is very difficult to organise women workers. If a woman worker in her locality has any problem in the factory, she approaches Mary. She communicates this to the union office and as per the direction of the union, they approach employers. She says that the main problem in organising women is not the management but other political parties who operate in connivance with the management. “It is they, who go to houses of concerned workers and their neighbours and spread rumours about the union,” she complained.

Workers showed mixed reaction to the role of trade unions. To them, unions come in only after revision of wages and bonus and ask Rs.10-15 as contribution from each worker for to the union activities and go. This they do twice or thrice in a year. Trade unions though, claim large membership. In reality, the money they collect by compulsion in front of the gates of the factories becomes the monthly contribution of one rupee towards membership. It is quite surprising to see that more than 30000 women are working in Vilavancode taluk and there is no woman cashewnut worker-cum-trade unionist.

The office bearer we discussed the issue with hesitatingly accepted that out of 100 workers only 5-6 workers accept the relevance of trade unions and show some interest in union activities. In our study out of 104 workers, only 47 (see Table 4.4), 5 men and 42 women have said that they are members of trade unions and only less than ten have said that they participate in the meetings. Except these workers, all those who have paid their membership said, “*we pay membership fee but don't attend any meetings.*” The stigma attached to the trade union and the reasons for workers' indifference to the calls of the union' needs to be probed from different perspectives.

Table 4.4 Involvement of Cashew workers in various organisations by section and sex

Section /Sex	Trade Union		NGO (General)		Church based NGO	Fishermen Assn.	
	Female	Male	Female	Male	Female	Female	Male
Roasting		4					
Shelling	17		5		1	1	
Peeling	16		7		3	2	
Pass	5		1				
Grading	1		1				
Packing	1				1		

Women in Cashewnut Processing Industry in Kanyakumari

Cooking							
Tin Filling		1					
Shelling Macaud	2		1		1	1	
Pass Macaud							
Pass / Grading							
Ting Filling Macaud							
Total	42	5	15		6	4	
Source: Primary Data							

Santhi26

Santhi works in the same company where Malathy is working in the ‘pass’ section. She has a son, a daughter and her mother-in-law in the family. Santhi lost her husband and came to settle here. Her mother-in-law is going to *kambolam*, weekly markets to sell betel nuts. Santhi has been going to *casuandi* office (that is how it is called in this area) for long, even before her marriage. However, the present company where she works, had a branch at her parent’s village. She worked in that company. When she shifted to this area, though owned by the same company, her provident fund account was discontinued and restarted again afresh. She says, if a woman worker becomes 45 years old and has put in ten years of service, she is entitled to get pension from the government. To avoid getting pension, employers generally do not allow workers to continue to save in the provident fund account even if the worker is employed in another branch of the same company.

She says that the trade unions are coming to ask for 10-15 rupees whenever there is any increase in wages. But so far she has never paid anything to them. She asks "As if these trade unions fought for the workers, they come and ask for the development of the union. After collecting the money, they go and ‘drink’, why should we give our hard-earned money?" Santhi was able to get Rs.1200 only as bonus due to her frequent absence from work. Her son has some skin problems due to which she spent many days in taking him to hospital to undergo some operation.

In her company, due to piece rate wages, workers can come at 7-7.30 a.m. onwards, she goes only at 9 a.m. and returns home at 5 p.m. Once when some

women workers went after 2 p.m., the manager refused to allow them and asked the reason for the delay. They resisted this move and told him that if they were sent back home late in the evening, they will come late in the morning. If they were sent early, they would come early in the morning to the company, they said. Finally it was decided to go to the factory at 8 a.m. and return at 5 p.m. She is able to earn not more than 24-28 rupees a day. When asked about the earnings of women in other sections, she said that she generally does not ask this because they may consider this jealousy. Santhi is also member of women's *mandram* (group) functioning in the locality.

Cadre India

Cadre India, a voluntary organisation has many social welfare objectives out of which educating the cashewnut workers is also one. It was established in 1991. In the beginning, they were given a project by National Literacy Mission to educate cashewnut workers in Kuzhithurai region. With the support of the government, they went to factories and spent 30-45 minutes in a week and taught illiterate women workers how to read and write. Permission was denied in the beginning but with the support of the district collector, they were able to enter the factory premises. For a few months, Cadre India found very difficult to interact closely with the workers and get their reaction as supervisor or someone from management was also watching the classes. Besides this, the employers refused to allow all the workers to attend the classes. Workers were not able to express their problems at the workplace. In one occasion, a company was fined Rs.5000 for employing a child labourer. The management suspected Cadre India and did not allow it afterwards into its factory premises.

Later it decided to conduct classes in the residential areas where workers are dwelling. During the holidays or once in a week, classes and meetings were held. In the mean time, many women *mandram* (self help groups) were formed and one animator each was appointed from that locality to conduct meetings and classes. In the meetings, problems at workplace are discussed. Some workers withdrew themselves in fear of losing their job in the factories but others continue to participate.

Cadre India also engaged in inculcating savings habit among the worker households in Kuzhithurai area. These animators go to workers' houses once in a week, collect the money and put it nationalised bank. Later when some *mandram* members seek loan to buy cattle, Cadre India lends to them at moderate interest rates. Cadre India is also assisting a nursery school meant for the children of cashewnut factories.

Underweighing of kernels

We have argued elsewhere that employers try to evade the responsibility of giving social security to workers and at the same time engage in sheer exploitation. One of the ways they directly do this is underweighing of shelled / peeled nuts. After shelling and peeling, all the workers have to carry the nuts to weigh the kernel. If a women worker is not able to carry, male workers help her. Sometimes young children who come back from school (the future entrants in the cashewnut industry) come and help their mother / sister in weighing the kernel. The kernels have to be weighed and if there are broken, they have to be separated and no wages are paid for broken kernels. While weighing the kernel, em-

ployers engage in underweighing. So we asked workers whether they were aware of underweighing of the kernels and what was their reactions to it.

Table 4.5 Underweighing in Cashew Industry by section and sex of the weighing person

Section	Weighing person					% of workers resp. underweigh
	Female	Male	Both	Total	Total workers	
Shelling	2	11	1	14	37	38
Peeling	3	14	1	18	36	50
Pass	1	3		4	10	40
Shlling macaud	-	1	1	2	4	50
Pass Macaud	-	1		1	1	100
Grand Total	6	30	3	39	88	44

Source: Primary Survey

Nearly one third of the workers in shelling and peeling sections said that their kernels are underweighed (see Table 4.5). Some of them said that “*it happens in every factory and we cannot say anything about it. Even if we fight, it is of no use*”. It also depends on who weighs the kernels. There are more chances of underweighing, if men do it. If girls do this, it is likely to be less and if the weighing person is either a relative or friend of the women worker, they escape such treatment. One worker said that in her factory when there was an inspection, the weighing machine was inspected and coins and iron pieces were found inside the machine.

4. Child Labourers in Cashewnut Industry – a note

Earlier, it was found that when there was inter-state shifting of cashewnut factories from Kollam to Kanyakumari, the cashewnut industrialists employed child labourers (K.P.Kannan, 1984, Sathyadas 1990) at the destination. Annual Survey of Industries data also reveals that in 1993-94, 303 child workers were employed in cashewnut processing industries. Out of 303, 163 were working in Tamil Nadu and 140 in Andhra Pradesh. In 1994-95, there were 283 child labourers were engaged in this industry. This data, provided by employers appear to be gross underestimation.

Though we came across 2-3 child labourers in our sample households, we found the family members of these child labourers were afraid to reveal their age. We came across one girl who was going to school but spending a few hours with her mother in the factory.

Generally, if a girl is studying well, but the earnings of the family is insufficient, she starts helping her mother or elder sister who are going to the cashewnut factories. She helps in the mornings and evenings and her work is counted with that of her mother or elder sister. When she fails in her exams or loses interest in going to school, or if any thing happens in the family that might affect the income, she stops going to school and becomes a full time worker. This is how young girls below the age of 14 enter the cashewnut processing industry labour market. However, it is not easy to get access to the factory. One has to plead the manager explaining the poverty of the family and the need to work. Then the manager agrees to employ them. In this way, management tries to impress on the workers that they are recruited out of magnanimity, not because of demand. This is also one of the major obstacles in mobilising women workers for any struggle. This is also reflected in their responses. For a question on whether their livelihood has improved because of the cashewnut processing industry, the immediate reaction is that it *gives us employment and livelihood, money to buy clothes, food, etc. Without their entry, we cannot think how we could have survived.* When we interviewed a child worker, she pleaded with us not to disclose to anyone her employed status because her company accepted her work due to its magnanimity alone. *"Otherwise it would be difficult to eke out our living",* she said.

Another disquieting phenomenon is that employers have laid down rules that all the women should enter the workplace with either saree or half saree, locally referred to as *thaavani*. Hence, we found that young girls kept a duppatta like cloth in their tiffin bags though they came attired in the traditional '*pavadai-chattai*' (full skirt which pre-adolescents wear). When they entered the factory they wore the *dupattas* and when they left in the evenings, they kept it back in the tiffin bags. This we observed in all places. When any officials enter the factory, this helps them to hide the child workers.

Dr. Jayalal, a medical officer in Marthandam Government Primary Health Centre says that more and more child labourers are working in the cashewnut factories. They get bogus certificates from medical officers / doctors to escape the law. The Inspector of the Provident Fund who is in charge of the cashewnut processing industry also confirmed the employment of child labourers. Very recently, one or two factories were fined Rs.5000 each for employing child labourers and the news has spread to the whole region. Both public and employers are wary of those who come to enquire about child workers in the study area.

Moreover, we have been told that missionaries and school authorities have complained to the state government that dropouts are increasing suddenly due to employment of child labourers in the district. This had resulted in some 'unexpected' inspections in factories and that was how two factories were fined.

5. Conditions at workplace

Earlier studies revealed that cashewnut factories do not provide facilities properly. The toilets for women are mostly in an unhygienic condition. Our survey revealed that most of the factories have separate toilet facilities. It is apt to quote what a worker said, *'If a woman worker wants to use the toilet, another woman worker should accompany her.'*

There is no proper door. The accompanying person should stand as a gate, so that from the distance, others can understand that somebody is using the toilet.'

As per the agreement made with trade unions in 1989, employers agreed to give shirts, trousers, soap, oil, and gloves to workers. But none of the workers we surveyed said that such provisions were given in their factories. In fact when there is need for these things, workers have to buy them on their own.

For instance, in the shelling process, a white liquid pours out when the shell is broken, it burns the skin and fingers. To avoid burns, workers use white sand to perform the tasks. Whoever works in the shelling section has to bring white sand on their own. But after the work is over, the employers sell it as manure. Similarly some firms provide oil once in a week. If a worker fails to come on that day, she will not be given any the next day and she has to buy the oil herself.

4.7 Savings habits among the cashew workers and forms of savings

Sections	General		Forms					
			Jewels		Utensils		Cloth	
	Yes	No	Yes	No	Yes	No	Yes	No
Roasting	3	3	3	1	3	1	2	1
Shelling	25	9	22	6	21	6	20	4
Peeling	28	7	26	5	22	4	25	4
Pass	7	3	7	3	5	2	6	3
Grading	3		3		2		2	
Packing	2		2		2		2	
Cooking		1		1		1		1
Tin Filling	1		1		1			
Shelling Macaud	4		4		2		4	
Pass Macaud	1		1		1		1	
Pass / Grading	1						1	
Ting Filling Macaud	1		1		1		1	
Total	76	23	70	16	60	14	64	13
Source: Primary Survey								

6. Conditions at Residence

Apart from workplace details, we observed the condition of workers' residences. 45 houses were thatched with *kutchu* conditions and 53 were tiled. Eighty workers own both the land and buildings of their houses. Thirty-eight workers' houses have only two rooms and 22 workers' houses have only one room. It is quite surprising that more than 59 households depend on neighbourhood wells for drinking water. Only 29 workers depend on public water facilities. Eleven households have separate bathroom facilities and 41 have toilet facilities. The reason for little provision for bathroom is availability of water from common resources. There are many small /medium size tanks built in the pre-independence period and many streams flow in this area. So people prefer to use them than rather having bathrooms at their houses. 84 houses have separate space to cook. Seventy-three houses do not have electricity connections and only five have television. Two worker-families had refrigerator and motorbikes (Table 4.6).

4.6 Conditions at Residence of Cashew Workers

House / Sections	1	2	4	5	6	7	8	9	22	55	56	99	Total
Thatched	1	22	14	3	2		1		1		1		45
Tiled	4	14	20	7	1	2		1	3	1			53
Concrete		1	2		1							1	5
Ownership													
Own House & Land	5	26	29	9	2	1	1	1	4	1	1		80
Rented in		1										1	2
Only house not land		5	4										9
Father in-law's house		1											1
not responded		4	3	1	2	1							11
No. of rooms													
1		13	5	2	1				1				22
2	3	12	15	3	1	1	1	1	1				38
3	1	10	13	5	1				1				31
4		1	1		1				1	1		1	6
not responded	1	1	2			1					1		6
Separate Kitchen													

Yes	4	29	28	10	4	1	1	1	4	1		1	84
No		7	7										14
Not responded	1	1	1			1					1		5
Source of Drinking water													
Own well		4	5										9
Neighbourhood	3	23	20	5	3	1	1	1	2				59
Public Tap	1	6	7	3					1			1	19
Public Borewell				2		1							3
Public Open well		2	4						1				7
Not responded	2	2			1					1	1		7
Separate Bathroom													
Yes	1	1	4		1	1		1		1		1	11
No	4	35	32	10	3	1	1		4		1		91
Not responded	1	1											2
Toilet Facility													
Yes	2	10	15	5	1	2	1	1	2	1		1	41
No	3	27	21	5	3				2		1		62
House Electrified													
Yes	3	6	10	4	1	2		1		1	1	1	30
No	2	31	26	6	3		1		4				73
Television													
Yes	1	1				1			2				5
No	4	36	36	10	4	1	1	1	2	1	1	1	98
Refrigerator													
Yes	1								1				2
No	4	37	36	10	4	2	1	1	3	1	1	1	101

Motorbike													
Yes	1								1				2
No	4	37	36	10	4	2	1	1	3	1	1	1	101
Total Households	6	37	36	10	4	2	1	1	4	1	1	1	104

Note : Section Codes: Roasting -1, Shelling -2, Peeling 3, Pass -5, Grading -6, Packing -7, Cooking -8, Tin Filling -9, 22-Shelling macaud, 55-Pass macaud, 56-Pass/Grading, 99 - Tin Filling - macaud

Source: Primary Survey

Impact of Cashewnut Industry

Savings: Most of the workers earn just above or equal to poverty line earnings of Rs.6400. Seventy nine of 99 respondents said that they save their earnings for various purposes. Besides spending their income for family expenses, educating the children, meeting day to day expenses, they buy jewels, utensils and cloth (see Table 4.7). In order to get these materials, some save in small chit funds, savings scheme organised by non-governmental organisations, church based organisations, others in post offices, banks and in LIC. Cadre India has accounts of 500 workers under its savings scheme.

Long Term Changes

When we asked the workers whether there was any improvement in their lives, the workers responses revolved around an uncritical view of the cashewnut industry that provided them with a livelihood. This appears to be the mindset of thousands of workers. Hence, in their opinion, question of their rights at the workplace does not arise. This is also reflected in the way they reacted to the calls of trade unions for any demand. The quotations from some respondents follow to illustrate this aspect.

The answers a worker gave depended on her/his status in the family. In case of a mother or father, they say, *“I can't imagine what would have happened to my family if there is no cashewnut factory.”* Or *“Because of going to work, we have been able to escape from starvation and purchase necessities like clothes. Otherwise we would have died.”* Some responded in a low voice: *“there is improvement in the family. Our children go to school and we are able to purchase clothes and other necessities for the family. But if there is no sickness (noi), it would be good”*. If a cashewnut worker is the main breadwinner of the family, the answer goes like this: *“Definitely there is improvement. Our family is running just because of the andi office (cashewnut factory) only. My husband is not able to go to work. We all have to work and make both ends meet.”*

Some respondents who have daughters said that they were able to save for the marriage for their daughters. Some young girls and a boy said that they were able to save, marry off their elder sisters or save to get married, or help their brothers and sisters' education. If the respondent was a middle aged woman / man, their responses were like this: *“After my wife and myself started going to work, we are able to meet our family expenses, educate the children and save something.”*

However a few responded not very positively about the industry but recognising the relevance of the industry: *“There is improvement but not much. We are able to run the family. Able to buy clothes, save something for daughter's marriage, pay back our debts. We are going just because we do not know of any other occupation and it is available regularly.”* Or if they are individual worker or elderly woman, they responded, *“Life is going fine. Since I work, if I want tea, I do not have to expect anybody to buy it for me, I can buy it myself.”*

Malathy

When we met, Malathy probably in the late 30s, had come back from work for lunch break. During the discussions, we found out how important this job was for the family. Previously her husband was also doing some casual work. At the time of marriage, her parents gave her 20 cents of land. Seven years before, her husband decided to go ‘Saudi’ for work. They mobilised 35000 rupees by selling part of the land for getting that job. One day they received a letter from Bombay saying that he had to come immediately to go to Saudi. On reaching there, he found that the agents had cheated him by not sending him to Saudi. He came back in a state of shock and therefore was unable to work for many days. He also lost his money as well. The beard he grew from that time onwards he still keeps.

There were no sources of income other than her husband's and he was not going to work. Malathy told her neighbour who goes to *casuandi office* that she was also interested in coming to the ‘company’. That girl took her to the company (owned by VLC) and introduced her to the manager. Initially she was able to earn only 50-60 rupees a week. Later she started getting her money saved in Provident Fund account. She also showed us the PF receipt. She says her company deducts 12 per cent from her wages and adds the same amount and pays the government.

She has two daughters and a son. The first daughter is also going to the same company where Malathy is going. Her daughter was studying in seventh standard. In those days, she used to bring her to the company to help her. One day her teacher scolded her for not doing some homework. Then she decided not to go the school forever. Though Malathy insisted that she should go to school, she stubbornly refused. The year before last, Malathy purchased a tailoring machine for her daughter by getting loans from other relatives and friends. But there is not enough work for the machine. Since she has to pay back the loan, Malathy's daughter also has started going to the company. She is earning just 10-20 rupees less than her mother. Last year Malathy got Rs.2700 as bonus during Onam. It is calculated on the basis of 24 per cent of one's annual earnings.

In the course of time, Malathy has sold all the land and now lives in a tiled house which has two rooms and a hall and kitchen. Her husband could not get any work that day, and was sleeping in the house. Usually he goes to the brick kilns. In the last week, he went on only two days.

Malathy's second daughter is studying in the eighth standard and her son is studying in the 10th standard. She says she is willing to send her children to school as long as they wish to. With a pale face she says she is ready to work as

hard as possible. Though she says she has some health problems, it appears that she hesitated to disclose them due to presence of men.

Some workers responded negatively: *“What change? Getting disease is the only improvement. The previous factory used to give Provident Fund. Here, in order to get higher wages, I joined. Now I have become sick. Or “I am really fed up with the work. There is no improvement at home. I feel like stopping work and staying back at home. When I realise that there is nothing after so many years of work, I am fed up. Some women looked at the work differently in the light of its negative consequences on the family. One woman worker says, “Since I am going to work, my sons are not coming home regularly. They go the wrong way. We have no integration in our family. It is all because of my factory work. My daughter and I are working in the same factory. Even after 28 years of experience, I am not given macaud job.”*

Every Thursday, the day workers are given their weekly salary, mobile fancy shops appear in front of the big companies. Women workers especially the young ones spend a part of their earnings to buy cosmetics or fancy goods or spend sometime on window-shopping. This is also reflected in the voice of a worker: *“There is improvement. From my earnings, I can spend the way I wish and it is good time-pass, isn't it good?”*

7. Summary

More than three-fourths of cashewnut workers in Kanyakumari district have subscribed to Employees Provident Fund Scheme. Similar proportion of our sample workers also had subscribed to it. Among other benefits, it is the only scheme widely accepted by employers and employees. However, due to misappropriation by some employers, some workers are averse to the scheme and trade unions, government officials and employers influence the operation of the scheme to suit their own interests. Some other schemes such as pension attached to EPF are yet to make progress. ESI hospitals though sanctioned by the state are stuck due to internal problems in the state administration.

Besides revision of wage rates and work loads, bonus, another important benefit of cashewnut workers is the only issue the local trade unions are taking up very seriously in order to attract workers. More than 75 per cent of the workers have got less than or equal to Rs.2000 as bonus. The percentage of wages given as bonus has also increased over the years. Definitely it has been a prolonged struggles for TNMPTS. Employers try to evade giving the benefits or reduce it by unlawful means, by say keeping different records and thereby vindictively targeting the anti-management workers.

The major health problems identified among the cashewnut workers are related to the backbone, respiratory system and joints. This is due to continuous squatting and inhaling the smoke in the roasting process. Employers generally do not care about these things as though this was not their responsibility.

The CITU affiliated trade union made a humble beginning but made progress in such a manner that it is the only union recognised by employers for all conciliation. Nevertheless, it is yet to make progress in training the cashewnut workers, mobilising them to struggle to fight for their rights. Over the period, it has grown and become a mediator between employer and employee. Though male workers are showing interest in associating

with the union activities, when it comes to the women workers, it has not made any progress. It is very sad to find that no woman cashewnut worker participates in the activities of a union, which claims membership of 10000 women workers. Most of the problems the union handles relate to provident fund, bonus and other minor issues. Inter-union rivalry, stigma attached to trade unions, strong patriarchal tendency of the union, non-sensitisation of workers hinders the growth of unionisation. It is high time the unions use a different approach to tackle capitalists rather than concentrating solely on the mediator role.

Cashew workers are mesmerised by the employers in such a way that they do not feel that they are exploited. Allowing child workers to work in cashewnut factories is seen as an act of magnanimity of the employer. The same attitude is also reflected in narrating the long-term changes in their socio-economic conditions. This has led to a situation where employers are engaged in different kinds of exploitation with the consent of workers and their families. '*Andi office*' is considered by many to be the messiah of the masses in the study region.

Chapter V. Summary and Conclusions

The main objective of this study was to investigate the impact of cashewnut-processing industry, a traditional agro-processing industry on the labour markets of Kanyakumari district. More than 90 per cent of the cashewnut industries in Tamil Nadu are working in this district. We began by looking at where the cashewnut processing industry in Tamil Nadu is placed in the national context and analysed the recent trends in the industry.

Historical Aspects: The industry grew as an export-oriented one right from its inception. As the industry increased its exports, our country could not meet the raw cashew requirements. So the industry started to import from African countries. When African and South American countries realised the commercial potential of the industry, they began processing and exporting cashewnut and emerged as India's competitors. However, world customers preferred Indian kernels due to its good quality and the Indian cashewnut processing industry began to find its feet in the international market. The position today is that though India's share in world cashewnut trade has come down, it continues to be an important player in the international market.

The increased dependence on imports and struggles of cashewnut workers against exploitation in Kerala, the traditional centre of the cashewnut industry, led to the slowing down of the industry. Moreover, half-a-dozen family combines of Kollam and Mangalore control the cashewnut market. They started looking for alternative locations and strategies by which they could deny the legitimate rights of the workers. They shifted the industries from Kollam to other locations where they could exploit the workers by paying paltry wages and get their nuts processed.

They found Kanyakumari district, one of the backward districts of Tamil Nadu, as their ideal location. The state government also showed 'red carpet hospitality' in the name of industrialisation in the district. However this happened at the cost of thousands of women workers' toil. The cashewnut processing industrialists initially evaded all the labour legislation and denied the basic rights of the workers.

Historically too, a part of Kanyakumari had been in the erstwhile Travancore State. Hence, people in the region knew both the languages and a great deal of cultural intermingling had taken place. This suited the Kollam Combines the best, as it allowed them control over the industry with little responsibilities and without language or cultural barriers.

Prior to this, some structural changes in employment had occurred in the district. The traditional non-agricultural jobs disappeared. Simultaneously, increase in the literacy rates forced people to look for alternative sources of livelihood. In agriculture too, traditional crops, which employed more labour, gave way to commercial crops and plantations, which required less labour and meant larger profits.

Relevance of Women Cashewnut Labour Markets: Within a span of 35 years, the industry grew rapidly. So much so that more than one fourth of the total factories in the district are cashewnut processing units and the industry provides employment to nearly three-fourth of the total factory workers in the district. It has made a tremendous impact on the employment market in the district particularly in Vilavancode, where most of the cashewnut processing industries are established. More than two-thirds of the women workforce has chosen cashewnut-processing industry as their option. The next option available to women is to be housewives. Owing to meagre earnings and that too by women, the role of women workers of cashewnut industry labour market in the overall labour market is completely neglected.

The cashewnut industry labour market can be divided into two groups. The first group consists of administrative staff – managers, clerks, supervisors and security staff. The second group consists of workers. The recruitment patterns, terms and conditions are entirely different in both the groups. The members of the former group are either recruited from Kollam or belong to the employer's caste. They are given accommodation and food facilities in the factory premises itself. Their contact with the local people is restricted. They are periodically transferred to prevent the formation of local links. The second group comprises workers recruited from the local areas. The recruitment mechanism is very simple. The employer requires only the introduction of a neighbour or a relative who is already working. Since it is more advantageous for the employers to employ workers here than in Kollam, access to the cashewnut processing industry labour market is made simple. On the other hand, the demand for male workers is limited, and if they want access, they had to mobilise ten women workers for recruitment.

Looking at the industry from a broader perspective, the liberalisation and globalisation process has, as is its wont, triggered an international division of labour with adverse consequences for the Third World labour market. The capitalists of this agro-based industry, operating as combines, move their capital to take the best advantage of market fluctuations and competition. They import raw materials from other Third World countries and process it in India, by paying abysmally low wages, exploiting labour in the bargain. The finished product is then exported to the First World. The labourers and the countries where this processing takes place feel that this process will foster industrialisation and generate employment from the long-term perspective. The demand potential of the industry serves as a smokescreen. Consequently, neither the workers nor the state is bothered about the stability of neither the industry nor the havoc it is wreaking on the health of the workers. In fact, they adore the industry and accept the dehumanising conditionalities put forth by capitalists.

Workers learn work skills through on-the-job training. On an average, it requires not more 40 days to learn the skills. For male workers it is very less. They are trained by workers appointed for this purpose who are sometimes brought from factories in Kollam.

The workers are paid on a piece rate basis either on a weekly or daily basis. Women earn only two-fifths of what men earn, in spite of working longer hours and handling greater workloads.

The earnings of women workers are less than the poverty line earnings. Majority of women earned about Rs.100-150 per week, which means just half the poverty-line earnings. When compared with other industries in the region, this is the lowest paid occupation. However, the availability of alternative opportunities is very limited. Generally they work 9-10 hours a day and more than one third go to work on Sundays also. Poverty in the families forces the workers to accept the difficult working conditions.

Role of Trade Unions: When trade unions started their activities in the region, employers once again began to look for alternative strategies of cost reduction. They changed their garb, from manufacturers to traders. Though the industry in Kanyakumari continues to be dominated by producer-owned firms, a new phenomenon is emerging - subcontracting of processing through commission agents. The changed ownership is making the workers highly vulnerable, unorganised and exploited. The workers find their social security benefits denied to them in such a situation.

Prolonged trade union struggles in spite of few supporters has led to improved wages and other benefits. Hence in spite of problems with the functioning of trade unions, their role in getting better wages cannot be neglected. In fact it would be quite true to say that workers fail to recognise the importance of trade unions. Their role appears to be restricted to mere mediation between employees and employer once a year. However, their task of educating the workers on their rights, training them as the vanguard of the labour movement and bringing home to them the fact of their exploitation remains undone. Even after the introduction of Minimum Wages Act 1948 in Tamil Nadu for cashewnut workers, a lawyer-turned- unionist says it was not possible to fix minimum wages in the industry! This is not to underestimate the strength of trade unions but to reveal their low level of awareness about an important labour legislation.

The workers are mesmerised by employers that the industry is providing succour to the district by creating employment opportunities. The lack of alternative employment opportunities, the prevalence of strong patriarchal tendencies coupled with social evils like dowry force women workers to subjugate themselves to the cashewnut industry as slaves.

Issues Confronting the Cashew Industry Women Workers: In the context of liberalisation and structural adjustment process, capital is becoming very mobile. It is not only the phenomenon of cashewnut industry but also of many industries in the world. Multinational corporations, in the name of globalisation, close their production units in the developed countries, open in the developing countries, paying the workers paltry wages and export the products to the developed countries. In this trend, though it can create employment in the short run, in the long run they failed to stay back and shift over to different locations. Moreover, by expatriating their profits, they plunder the natural resources and labour of the developing countries. The governments also support such movement in the name of industrialisation ignoring the long-term effects.

(1) In the case of cashewnut processing industry, the imminent prerequisite is solidarity among the cashewnut workers of different states / regions. Trade unions and other mass

organisations working in those regions have to come together, set up a forum and show solidarity with all cashewnut processing workers. This forum should work for the betterment of cashewnut workers and create awareness among the organisations at the broader level about the industry and workers. This forum can also function as pressure group at the policy level, represent the voice of the cashewnut workers at the state and national level.

The major problem confronting the trade unions and mass organisations in the study region is difficulty in organising the women workers. However, even after 40 years of existence of this industry and 20 years of trade union development, they failed to create leadership among the women cashewnut workers. It clearly shows apathy of the organisations in educating the women workers but working with male-centred trade unionism in the industry. Though this could be a wide phenomenon in the country, it might not trigger the mobilisation of women workers who account for nearly 95 per cent of the cashewnut industry workforce.

(2) To start with, in every factory these organisations have to mobilise the women workers, educate them about the need for mass mobilisation and how the employers strategically operate their factories without giving them the legitimate share of wages and social security provisions. When most of the women workers are unmarried, fearful of losing of jobs, it is possible through the matured and married women to train the young workers. These elderly leaders can meet the workers regularly, discuss their problems, about the industry and women movements all over the country as well as other broader issues. It is necessary to expand their thinking process beyond factory and house.

(3) The mass mobilisation among cashewnut processing industry requires the support of husbands (in the case of married workers) and parents (in the case of unmarried workers) which means changing the social milieu of the region. It is necessary to create awareness among them about the role of cashewnut workers in each family, to the state and to the country and sought to support legitimate demands of the women workers at their workplace through mass mobilisation. Though this requires sheer dedication of the organisation with progressive thinking and democratic principles, in the long run it is possible to achieve the goal and the people in the region will start giving due respect to women workers in the industry.

(4) The women are working throughout the year with no holidays and as full time workers. Meeting them at workplace by the mass organisations at the factory gates once a year need to be changed. These organisations have to meet them throughout the year, educate them through printed materials, and it will develop confidence among the women workers about their capabilities. This will be possible if women workers are leading the strategies. Because women workers particularly those who work for longer periods can understand better about the young girls and educate them within and outside the factory premises about mass mobilisation. These plant level leaders should also be allowed to negotiate on bonus, wage revision and other matters with the management. By handing over the responsibilities of the welfare of the cashewnut workers to those who work in the factories (with proper training), the mass organisations can play the role of facilitation of workers and management.

(5) We found that the cashewnut industry is changing its organisation of production through commission agents who pay advance to the workers and attract them. The mass organisations should work as a watch dog and if the commission agents escape, they should report to the concerned authorities at the local level as well as the state and national level.

What we have outlined above is based on our observations in the short span of our study. The mass organisations, depending on the situation, should change their strategies for the welfare of the cashewnut workers by educating them with dedication.

In regard to shortage of raw cashew, Tamil Nadu has so much of potential for expanding the area under cashew crop. The state has to take appropriate steps to utilise the funds allocated. This will increase the income of the dry land farmers and at the same time reduce the import bill of the nation.

CEC in Brief

Centre for Education and Communication is a Society registered in 1983 (Registration Number S/13682/83) under the Societies Registration Act, 1860.

Centre for Education and Communication is a resource centre for labour, in particular of those in the unorganised and informal sectors. It functions as a centre for workers' education and participatory labour research.

CEC creatively responded to the challenges posed by the autonomous workers' movements that emerged in 1980s. Now, it is aware of the economy's integration into the global market and the consequent changes in the structure and nature of employment.

CEC perceives its role as to

1. critically understand the changes in the employment structure,
2. positively contribute, through its various activities, to the enhancement of dignity of labour, and towards this end,
3. evolve appropriate strategies, at national and international levels, in collaboration with all trade unions and labour organisations, labour support organisations and peoples' movements.

CEC places itself in the interface of social action and academic research, aligning on the one hand with the activist groups and the struggles of formal and informal sector workers, tribals, women, victims of development, environmental groups etc., and on the other hand with the section of academic community who prefers to constantly interact with people's organisations and movements. It is a two way process; learning from the people and contributing to the enlargement of their horizon.

