

From Class Struggle to Class Compromise: Redistribution and Growth in a South Indian State

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This article examines the evolution of class politics and developmental strategies in the state of Kerala in South India. Following Independence, lower-class mobilisation produced an agrarian transition and resulted in the consolidation of a redistributive-welfarist state. Since the early 1980s, however, the economic contradictions of labour militancy and redistribution in a sub-national economy have resulted in the decline of the politics of class struggle in favour of the politics of class compromise. Labour militancy and opposition to capital have given way to corporatist arrangements that emphasise accumulationist strategies of development. This transition has been made possible by the mediating capacity of an interventionist state and the politically hegemonic position of the working class.

The state of Kerala in south-west India bears testimony to the transformative impact of lower-class mobilisation on a developing economy. Under the impetus of a broad-based working-class movement organised by a communist party, successive governments in Kerala have pursued what is arguably the most successful strategy of redistributive development outside the socialist world.¹ Direct redistributive measures have included the most far-reaching land reforms in the subcontinent [Herring, 1983] and labour market interventions that have pushed both rural and urban wages up [Kannan, 1990]. Social welfare and entitlement programmes have provided the general population with

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more equitable access to basic goods including education, health and subsidised food than in any other state in India [Kannan, 1988; Franke and Chasin, 1989].

On all indicators of the physical quality of life, Kerala far surpasses any Indian state and compares favourably with the more developed nations of Asia. The 1991 Census puts the level of literacy in Kerala at 91 per cent (87 per cent for women), compared to a national average of 52 per cent (39 for women). With 5.9 science and technology personnel per 1,000 population, over twice the national average (2.40), and highest among all states (Karnataka is second with 4.1), Kerala clearly has the most developed human capital resources in the country [Centre for Monitoring Indian Economy, 1991: Table 2.22]. At 17 per 1,000 live births, the infant mortality rate in Kerala is decades in advance of the all-India figure of 91. Life expectancy at birth had reached 68 for men and 72 for women in 1991 [GOK Economic Review, 1992: 91].² Dramatic improvements in primary health care and education – particularly the levels of female literacy – have been causally tied to Kerala's demographic transition [Bhat and Rajan, 1990]. In a 20-year span Kerala has gone from a decadal rate of population growth of 26.3 per cent to 14 per cent in 1991, well below the national rate of 23.5 per cent [Census of India, 1991].

For all the attention this state of 29 million inhabitants has attracted as an exemplar of the 'basic needs' approach, the larger significance of Kerala to our understanding of development has yet to be fully explored. Two questions in particular stand out. Under what circumstances can working class mobilisation successfully secure concrete material and political gains in a developing capitalist economy? Can such gains, which necessarily come into conflict with both the political and economic logic of capital accumulation, be reconciled with the imperatives of growth?

I address the first question by drawing on analytical tools developed in recent comparative work on the East Asian developmental state. In what Onis [1991] has dubbed the 'institutionalist' approach, a number of scholars have highlighted the role of specific institutions and political arrangements in dynamically linking state elites to nascent industrial groups [Johnson, 1982; Amsden, 1989; Wade, 1990; Gold, 1986]. Drawing on these studies, Evans [1992; 1994] goes on to argue that this form of 'embedded autonomy' enhances the state's capacity to foster economic development by coordinating the administrative and planning capabilities of a modern state with the resources of 'developmentally-engaged' social partners. The public-private partnerships of the East Asian developmental states have been secured on the strength of authoritarian

political arrangements that have excluded the working class [*Deyo, 1987*]. In contrast, the 'embeddedness' of the Kerala state is rooted in democratic institutions, linking the state with a mobilised working class in a developmental pact that has prioritised redistributive and welfarist reforms.

But as much as Kerala bears witness to the developmental impact of an organised working class, it also underscores the limitations of labour militancy and redistributive strategies of development in a dependent sub-national capitalist economy. While land reforms, welfare measures, the development of social services and the socialisation of wages have made Kerala a model of 'social development', two decades of what are even by Indian standards low levels of economic growth threaten to unravel these redistributive gains [*Kannan, 1990b*]. The case of Kerala would thus appear to substantiate the oft asserted thesis that, in the long run, high levels of labour militancy produce negative-sum economic outcomes.³ There is indeed little doubt that high levels of social consumption and regulated labour markets have adversely affected capital investment. But as I hope to show, in so far as lower-class mobilisation in Kerala has strengthened democratic institutions, facilitated state intervention, and provided the working class with a high degree of institutionalised power, it has also created the political conditions and institutions for effectively mediating class conflicts and developing corporatist resolutions to the state's economic contradictions. As such the case of Kerala sheds some light on the conditions under which a 'developmental compromise', one that specifically weighs the tradeoff between social consumption and growth, can be negotiated.

I examine the above propositions by tracing the evolution and transformation of the politics of working class mobilisation. In a first period, ranging from Independence (1947) to the early 1980s, politics in Kerala were driven by open and organised class struggle, and resulted in the consolidation of a redistributive-welfarist state. Since the early 1980s, however, the institutionalisation of working-class interests coupled with the poor performance of the economy, has resulted in a dramatic decline in militancy. The politics of class confrontation and socialist transformation have made way to the politics of class compromise, or what I believe can be best described as a form of democratic corporatism.

I begin with a brief review of the circumstances and impact of class struggle, emphasising in particular how a democratically accountable state responded to mobilisation from below. I then turn to an analysis of the political conditions and economic constraints that underscored the emergence of negotiated class compromises, highlighting two broad

dimensions: the structural contradictions that redistribution without growth has engendered; and the political and organisational character of the working class. As a 'hegemonic' force, the working class has developed the strategic coherence to negotiate compromises with capital. The role of Kerala's political institutions – strengthened by three decades of class-based democratic competition – in managing class contradictions is also highlighted. Finally, the last section explores the character, particularities and tensions of the emerging democratic corporatism.

THE POLITICS OF CLASS STRUGGLE

From its very inception as a state in 1956, class was at the centre of politics in Kerala. The undivided CPI (Communist Party of India) won the legislative elections of 1957 on the strength of a clearly defined class base and on the basis of radical redistributive demands. The reaction to the installation of a Communist Ministry was no less class-based. The worker-peasant-tenant alliance of the Communist Party and its government was immediately confronted by the resistance of an alliance of the Christian Church, landlords, plantation owners, merchant capital and upper caste groups all organised under the umbrella of the Congress Party. The so-called 'liberation struggle' that ensued plunged Kerala into a state of turmoil that verged on civil war. In 1959, Prime Minister Jawaharlal Nehru dismissed the Communist Ministry and imposed President's rule, a first in India.⁴ The Ministry had however already set into motion, if not into law, a series of redistributive political programmes that were to dominate the state's politics for the next decade and a half.

The Communists (now the CPM)⁵ did not return to power until 1967, but in the interim successfully maintained high rates of mobilisation and built working-class organisations [*Nossiter, 1982*]. As a highly disciplined, cadre-based party, operating on the terrain of a competitive electoral polity, the communists successfully consolidated a broad-based alliance of poor peasants, agricultural labourers and workers into a political class. The formation of this class, forged through both electoral and extra-parliamentary struggles (strikes, land-grab agitations and forceful opposition to mechanisation) provided the thrust for Kerala's agrarian transition.

Following a series of timid efforts by Congress-led governments, comprehensive land reform legislation was finally passed by a CPM-led United Front Ministry in 1969. Implementation of the Act, which was left to the next government (based on Congress Party support but

nominally headed by the smaller and more moderate of the two communist parties, the CPI), required repeated mass agitations [*Paulini, 1979: 296–306; Oommen, 1985: Ch. 5*]. The early 1970s was thus a period of acute class struggle that pitted a well-organised agrarian movement against vested landed interests and a state machinery that, while being politically committed to the reforms, was by its legal-bureaucratic nature, slow in taking action.⁶

The land reforms spelled the end of feudal relations of production by abolishing all forms of rent and transferring property rights to tenants, thus eviscerating both the economic and political power of the landed oligarchy.⁷ A series of state interventions to formalise labour relations, regulate wages and institutionalise the collective bargaining power of agricultural labourers also saw the demise of extra-economic forms of labour control (rooted for the most part in caste-based, patron–client systems). The transition to a commodified and contractual agrarian economy was achieved through legislative and institutional reform, a process that, in contrast to the history of most agrarian transitions, involved a minimal amount of violence and dislocation.⁸

The uniqueness of this transition lies in the fact that it came neither as the result of market forces nor at the behest of an ascendant bourgeoisie. Although the end product was indeed the demise of relations of production rooted in extra-economic forms of domination (Kerala had what was arguably the most caste-stratified and rack-rented agrarian social order in India), the particularity of the Kerala case comes from the fact that its transition to capitalism was a direct result of the mobilisation of lower classes. Arguably, the ultimate significance of the agrarian transition was less in the emergence of capitalism than in the consolidation of bourgeois democracy.⁹ The struggle for land reform was a long drawn out affair that saw two simultaneous and reinforcing processes – the political formation of a peasant–worker alliance under the organisational umbrella of the Communist Party and the strengthening, through the dynamic of a class struggle played out in the electoral arena, of democratic institutions.

The contrast with the rest of India is pronounced. In most of the country it is fair to say that there has been only piecemeal transition, and mostly as a result of the commercialisation of agriculture. Many features of pre-capitalist labour relations remain intact. Large absentee landlords may be a thing of the past, but tenancy and ‘unfree’ forms of labour still abound.¹⁰ Moreover, with the exception of West Bengal, there has been no comparable development of agrarian class politics, and the rural poor remain for the most part unorganised. Most of the dominant political parties are either essentially populist and built

around heterogeneous groups, such as the Congress or the Janata Dal, or communalist or regionalist, such as the BJP and the AIDMK. None have openly challenged the economic and political power of landed elites. Even the CPM in West Bengal, which has been in power longer than any existing state government, curbs its support in the countryside from both sharecroppers and small and middle landowners. Therefore it has had to moderate its redistributive demands [Kohli, 1987: Ch. 3]. In the absence of horizontal class mobilisation, agrarian politics in India have coalesced around single-issue patronage politics (such as the demand for 'renumerative' farm prices that all the parties take up regularly), rather than programmatic demands for structural reform.

Kerala's land reforms, which dramatically altered the agrarian class structure, did not however spell the end of class struggle. The principal beneficiaries of the reforms were former tenants. Agricultural labourers benefited only marginally [Herring, 1980], despite having provided both the electoral base and the shock troops for land reform. But emboldened by their organisational successes, labourers launched an independent struggle for wage increases and employment security. This brought them into direct conflict with their former allies. As a result of demographic pressures and fragmentation of plots, most tenants had inherited holdings of marginal size (the average sizeholding in 1991 was 0.34 hectares). Thus, the wage demands put forth by labourers and the eventual implementation of the Kerala Agricultural Workers Act (1974), which formalised labour relations and pushed up wages, resulted in large-scale conflict [Paulini, 1979; Herring, 1991]. Tenants-turned-farmers defected in droves to the Congress, producing a class standoff that many have argued has adversely affected investment in agriculture [Herring, 1991: Ch.6; Kannan, 1988: 268-81].

Militant class mobilisation was moreover not limited to the agrarian sector in the 1970s. Workers in Kerala's largest agro-processing industries – coir and cashew – resisted mechanisation and efforts to decentralise production and demanded protective social legislation. Having successfully organised most of the workforce in the manufacturing sector, unions turned to the informal sector, organising the construction industry as well as Headload Workers (non-motorised transportation of goods). Strike data for this period confirms a picture of labour militancy. Between 1969 and 1978, Kerala accounted for 8.6 per cent of the mandays lost to disputes in India, almost double its share (4.4 per cent) of employment [Kumar, 1989: Table 6.1.1].

THE LIMITS OF LABOUR MILITANCY AND THE WELFARE STATE

While it is always difficult to periodise a fundamental shift in the politics of a society, it is safe to say that by the early 1980's class struggle and redistributive demands were no longer at the centre of Kerala's politics. Instead, across the political spectrum, but especially within the CPM, the realisation that redistributive strategies had reached their limits underscored the need for political compromise and the urgency of pursuing more determined pro-growth policies.

Since the formation of the state in 1956, Kerala's politics have been dominated by redistributive demands. These demands have taken two forms. Demands focused around the socialisation of production stemmed from the organised activities of the working class, both industrial and rural, and resulted in the land reforms of the 1970s, expansion of the public and co-operative sectors, minimum wage legislation, statutory bonuses in industry and the institutionalisation of collective bargaining. Most recently, comprehensive welfare programs have been extended to agricultural labourers and other informal sectors including coir, construction, beedi, headload workers and fishermen.

The second set of demands is much more broadly based and can be equated with the politics of social consumption and mobility. This set of demands actually dates back to the turn of the century when caste-based social reform movements emerged demanding more access to government jobs, education and health services. With the political pressures that followed later from the electoral successes of the Communist Party, successive governments in Kerala have in effect socialised basic consumption, providing the most extensive network of social welfare and entitlement programs in the country [*Drèze and Sen, 1989: 221-5*].

The size of the welfare state is fully reflected in the government's financial commitments. In 1991, the budget category of 'social and development services', which includes education and health, accounted for 56.1 per cent of the total revenue expenditure [*GOK, 1993: 5*]. In 1989, Kerala's educational expenditures represented 6.5 per cent of its Net Domestic Product, the most of any state, and almost twice as much as the national average of 3.7 per cent [*Oommen, 1992: 254*]. Kerala's public sector is the largest in India and Government wages and pensions account for a whopping 59 per cent of all government receipts [*Oommen, 1991: 20*].

Kerala's developmental performance on the social front has been second to none, but over the past quarter century its economic progress has been poor. The secondary sector has limped along at an annual growth rate of 3.5 per cent from 1961 to 1989, with the primary sector

actually experiencing a negative growth rate of 0.4 per cent during this period [*GOK, State Planning Board, 1991a: 2*]. Unemployment has also steadily increased and is by far the highest in India [*Oommen, 1992*]. Redistribution without growth has moreover produced a severe fiscal crisis, compounded by the highest tax burden in India.¹¹ The contradictions of the welfare state, commonly referred to in public discourse as the 'sustainability' problem, have thrust the growth question to the forefront of the political debate. Redistributive politics have reached the point of diminishing returns. The lesson 'of the contemporary crisis of the Kerala Model', in the words of Thomas Isaac, one of the CPM's leading new theoreticians, 'is that in the absence of an expansion of the production base, in the long run, it is not possible to maintain or expand the redistributive gains' [*Isaac and Kumar, 1991: 2703*].

Assessing the relationship between Kerala's history of labour militancy (and the attendant expansion of the welfare state) and its poor economic performance is intrinsically difficult and further complicated by the absence of a clear counterfactual. Independently of the class picture, Kerala's economic development has been hampered by a comparatively weak industrial base, the near absence, outside of agriculture, of natural resources, and its geographic isolation from national markets. Moreover, no Indian state, with the exception of Punjab and its offshoot Haryana, has had a truly impressive economic track record, and certainly none can claim Kerala's successes on the social and redistributive fronts.¹² Having said this, there are two ways in which Kerala's post-independence history of redistributive politics has inhibited growth.

First, as much as the Kerala state has demonstrated a high degree of capacity for engineering and implementing redistributive and social reforms, it has a poor track record in promoting capital accumulation. This is directly related to the political character of the state's links to lower class interests. Given these ties and the dominance of the welfare politics pursued by both political fronts, both organisationally and financially the state has directed few resources to promoting growth [*Sankaranarayanan and Karunakaran, 1985*].

Secondly, there is little doubt that, despite the availability of a highly skilled labour force, a large consumer market (fuelled by remittances from the Gulf) and one of the most developed infrastructures in the country, capital has shied away from investing in a state with a history of labour militancy.¹³ Arun's [1992] study of data from the manufacturing sector in four South Indian states found that Kerala has by far the highest labour productivity. Subrahmanian and Pillai [1986] found no evidence that Kerala's industrial workers earn higher wages

or have lower productivity than the national average. Moreover, strike data for the 1980s shows Kerala well behind India's four main industrial states [*Kumar, 1989: 122*]. None the less, capitalists operate with bounded and ideologically coloured information and it is often the perception of risk rather than hard calculations that determines investment behaviour. And on this score Kerala quite clearly suffers from an image problem.¹⁴ Communist governments and three decades of organised class struggle have created the common perception, routinely aired in the media, that Kerala workers are the most militant, the most assertive and the least pliable in India. 'They know their rights, but not their duties', was the rather typical assessment of one textile mill chief executive.¹⁵

Given the paternalistic and highly traditional character of Indian management, and the wide availability throughout the country of less organised and less politicised workers, it follows that Indian capital would shy away from Kerala.¹⁶ In 1988, private investment from outside the state accounted for less than five per cent of investment in ongoing major industrial projects [*Isaac and Kumar, 1991: 2699*]. Thus, the redistributive bias of the state combined with both the real and perceived militancy of labour has no doubt adversely affected its investment climate. And this is a concern that has come to dominate the state's politics in the past decade and has specifically pushed the CPM to adopt a new, and distinctly corporatist, political line.

Yet, the emergence of the politics of class compromise has not been functionally dictated. The structural contradictions of redistributive development notwithstanding, the short term interests of workers are still best served by militancy. Any compromise with capital must as such carry a specifically political component based on a negotiated tradeoff. It must in other words be undertaken with the consent of the working class.

WORKING CLASS HEGEMONY

The existence of large Christian and Muslim communities (21 per cent and 18 per cent of the population respectively), the weak thrust of industrialisation and the embourgeoisement of the ex-tenants has made it difficult for the CPM and its allies to win consistently at the polls. Communist majority governments have only ruled for a total of 10 years since 1957. In this respect, the working class in Kerala has not enjoyed as hegemonic a position as, for example, the Swedish labour movement [*Esping-Andersen, 1991a*]. None the less, there are two broad senses in which Gramsci [*1971*] discusses hegemonic politics that bear

directly on the social character and strategic capacity of the labour movement in Kerala.

The first refers to the process of class formation, the concretisation of a 'collective will', through which fragmented and dispersed economic interests are politically unified and consolidated. As we have seen, this took the form of a mobilisation project that created a broad alliance of small peasants, agricultural labourers and urban workers, unified primarily, though not exclusively, on the strength of an ideological commitment to social reform and mass democracy. This was concretised in the building of a welfare state, which 'universalised' the demands of the working class. The hegemonic position of the working class is also reflected in the extent to which it has entrenched itself in civil society. The second measure of hegemony is the capacity to act strategically, to move beyond the immediate defence of class interests (economism) and 'concretely coordinate' with other classes. This is represented in the shift to the politics of class compromise and growth (democratic corporatism) initiated by the CPM.

The labour movement in Kerala has historically been characterised by political unionism rather than economism. The formation of the first unions in the 1930's was inextricably tied to the birth of the Communist Party, which by the early 1940s had seized the initiative of both the local independence movement and demands for social reform [Oommen, 1985]. Because of the political orientation of the union movement, organisationally cemented in the tight integration of the union and party leadership, sector level struggles for economic gains have generally been closely coordinated with the broader social project of expanding 'worker's rights'. Historically, this is what, to cite a well-known example, has differentiated the Swedish working class from its British counterpart. As comparative studies of the relationship between labour movements and welfare states have shown, the crucial difference lies in the organisational-political form that working class mobilisation takes [Stephens, 1979; Esping-Andersen, 1991b]. And this is precisely where the CPM in Kerala has played such a crucial role. With its highly disciplined internal organisation and clearly defined ideological and strategic positions, the CPM has given the often spontaneous actions of the working class a degree of cohesion and continuity. Local level struggles – be they on the shop floor or in the paddy fields – have been translated into state-wide demands for legislated reform, and organisational power has been effectively harnessed for winning public office.

Even when out of power, the CPM and its mass organisations have been able to set the political agenda and define public policy debates

through oppositional politics and their entrenchment in civil society. The combined power of working and middle class support for the welfare state, secured on the basis of universal entitlements, has created a dominant political culture in which right-wing governments have by and large supported social-welfare policies initiated by left-wing governments.¹⁷ With the bandwagon effect of the organising successes of the communists, other parties have built their own union movements, thus investing their political fortunes in the welfare state.

In 1988, there were 8,662 registered trades unions in Kerala, which represented 19 per cent of all registered unions in India [*Government of India, 1988: 74*]. Although reliable figures are unavailable,¹⁸ it is widely believed that Kerala has the highest rate of unionisation in the country. As is the case throughout India, most manufacturing units that come under the purview of national labour legislation are organised. Where Kerala distinguishes itself from the national pattern is in the extent to which unions have established their presence in the so-called 'unorganised' or informal sectors of the economy.¹⁹ Kannan's enumeration of unorganised industries that are covered by trade unions includes the four largest sources of non-agricultural employment in the state: cashew, coir, headload work and construction [1992: 8]. Figures obtained from the CITU (the CPM trade union federation) district office in Trivandrum are also revealing.

Although the CITU is nominally an industrial trade union, over 80 per cent of its registered members were in the unorganised sector.²⁰ In the beedi industry, unions not only organised workers, but have also organised the largest and most successful producer co-operative in the state with a membership of over 30,000. In agriculture, over 1 million agricultural labourers, roughly half the workforce, belong to the KSKTU (a CPM affiliated union), and ploughmen, toddy tappers and coconut tree climbers have a long history of unionisation. Finally, unions have made significant inroads into the white-collar professions. Virtually all middle and lower level civil servants are organised, and the KSTA, the 100,000 strong left affiliated teachers union, has become one of the most vocal unions in the state.

The political clout of the trade union movement has moreover been institutionalised. Kerala's organised working class enjoys a wide array of statutory benefits and control rights. In the factory sector, bonuses were first paid in a number of Cochin factories as early as 1946 [*Nair, 1973: 85*]. Bonuses are now accepted as an 'inalienable' right, and the Labour Department as a matter of policy supports long-term agreements in which productivity increases are tied to bonus payment.²¹ Kerala's factory workers were also the first in India to benefit from the

enactment of a mandatory pension plan in 1970. In the unorganised sector, over 38 separate industries are covered by minimum wages [GOK, *Labour Department, 1990*]. Although there is a tacit understanding that the actual fixed minimum can not be paid in certain industries, the existence of a baseline has bolstered the bargaining power of labour.²²

State intervention and the wide net cast by unions has seen the gap in wages and working conditions between the organised and unorganised sectors narrow measurably [Kannan, 1992]. Krishnan's [1991] study of 'interrelated' labour markets concludes that earnings in various rural occupations are closely and tightly integrated. Wage increases in one occupation are quickly passed on to another, which points to the institutional power of unions to impose a solidaristic wage policy (further facilitated by strong egalitarian norms, high rates of literacy and good information).

The best illustration of the institutionalised power of labour comes from a sector in which it is notoriously difficult to regulate labour relations, namely agriculture. Not only are minimum wages enforced, but the Kerala Agricultural Workers Act (1974) stipulates work hours,²³ regulates hiring practices and actually codifies a worker's proprietary rights over certain agricultural operations such as harvesting. In the two districts with the highest concentration of agricultural labourers, Industrial Relations Committees (tripartite bodies with representatives from farmer groups, trade unions and the government) negotiate wage increases on a yearly basis.²⁴ Jose has calculated that between 1970-71 and 1984-85, real wages increased 31 per cent for male agricultural labourers and 57 per cent for females [1988: A-53]. Data collected from fieldwork in the Palghat region points to nominal wage rates that are twice as high as in the neighbouring state of Tamil Nadu, where forms of 'unfree' labour are still common [Ramachandran, 1990]. Kerala's agricultural workers are also the first in India to have the benefit of a pension plan [Gulati, 1990]. Even the introduction of tractors has been carefully regulated. Through the mediating efforts of the Kuttanad (Alleppey district) Industrial Relations Committee, a plan providing displaced ploughmen with monetary compensation has been put in place.

It is thus clear that the power of the working class is no longer simply a function of its capacity for collective action. Its mobilisational clout has been inscribed in the laws, institutions and political practices of the state. Welfare entitlements, wage legislation, market regulation and other forms of social protection have not only substantially insulated wage-earners from the more debilitating effects of market forces but

have also secured the organised working class a considerable degree of institutionalised bargaining capacity. In contrast, dominant class interests in Kerala are highly disorganised. In agriculture large landed interests were all but eliminated by the 1970 land reforms and the proprietary class of small-holding farmers is politically split between the CPM and the Congress (as well as its offshoot, the Kerala Congress). With its relatively backward industrial base, Kerala has what is at best a weak bourgeoisie. And as is true for most of India's highly regulated economy [*Rudolph and Rudolph, 1987*], private enterprises are dependent on the patronage and protection of the state.

The political hegemony of the working class is not reflected in its linkages to the state alone. Because of its commitment to building a mass base and its deep suspicion of the bourgeois state as an instrument of social transformation (borne out by the experience of its 1957 Ministry), the CPM has always stressed the need to organise from below, to occupy, as Gramsci put it, the 'trenches' of civil society. The party has established a strong presence in many of Kerala's intermediate institutions including the co-operative movement, local government (Panchayats) and the educational system. Moreover, the CPM directly controls a number of press organs as well as the state's largest mass organisations for students (SFI), youth (DYFI) and women (AIDWA). If one includes the Party's peasant organisations and its labour federation (CITU), the total membership in these organisations was 4,700,000 in 1987. This compares to a figure of just over one million in 1978 [*Ser, 1990: 33*]. Thus, despite its inability to widen its electoral base, the CPM has clearly established itself as – to use the party's own terminology – the 'leading force' in the state.

To repeat the main points made here: the working class has achieved most of its social-democratic (as opposed to revolutionary) goals; it has institutionalised its power, including its right to claim a share of social surplus through the welfare state and direct concessions from capital; and it has developed a cohesive organisational-political form – the CPM. Taken together, all these factors make the working class a politically hegemonic force. Its internal consolidation allows it to move beyond narrowly economic demands and pursue class-based interests. And because of its organisational strength and political ties to the state it is in a position to actually negotiate the terms of a transition to a pro-growth developmental strategy with capital. The political hegemony of the working class in a capital-dependent economy (one in which capital is politically weak, but has the leverage of mobility) thus satisfies the first precondition for building corporatist arrangements. As Schmitter notes, 'the relevant interlocutors must be in a situation of mutual

deterrence, each sufficiently capable of organised collective action to prevent the other from realising its interests directly through social control and/or economic exploitation' [1985: 35].

Clearly defined and balanced class interests do not however suffice. The concrete coordination of class interests also requires institutions and political processes through which the terms of class compromise – which are in continuous flux and by definition difficult to settle – can be forged. And at the centre of this process is the modern bureaucratic state. Because class struggle in Kerala has been played out in the electoral and legislative arena, the state has had to intervene directly. Through a process of institution building and learning, it has developed impressive administrative and political resources for brokering class conflicts. A wide range of state institutions ranging from pension funds to welfare boards, labour courts, IRCs, minimum wage committees, mediation machinery and so on, have provided both the distributional mechanisms and the formally defined and legally enforced procedures through which capital–labour conflicts can be mediated. The emergence of this institutional configuration provides the final precondition for corporatism.

TOWARDS DEMOCRATIC CORPORATISM

While there are many usages of the term corporatism, it is used here in the sense in which it has been applied to the processes of organised intermediation between state, labour and capital characteristic of social democratic countries [Stephens, 1979; Katzenstein, 1984]. Two particular features distinguish this form of democratic corporatism. In contrast to Latin American cases, in which 'corporatist patterns of interest representation ... are frequently the consequence of political structures consciously imposed by political elites on civil society' [Stepan, 1978: 47] the process here begins with the mobilisation of workers and finds expression through, and not outside of, democratic institutions. Secondly, labour here appears as a 'social partner' representing the working class as a whole, rather than privileged segments of the labour force. Historically, the success of social democratic corporatism has been tied to the strength of centralised labour confederations and social democratic parties [Cameron, 1984]. Because of the close integration of the state and working class organisations, institutionalised in a welfare state, agreements are negotiated as part of a larger social pact in which growth is tied to the expansion of the social wage.

The emerging corporatism in Kerala conforms to the social democratic variant on both counts. The state's role in mediating conflicts

between capital and labour was not initiated from above, but rather emerged in response to the political imperatives of managing class struggles in a democratic polity. And while the pluralism of the Indian polity has favoured the existence of multiple and fragmenting labour federations [*Rudolph and Rudolph, 1987*], in Kerala, the political hegemony of the CPM has created a more cohesive and politically oriented labour movement. Most significantly, the success of the CPM in penetrating the informal sector has provided organised labour with a broad social base cutting across the traditional urban-rural and skill-unskilled divisions, in stark contrast to a national labour scene in which unionisation has largely been confined to the organised economy.²⁵ The scope for evolving corporatist arrangements is however subject to a critical limiting factor. Given its sub-national character, the state has none of the macroeconomic policy tools of a nation-state. Capital can not in other words be compelled to co-operate. Consequently, in sectors where capital is highly mobile, the success of any growth strategy relies on generating positive inducements. As such the emerging corporatist strategy specifically seeks to build on the comparative advantages in labour productivity that reside in the democratic-welfare state: advanced social capital resources and the institutional capacity for fostering co-operative labour-management relations.

The political logic of class struggle in Kerala has exhausted itself. The transformative capacities of a redistributive and welfarist state have been extended to their limits. The state's institutions and political practices which evolved over the past three decades in response to lower class mobilisation, are now grappling with the challenge of negotiating the transition to a growth-led strategy of development. Since the early 1980s the labour front in Kerala has been relatively quiet. In agriculture, despite an increase in the membership of the KSKTU (the CPM agricultural labourers' union) from 368,329 in 1980 to 1,106,791 in 1990,²⁶ no major agitations have been organised over the past decade. In the two historically most volatile regions, Kuttanad and Palghat, Industrial Relations Committees have successfully negotiated wage settlements, the final stage in the phased introduction of tractors and a new agreement concerning the regularisation of the status of permanent labourers. For its part, the KSKTU, which for two decades has consistently secured the highest rural wages in India (excepting Punjab) [*Jose, 1988: A48*], has actually exercised wage restraint since 1985.²⁷

The non-agricultural sector presents a similar picture. Largely because of the development and maturation of what has been described as India's most sophisticated industrial relations system [*Nair, 1973: Ch. 1*] with, among other institutional novelties, the operation of 16

Industrial Relations Committees, the past decade has witnessed a significant decline in the incidence of labour disputes. During the 1970s (excluding the years of the Emergency when strikes were banned) mandays lost to strikes averaged 1.6 million a year. In the 1980s, the average fell to 1.2 million a year. When growth in the absolute size of the non-agricultural labour force is factored in, the decline in militancy is all the more pronounced. Whereas in the 1970s there was an average of 46 days lost per 100 workers, the figure in the 1980s was 27. The number of man-days lost to strikes in 1991 was the lowest since data had been kept.²⁸

Although Kerala's still faces severe economic contradictions, conflicts are increasingly being addressed through state-mediated corporatist solutions rather than large-scale agitations. Coir production, which employs roughly half a million workers in the treatment, spinning and weaving of coconut fibre, is a case in point. Unions have historically opposed mechanisation and supported price controls on the supply of coconut husk from which the coir fibre is extracted. In the face of increasing competition from Tamil Nadu and Sri Lanka, the unions, coir manufacturers and the state recently agreed to an ambitious restructuring plan involving mechanisation, price de-regulation, extension of the co-operative sector and job retraining. The plan's principal architect has described it as a 'social consensus project'.²⁹ The accord rests on an explicit compromise: in exchange for their support of mechanisation the unions have been guaranteed a degree of control over the modernisation process (through the role of cooperative societies) and state organised schemes to minimise the anticipated labour displacement.

When the CPI formed Kerala's first Ministry in 1957, it viewed its ascendancy to power as a means to further the 'cause of the masses' and strengthen its organisational base. Ten years later, during the 1967 CPM-led United Front Ministry, the CPM, in the words of Party Secretary E.K. Nayanar, adopted the tactical line that the 'ministry [be used] as an instrument of struggle against the bourgeois-landlord system' [*Nayanar, 1982: 141*]. When T.V. Thomas, the Industries Minister from the CPI coalition partner and a development-oriented policy maker, pushed for 'responsible trade unionism', he was denounced as an arch-revisionist by the CPM [*Nossiter, 1982: 244*].

Throughout this period the CPM's primary objective was building class organisations and strengthening its mass base, a concern accentuated by its bitter rivalry with the more reformist CPI. In its determination to further its revolutionary project, which coexisted awkwardly with its commitment to parliamentarism, the Party had little

concern for the structural limitations of working class militancy in a capitalist economy. At its 1972 State Conference, the CITU (the CPM trade union federation) explicitly rejected the idea of tying wages to productivity and went so far as to oppose the very notion of state-mediated industrial relations:

The immediate need of the time is to avoid the intervention of a third party in industrial relations. Labour department adjudication and the intervention of the wage board actually strengthen disputes and thereby destroy industrial relations by weakening the strength of collective bargaining [*CITU, 1972: 13*].

The contrast with the 1980s could not be more pronounced. At present, it is the CPM and its union federation, the CITU, that have become the primary advocates of productivity agreements and peaceful labour relations. Kerala's foremost independent labour leader S.C.S. Menon summed up the change succinctly: 'The CPM had always advocated resisting capitalists. Workers were urged to not cooperate with management. Productivity increases were seen as inherently exploitative. But that philosophy has changed. Now the CPM is even educating workers about productivity.'³⁰

CITU leaders I interviewed echoed this assessment, readily acknowledging that the practices and demands of the past were often 'unreasonable' and 'wild' and had an adverse effect on the state's ability to prosper industrially. The bonus issue was most often cited as an example. The established practice was to demand increases over the preceding year's bonus payments irrespective of the unit's performance. One leader explained CITU's new position: 'in making demands workers must bear in mind the capacity of the industry. It should be allowed to survive.'³¹

By all accounts, this shift in outlook has been in the making since the early 1980s, but assumed a specific policy content in 1987 with the formation of the CPM-led Left Democratic Front (LDF) Ministry. K.R. Gouri, arguably the party's most popular leader and the architect of the aborted 1957 land reforms, was made Minister of Industry and charged with the task of breathing new life into Kerala's industrial development. She actively courted private capital and used her political clout to restrain the unions. The CPM Secretariat specifically called upon the working class to develop a new 'work culture',³² the Party's euphemism for labour discipline, and the government declared that, 'according to the new labour policy, the workers should attach as much importance to their duties and responsibilities as to their claims and demands. They alone can foster a better labour-management relations'

[*GOK, Public Relations Department, 1987: 23*]. Gouri's 'no-nonsense' approach was warmly welcomed by industrialists.³³

At the heart of these changes is a new concern with the question of productivity, which in the past was simply equated with exploitation. In agriculture as well as industry, the party's new position is that the 'Kerala Model' can no longer be sustained without increases in output. Moreover, an increase in productivity is seen as the material basis for building corporatist class alliances. With reference to agriculture, the head of the CITU, K.N. Ravindranath, expressed the problem in the following words:

The single most important obstacle to left unity is the conflict between the agricultural labourers' unions and farmers. This is because the trade unions are interested only in problems related to the livelihood of their members. At the same time they don't consider the position of farmers. We need to back up the farmers. Supporting their interests is in the interest of labourers. The hue and cry about higher wages of the labourers results from the poor economic condition of the majority of farmers who live in villages [*CITU, 1979: 4*].

In a similar vein, Thomas Isaac summed up the new tactical position:

The significance of the LDF [1987] platform lies in the attempt to reorient the mass movements to consciously participate in a strategy for expanding the production base itself. The politics of such a reorientation lies in the realisation that it is necessary not only to defend the redistributive gains of the past but also for the continued advance of the radical forces themselves [*Isaac and Kumar, 1991: 2703*].

There are other developments that point to a clear transformation in the party's mobilisational and developmental politics. Faced with the difficulties of expanding its electoral base and the productivity crisis, the CPM has openly courted the middle-class vote and has in particular made efforts to win back the farmer vote. There is a recognition that as a result of the demise of the traditional stratification system and the high incidence of upward mobility that welfare reforms have created, as well as the concomitant expansion of the tertiary sector, Kerala's class demarcations have become increasingly fluid. Accordingly, the CPM has abandoned the politics of class struggle and embraced what could be called the politics of development. Specifically, it now eschews the confrontational tactics of the past in favour of 'non-political participation of people's associations in developmental goals'

and has broadened the developmental agenda beyond narrowly defined class issues to include questions such as the environment, administrative decentralisation and local resource planning.³⁴

Critics within the Party as well as outside observers [*Herring, 1991*] have suggested that in distancing itself from the politics of class, the Party runs the risk of exposing itself to particularistic interests and reawakening communal and caste political identities.³⁵ The choice here is not, however, one between class and 'community', but between the traditional class perspective that emphasised asset redistribution (which short of revolutionary transformation has reached its limits) to, as Tornquist has described it, a strategy of 'democratisation of other conditions of production . . . including the control and regulation of public resources' [*1991: 75*]. There is an interesting historical parallel here with the evolution of European social democratic parties. With the expansion of the service sector and the middle class, labour parties in Europe were forced to broaden their class base [*Przeworski, 1985*]. In turn, the traditional Marxist project of collectivising the means of production was abandoned in favour of a class compromise that took the form of accepting the prerogatives of private property while socialising wages and control rights [*Esping-Andersen, 1991b*].

During the 1987 Ministry, as an integral component of this strategy to mobilise the state's tremendous human resources, the CPM sought to strengthen Kerala's local institutions through a concerted effort to decentralise the state machinery. In agriculture, it improved extension services by creating 1,000 village-based Krishi Bhavans (agricultural offices) and launched an ambitious producer co-operative scheme for farmers (Group Farming). And in what was widely regarded as the most far reaching experiment in decentralisation yet undertaken in India, it created popularly elected District Councils charged with implementing a wide range of developmental and planning functions.

The long-term impact of some of these reforms remains however in doubt. The Congress-led government that was returned to power in 1991³⁶ has shown little interest in pursuing the projects undertaken by the CPM. Already the District Councils, the linchpin of the decentralisation effort, have been emasculated, and while the Congress Party supports in principle the Krishi Bhavans and Group Farming, it lacks the local-level mobilisational capacity these initiatives require. In this sense, the political colour of the regime in power, as Kohli has argued [*1987*], is indeed critical to the success of institutional reform.

Having said this, the more general shift of development priorities – as framed and initiated by the left – appears to have gained a momentum, particularly among state managers, that defies short-term

political calculations. There has been a vigorous public debate on the 'sustainability' problem, and the state's planners have clearly reached a consensus. This is reflected in the 8th Five Year Plan (1992-97), a document originally formulated under the 1987 CPM Ministry and adopted by the successor Congress-led government. It explicitly recognises the success of Kerala's social development, and argues that, in contrast to the rest of India, Kerala can afford the luxury of no longer committing the bulk of its resources to social welfare measures. The 8th Five Year Plan is thus the first to break with the fixed sectoral allocations of past plans and prioritise the commodity producing sectors. The share of total outlay for the social services sector has been reduced from 23.7 per cent in the 7th Five Year Plan to 19.7 per cent, while the allocation to industry has been increased from 11.8 per cent to 14.8 per cent [*GOK, State Planning Board, 1991c: 10*].

Having largely exhausted the potential for development through the expansion of social services and having recognised the limits of direct state-led accumulation in a dependent sub-national economy, the planners have prioritised the need to attract private capital. For this, they assert, 'a climate favourable for investment and increase in production and productivity has to be created' [*GOK, State Planning Board, 1991a: 8*]. Accordingly, a number of specific initiatives have been undertaken.

The Industrial Policy statement of 1991 proposes a package of financial incentives to new investors including tax holidays and more subsidies. Over the past five years, total state financial assistance to the private sector has increased threefold [*GOK, Kerala State Industrial Development Corporation, 1992: 41*]. Efforts have been undertaken to streamline clearance procedures, and a number of specific, catalytic projects have been introduced. The first was an export processing zone opened in the industrial area of Ernakulam in 1989. The second was the commissioning of Technopark in Trivandrum, a fully integrated production and research facility with India's first general use Earth Satellite Station designed to attract investors in the software and electronics fields. As of July 1994, 20 companies had moved into the park. Finally, a stock exchange was opened in Cochin in 1988, and is now the fastest-growing exchange in India.

The state has also taken various measures to improve the industrial relations climate. The success of these efforts of course depends on the co-operation of unions, but the state's role here is significant given its proven capacity to mediate conflicts. The Labour Department has stepped up its efforts to extend long-term agreements and bonus schemes linked to productivity to all manufacturing units and has encouraged a stronger concertation role for tripartite committees.

The state's biggest challenge however lies in the unorganised sector. The absence of formal regulation, insecurity of employment and a particularly militant form of trade unionism controlled by local bosses, produced chaotic and often violent labour relations in the early 1980s. The response of the state has been twofold: the first has been to initiate welfare programmes to provide these casual workers with some degree of security. Since 1987, the legislature has, with bipartisan support, enacted welfare schemes in all the major unorganised sectors. The second has been to extend Industrial Relations Committees to all sectors.

Through these tripartite bodies agreements concerning wages, hiring practices and work conditions are formulated based on criteria established by the Labour Department. The Headload Workers Scheme, which was started in 1985, has been successfully established in Kerala's nine largest markets. Over 18,000 workers have been pooled together into 13 different Headload Worker Boards.³⁷ The Boards, representing merchants, union leaders and Labour Department officials, administer the welfare scheme, allocate workers to different markets and collect and pay wages. The overall result has been to effectively regularise and formalise the labour market for Headload Workers. Based on the success of this scheme, a government committee has recommended its extension to all casual labour markets [*GOK, State Planning Board, 1990*].

CONCLUSION

Taken as a whole it would be premature to assert that the state has become an effective 'midwife' of capital [*Evans, 1995*]. Its capacity for facilitating capital accumulation is certainly not comparable to the prototypical cases of South Korea or Taiwan or for that matter even to other Indian states such as Gujarat or Maharashtra that have a long track record of promoting industry. If nothing else, the state in Kerala still lacks an appropriate partner in the form of a sizeable indigenous industrial bourgeoisie and is working with what is even by Indian standards a rather underdeveloped industrial base. None the less, the efforts described above do represent a fundamental change from the past when the role of the state was almost entirely dictated by the political imperatives of social reform and accumulation strategies were entirely subordinated to redistributive demands.

The new role that the state is playing in Kerala's development is of course directly tied to the CPM's conversion to democratic corporatism. For over three decades, the Communist Party was driven by a

revolutionary agenda, in the classic mould of Leninist parties. Its democratic-centralism, internal discipline and highly motivated cadre base proved very successful in building a viable working-class movement. Its principal goal was to overthrow the landlord-feudal order which it effectively did through radical land reforms and the empowerment of agricultural labourers and industrial workers. But its very success in transforming Kerala's social structure created a structural dilemma, the existence of a redistributive-welfarist state in a dependent capitalist economy, in which the politics of class struggle became counter-productive. The imperative of securing the redistributive gains in a more viable productive base as well as the transformation of the political-institutional playing field thus set the stage for a major reorientation of the party's politics. That reorientation involves important political realignments as well as new developmental strategies. The uniqueness of this strategy, which seeks to promote growth on the strength rather than at the expense of the redistributive-welfarist state, can be attributed directly to the hegemonic position of the working class and the character of Kerala's democratic institutions. For the CPM it is now possible to pursue a reformist agenda involving a major shift away from its traditional advocacy of class struggle in favour of a more broad-based alliance.

Because the collective power of the working class has been incorporated within the state, militant mobilisation has made way to mediated corporatist arrangements. Likewise, given the ability of an organised working class to capture a share of any increases in surplus, productivity increases, once viewed as inherently exploitative, have now become an area of negotiated compromise. Of course the outcome of these compromises remains critically tied to developments in both the national and global economy. But at a very minimum, democratic corporatism, having been built on the strength of a redistributive strategy of development and the political power of the working class, takes into account the social and political costs of blindly unleashing market forces. As such, it has made the possibility of the transition to a high-growth capitalist economy that much more viable.

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NOTES

1. The Kerala 'model' of social development is well documented and has received extensive commentary. For the earliest and most comprehensive study see United Nations [1975]. For more recent evaluations, see Franke and Chasin [1989], Kannan [1988] and Drèze and Sen [1989]. The January 1991 issue of *Monthly Review* is also largely devoted to Kerala.
2. The average PQLI figures for the 42 countries designated as low-income by the World Bank are 40 per cent literacy; 73 per 1,000 infant mortality rate; 62 years life expectancy [World Bank, 1994].
3. The most cogent theoretical exposition of the material contradictions of labour militancy in a capitalist economy is provided by Przeworski [1985: Ch. 5]. For the strongest empirical case for this argument see Cameron [1984]. Cameron shows that across Europe it is the labour movements that have strategically withheld rather than exercised militancy that have secured the greatest overall gains for the working class. For a particularly lucid picture of the political and economic limits of agrarian communism in Kerala, see Herring [1989].
4. The concerted efforts to destabilise the 1957 Government only reinforced the Party's adherence to a class-struggle line of action. Thus, while renewing its commitment to parliamentary democracy, the Amritsar Congress of the CPI in 1958 declared that 'The Kerala experience has also shown that the verdict of the ballot box in favour of popular forces is not necessarily respected by the vested interests. It has to be defended by mass actions' (quoted in Leiten [1982: 19].)
5. The CPI - Communist Party of India - was unified until 1965 when it split into the CPI and the CPI(M), 'M' for Marxist. The split was occasioned by the decision of the CPI to favour a broad alliance with the national bourgeoisie, as per the new Soviet line which supported Nehru. The CPI(M) (hereafter CPM) categorically rejected cooperation with the Congress and in the same year established itself as the dominant communist party by winning 21 per cent of the popular vote, compared to eight per cent for the CPI, in mid-term legislative elections. In the 1987 elections, the results were almost identical (22 per cent and eight per cent respectively).
6. A comparison with the rest of India is instructive. A United Nations report concluded that from 1957 onwards, 'land reforms became almost the centre piece of the programme for social and economic progress in the state. Though none of the measures proposed or adopted for the purpose since then have gone beyond the proposals made for the entire country in successive five-year plans, the main difference in Kerala, compared to other states in India, has been the political environment which has kept up sustained pressure on this issue' [1975: 59].
7. For a detailed description of the traditional agrarian property structure see Varghese [1970]. For analyses of the land reform see Paulini [1979] and Herring [1980; 1983].
8. In addition to Marx, Moore [1966] and Polanyi [1944] also emphasise that the genesis of market economies was a painful process, achieved primarily through force and involving the wholesale destruction of traditional producing classes.
9. This, it should be noted, is precisely what the Communist Party had envisioned. As early as 1953, EMS Namboodiripad, the Chief Minister in 1957, theorised the two step transition to socialism as the 'struggle for the present, new bourgeois-democratic revolution and for the future, proletarian socialist revolution' adding that 'although in its social character the first step taken is still fundamentally bourgeois-democratic, and although its objective demand is to clear the path for the development of capitalism, yet it no longer belongs to the old type of revolution led by the bourgeoisie' (quoted in Leiten [1982: 27]).
10. The literature on the persistence of traditional institutions in Indian rural labour markets is extensive. Major works include Gough [1981], Breman [1985] and Ramachandran [1990]. For a review of the evidence on the resilience of landlordism and rent-seeking see Bagchi [1993]. For a classification of types of unfree labour in India see Nagesh [1981].

11. Debt service represented 14 per cent of total revenue expenditure in 1992-93, compared to eight per cent in 1980-81 [GOK, 1993: 5; 1981: 5].
12. On the HDI (Human Development Index) – a weighted combination of per capita income, life expectancy and literacy developed by the UNDP – Kerala still ranks significantly above all Indian states [GOK Economic Review, 1992: 248].
13. Between 1970 and 1984, employment in private sector factories increased at an annual (compounded) rate of only 1.3 per cent [GOK, Department of Economic and Statistics 1987].
14. A government Task Force recently concluded that 'Although the labour situation has dramatically improved, the state has to resort to a major publicity campaign to dispel the historically rooted apprehension about Kerala as a state prone to labour disputes' [GOK, Stated Planning Board, 1991b: 53].
15. Interview with V.N. Soral, Chief Executive, Kerala Spinners, 24 June 1992. While admonishing the generally 'confrontational' attitude of his workers, he also added that 'workers in Kerala are first class. They pick-up fast. They have a lot of creativity and become masters of their art. They work with precision and require no supervision.'
16. For an analysis of the industries that shifted large shares of their operations to neighbouring states in response to high wage costs and labour militancy in the late 1970s, see Oommen [1979].
17. To give a few examples: both the land reforms of 1970 and the Kerala Agricultural Workers Act of 1974 were passed by governing coalitions dominated by the Congress. Alternations in the ruling party-coalition have had no discernible impact on social expenditures. Since the first Communist Ministry of 1957, the outlay for social services in all Five-year Plans has varied only marginally from a low of 19.6 per cent (fourth plan) to a high of 22.6 per cent (third plan) [GOK, State Planning Board, 1992].
18. There were officially 776,468 registered union members in Kerala in 1986. This figure however is based on a reporting rate of only 20 per cent [GOK, Labour Department, 1991].
19. Generally speaking, this sector is characterised by low wages, decentralised production, unregulated work conditions and little, if any organised bargaining capacity. In Kerala the term 'unorganised' is rarely appropriate.
20. Out of a total of 63,031 members in Trivandrum District, almost two thirds were headload, construction or coir workers.
21. Interview with the S.M. Vijayanand, Labour Commissioner, Trivandrum, 24, Sept. 1992.
22. Real wages for construction work, toddy tapping and cashew processing (all categories, skilled and unskilled, for women and for men) increased between 1963 and 1985 from 42 per cent (toddy tapers) to 76 per cent (women in construction) [Kannan, 1990a: 62].
23. In the fields of Kuttanad, one of Kerala's rice-growing regions, agricultural operations come to an end at precisely 3 o'clock when a union volunteer raises a red flag. In upper Kuttanad, sirens are used.
24. These findings are based on fieldwork conducted in Alleppey and Palghat districts in 1991. The most systematic study of institutionalised labour relations in agriculture is Oommen's [1985].
25. The workers in the organised economy in India represent only 10 per cent of the total workforce. 'The 90 per cent of the work force in the unorganised economy has remained beyond the ambition or capability of organised labour' [Rudolph and Rudolph, 1987: 22]. This, note the Rudolphs, more than anything explains the weak impulse of class politics in Indian society.
26. Figures provided by the state office of the KSKTU, Alleppey.
27. Between 1974 (when organised wage militancy in rural areas reached a historic high) and 1985, the real wages of male and female paddy labourers increased 106 per cent and 79 per cent respectively. Real wages in the years since (up till 1991) have leveled off [GOK, Department of Economics and Statistics, 1988: GOK, Economic Review,

- 1991]. Although KSKTU leaders are reluctant to admit this publicly, based on a review of the minutes of IRC meetings and interviews with committee members, it is clear that the KSKTU, in explicit recognition of the profitability crisis of agriculture, has refrained from pressing for higher wages since 1985, and this despite demands from the smaller non-communist unions to increase wages.
28. Strike statistics are based on figures provided by the Labour Department.
 29. Interview with Thomas Isaac, Chairman of the Task Force on the Coir Industry, Trivandrum, 10, Nov. 1992.
 30. Interview, Ernakulam, Nov. 1992.
 31. This account is based on a series of interviews conducted in Trivandrum and Ernakulam with CITU leaders between June and November of 1992.
 32. See *Indian Express* (19, March 1990).
 33. See *India Today* (30, Sept. 1990). In interviews I conducted with industrialists, 11 of 12 felt that the CPM had successfully transformed the industrial relations climate in the state.
 34. The most comprehensive published version of the new developmental politics of the CPM is an article, 'Kerala's Development and its Politics' [1992] authored by Thomas Isaac and E.M. Shridharan which appeared in the party's new Malayalam-language theoretical quarterly and was the topic of debate at a highly publicised open forum organised by the Party and attended by a wide spectrum of Kerala's academics, party and union leaders, and government officials.
 35. To date, while the weakening of the traditional class vision has produced a certain malaise within the CPM, further exacerbated by the collapse of the communist bloc, the Party's recent electoral tactics do not suggest that it is succumbing to the 'politics of particularism'. In the 1987 legislative elections, as well as the 1991 District Council elections, the CPM rode to power by presenting itself as the champion of secular democracy. In a departure from past practices, it abandoned electoral alliances with communal parties, losing ground in its northern and Muslim strongholds, but gaining ground in the south and in urban areas [*Tornquist, 1991: 75*].
 36. Following a strong showing in local elections, the CPM government called for anticipated state legislative elections. Its narrow and unexpected defeat was seen largely as a result of the 'sympathy vote' that went to the Congress when its Prime Ministerial candidate, Rajiv Gandhi, was assassinated just days before the election.
 37. Interview with K.K. Parameswaran, Chief Executive, Kerala Headload Workers Welfare Fund, Ernakulam, 18 Nov., 1992.

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