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**Commodity Chain Trap:
Struggling Lives in the Tea Plantations of Kerala**

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Ontological Narrative by a woman plucker:

.....we, my husband and I were away for my eye treatment. We were shattered to hear that our daughter, Velankanny hanged herself when she found that we could not afford to buy her a set of school uniform in spite of repeated warnings from her school authorities. she was only 14 years': as recounted to the media by Velankanny's mother, a dalit by caste.

David Harvey in his recent book, *Spaces of Hope*, reminds us that the Marxian consideration of commodity fetish offers "extraordinary insights".¹ Commodity Chain analysts, on their part, have proved quite the same thing through a wide variety of case studies.² Their contributions on the Global Commodity Chain can broadly be categorised into two: those studies focusing on the sources of economic surplus generated in the production of commodities in the peripheries and its subsequent route to the core, and secondly, on the exploration of the possibilities of upgrading the periphery, particularly with respect to technological advancement, which in turn would result in a halter of the surplus drain to a significant extent. Both these aspects are generally looked at from the World System perspective, by and large, with a globalised "commodity web"³ metaphor". Yet, the closely related question of how global market relations and the

¹ Harvey, David, *Spaces of Hope*, Edinburg University Press, Edinburg, 2000:7.

² The notion of a 'commodity chain' was first developed by World Systems Analysts (Hopkins and Wallerstein 1986, 1994). It is defined as "a network of labour and production processes whose result is a finished commodity". It is conceptualised as a series of nodes connected by a series of transactions. The four dimensions of the GCCs are the input-output structure, the concerned region/geographical territory, governance, and the institutional framework that implements national and international policies that affect the process of globalisation at each stage in the commodity chain ((Gereffi et al 1994)

³ For a discussion, see the recent contribution by Rammohan K. T and R. Sundaresan "Socially Embedding the Commodity Chain: An Exercise in Relation to Coir Yarn Spinning in Southern India", *World Development*, 31, NO 5, 2003:903-923. This can be considered as the continuation of the large number of case studies that the GCC approach has generated: (Gereffi and Korzeniewicz eds 1994); cocaine (Wilson and Zambrano 1994); coffee (Talbot, John M 1997), tourism (Clancy 1998), services (Rabachand Kim 1994), fresh fruit and vegetables (Raynolds 1994; Dolan et al 1999), automobiles (Naeyoung and Cason 1994) footwear (Schmitz 1999), electronics (Kenney and Florida 1994), apparel

distribution of surplus affect the production relations and the livelihood of the local people who are the actual producers of this surplus remain relatively unexplored.⁴ The idea of this paper grew from the observation that the commodity chain approach could be strengthened and broadened through an incorporation of the day-to-day lives of the labouring poor. A central primacy is bestowed herein on the labouring families who form the actual source of surplus. And through this we attempt to weave in a liberatory politics into the concept of the commodity chain thus moving towards the 'web of life metaphor'⁵, in this case, the complex relationship between trade and livelihood system within the larger world-economy.

Such an approach has many inherent advantages: first, in a departure from the purely mechanical construct of the commodity chain, it forces on us the material and social reality of the actual producers of surplus. Second, it can encompass the gender dimension of the value chain, the plucking being done by women and the processing by men. The third question of governance is a complex one and is largely associated with the issue of organisation of production: ownership, technology, the collective strategies of resistance and above all the very sustainability of the livelihood system itself. Through this paper we hope to explore the possibilities of producer-friendly governance - one which would ameliorate the struggle for sustenance waged by the plantation workers of Kerala. This would in turn help in the evolution of a responsible organisational set up in the tea value chain at the subaltern level wherein tea is produced for the local and the world market. The study is proposed at a time when large scale starvation deaths and suicides are being reported in the tea plantations of Kerala.

(Gereffi et al, 1994; Bonacich Edna et al 1994); automobiles and auto components (Barnes and Kaplinsky 1999; Kaplinsky and Morris 1999), semi-conductors (Henderson 1989); knitwear (Vijayabaskar 2001); for a comparison of GCC with the French *Filiere* approach, see Philip Raikes, Michael Friss and Stephano Pone, "Global Commodity Chain Analysis and the French *Filiere* Approach: Comparison and Critique", *Economy and Society*, Vol. 29, No. 3, 200: 390-417

⁴ For recent attempt, see Tallontire, Ann, "The Implications of value chains and responsible business for the sustainable livelihoods framework: case studies of tea and cocoa", Natural Resources and Ethical Trade Programme, 2001.

Tea Commodity Chain: Significant Nodes

The value chain incorporates directly productive activities (cultivation, manufacturing and processing), indirectly productive activities (finance, marketing and retailing) as well as governance. In the present paper, we shall focus on three nodes of the value chain - as our major concerns in this paper - production, processing and trade. Each of these nodes comprises several operations; in production, for instance, they are planting, weeding and plucking, the last being the major operation. The functioning of each of these nodes has its own social division of labor and gender specificities. Dalit men, women and children were extensively sourced and mobilized for the production and processing of tea. The workers came from ethnically distinct, linguistically divergent and geo-politically different regions, push and pull factors operating to pool them together as one pauperized mass. Processing involves operations at various stages, making tea available as a highly differentiated product through packaging and branding aimed at different markets with different surplus generation. Changes in organization - in terms of labor and technology - were sought at various loci of production and trade largely in response to the changes in the global economy. Trade involves various segments of marketing, quality, brand names and so on.

Structure of Capital: Post-colonial Phase

The expansion of global capital to tea commodity production in Kerala and the incorporation of the region into the world-economy in the colonial period has passed through four major phases: the predominance of proprietary capital, owned by both local and foreign capital, 1850s – mid-1870s; concentration of capital with the hegemony of foreign capital with the entry of big Managing Agents and the gradual elimination of local capital, mid-1870s-1920s; centralisation of capital without much change in local capital.

⁵ Capra, F, *The Web of Life*, New York, 1996; also see, Harvey, op cit, pp.218-223

1920s-1930s; Centralisation continues but the local capital re-enters particularly during the period of Depression and in the post-War years, 1930s-50s.⁶

The end of colonialism did not mark the end of colonial capital in the tea sector. Until about the 1970s global capital continued to dominate the scene being replaced since then by the pan-Indian capital. In the 1970s, the planting companies in Kerala witnessed three important changes which could best be described as a mixed blessing. First, the Government of India abolished the managing agency system which restricted the activities of foreign capital in the tea sector. Some of the firms responded to this development by disengaging themselves from the state and migrating to other world peripheries such as East Africa. Second, it was from 1970 onwards that the land reforms in the state began to make themselves felt, but with the plantations being exempt from ceiling provisions. All the companies continued to keep vast areas of land under their control, including fallow lands. Third, when the FERA was passed in 1973, it required that foreign capital be indianised by 26 per cent. But, the tea companies were accorded a preferential treatment being considered on par with high technology and export-oriented industries for which foreign participation of 74 per cent was allowed. Yet, in the 1980s, the foreign capital in the tea sector gave way to the pan Indian capital:: the Kanan Devan Plantations was taken over from James Finlay & Co. by Tatas; Harrisons and Crosfield sold their property to RPG Enterprises. The corollary to the increased presence of Indian corporate capital in the plantations in Kerala and in other parts of the country is clear: the pan-Indian tea companies run low-tech plantation production operations, drawing out surplus at a breath-taking pace, much in the same manner as in the past, under colonialism. Of late the government of India has permitted 100 per cent FDI in tea in a throwback to the colonial era; the post-colonial "bleeding process" remains perpetuated.⁷

⁶ For details, see Ravi Raman, K., *Global Capital and Peripheral Labour: Political Economy of Tea Plantations in Southern India, 1850-1950*, Unpublished doctoral thesis, Centre for Development Studies, Thiruvananthapuram, 1999.

⁷ Here a basic question might be raised regarding the repatriation of plantation surplus, an aspect largely left unnoticed by the workers and progressive forces particularly in the south Indian context. This has larger implications with respect to the development of the region concerned and peoples' concern over such issues. For instance, the plantation surplus in north-eastern regions, particularly in Assam had been carried away to other peripheries within India and outside the country for further accumulation. The people of Assam retaliated even violently against the hegemony of corporate capital; and militant outfits