

EMPLOYMENT AND SOCIAL PROTECTION OF CASHEW WORKERS IN INDIA WITH SPECIAL REFERENCE TO KERALA



V.V. Giri National Labour Institute
(Autonomous Institution of the
Ministry of Labour and Employment, Government of India)

February 2014

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PREFACE

Cashew processing is a highly labour intensive industry and has a long history of employing a large number of workers. One of the unique features of this industry is that an overwhelming majority (more than 90 per cent) of workers are women belonging to the economically and socially disadvantaged strata of society. The state of Kerala accounts for the highest proportion of cashew workers in India. It is estimated that the cashew processing industry in Kerala currently employs nearly three lakh workers.

The working conditions of cashew workers have been the object of scholarly and policy concerns for long. However, many of the insecurities affecting the lives of cashew workers, ranging from health hazards to lack of effective social protection, seem to have persisted till date. It is important that these problems and insecurities faced by workers are rigorously analysed and relevant policy measures adopted so that the working conditions and lives of cashew workers are improved.

It is in this context that the Ministry of Labour & Employment had entrusted the V.V. Giri National Labour Institute with the responsibility of undertaking a research study on “Employment and Social Protection of Cashew Workers in India with special reference to Kerala”. The Institute constituted an expert group headed by the Director General, V.V. Giri National Labour Institute, and comprising representatives from trade unions, employers, civil society and research institutions to provide an overall direction for conducting this study. The study had a twofold aim – protecting the interest of cashew workers on the one hand and ensuring sustainability of the industry on the other. The basic information for the study was generated through a primary survey conducted in those districts in Kerala which have a high concentration of cashew processing units. The primary survey involved administering of detailed structured questionnaires among workers in the cashew processing industry and detailed interviews with various stakeholders such as owners of cashew processing units, trade union leaders and officials concerned with the cashew sector. Based on its findings, the report suggests several measures for improving the employment conditions and social protection of cashew workers, and for ensuring sustainability of employment in the cashew processing industry.

We received admirable support from a large number of stakeholders and institutions during the preparation of this report. We are particularly grateful to all those who spared their valuable time to respond to our interviews and questions during the

primary survey. The primary survey in Kerala was coordinated and supervised by Dr. N. Ajith Kumar, Director, Centre for Socio-Economic and Environmental Studies, Kochi and we express our sincere appreciation to him and his team for their meticulous work. I would like to record my appreciation to the faculty and administrative staff of the V.V. Giri National Labour Institute, who were associated with the study, for undertaking the requisite professional task in an efficient manner. I would also like to express my sincere gratitude to each and every member of the expert group for proving invaluable insights during the conduct of the study and preparation of the report. We would also like to express our gratitude to the Ministry of Labour & Employment and particularly to Hon'ble Minister of State for Labour and Employment for entrusting this important assignment to the V.V. Giri National Labour Institute.

P.P. Mitra
Director General
V.V. Giri National Labour Institute
NOIDA

EXECUTIVE SUMMARY

The Ministry of Labour & Employment, Government of India, entrusted the V.V. Giri National Labour Institute with the responsibility of undertaking a research study on 'Employment and Social Protection of Cashew Workers in India with special reference to Kerala'. The Institute constituted an Expert Group headed by the Director General, V.V. Giri National Labour Institute, and comprising representatives from trade unions, employers, civil society and research institutions to provide an overall direction for conducting this study.

The specific objectives of the study were: (a) to examine the socio-economic profile of cashew workers and their households; (b) to analyse employment and working conditions of cashew workers, and particularly to examine working hours, employment contract, wage payments, provision of social security, health hazards, etc.; (c) to assess the efficacy of existing social security and welfare measures for workers in cashew processing; and (d) to suggest suitable measures to strengthen social protection for cashew workers.

The approach of the study was premised on two fundamental requirements: one, protecting the interests of cashew workers; and two, ensuring sustainability of the cashew industry. Considering that a large proportion of cashew processing factories and cashew workers are located in Kerala, the results and recommendations emerging from the study will provide insights for appropriate policy formulations to improve the working and living conditions of cashew workers elsewhere in India.

The basic information for the study was generated through a primary survey conducted in those districts in Kerala which have a high concentration of cashew processing units. The primary survey involved administering of detailed structured questionnaires among workers in the cashew processing industry and detailed interviews with various stakeholders such as owners of cashew processing units, trade union leaders and officials concerned with the cashew sector.

The key results of the study and the major recommendations are given below:

India accounts for a little less than one-fifth of the total area under cashew cultivation in the world. Though this is reflected in the high production of cashew, the country holding the third rank in the world, productivity continues to be low in relation to international standards. Realising the export potential of cashew, over the years the

Government of India has initiated several programmes to promote the holistic growth of cashew production, processing and marketing. Within India cashew is mainly grown in the coastal states, in Kerala, Karnataka, Goa and Maharashtra along the west coast and Tamil Nadu, Andhra Pradesh, Odisha and West Bengal along the east coast. Currently, Kerala accounts for 11 per cent of cashew production in India and stands fourth in terms of production after Maharashtra, Andhra Pradesh and Odisha. At the national level while there is an increase in the production of cashew nuts mainly because of the expansion in area under cultivation, in Kerala increase in production seems to be mainly emerging from improvement in yield.

India's cashew processing capacity is much greater than the domestic availability of raw nuts and the country had to depend on imports to fill the gap. The cashew kernels produced in India are sold both in the international and domestic markets. In the international market, the United States of India (USA) is the largest buyer of cashew kernels from India (36 per cent) followed by the United Arab Emirates (UAE), Netherlands, Japan, Saudi Arabia, the United Kingdom (UK), France, Spain and Germany. With the burgeoning middle class, the domestic demand for cashew kernels is increasing in the country, though there is no accurate estimate of domestic cashew consumption within India.

The main characteristics of workers and work in the cashew industry are follows: (a) women constitute the majority of the cashew workers (94 per cent); (b) significant share of workers belong to socially and economically disadvantaged sections—31 per cent of the workers belong to the scheduled castes (SCs) and 35 per cent are from other backward communities (OBCs); (c) relatively low presence of the younger workforce (below 30 years) in the cashew sector; (d) 81.6 per cent of workers are engaged in private cashew processing units; (e) while SC category workers are predominantly engaged in shelling and cutting (59 per cent and 50 per cent respectively) their share is less in peeling and grading (14.6 per cent and 17.6 per cent). Incidentally among the various activities in cashew processing, the average daily earnings is the lowest for shelling; (f) the majority of the workers in the cashew processing industry are paid wages on a piece rate basis; and (g) economic condition of workers seems to be poor, with 76 per cent of surveyed workers reporting indebtedness. This is not surprising given the fact that one-fourth of the workers in cashew sector are single earners in the family.

Provision of a safe and attractive work environment is important not only to the workers but also to the employers as the cashew processing sector is failing to attract young workers to its fold. Results from the study indicate that even after significant improvement in the functioning of the industry on several fronts, four-fifths of the

workers in cashew processing are still sitting/squatting on the ground and performing their tasks for long hours without making use of rest intervals. This can have long-term consequences on the health of the workers. Other factors that are a matter of concern include not using gloves while handling the nuts, lack of tables and chairs to perform tasks at work, absence of clean toilets and rest rooms, and need for exhaust fans.

Exposure to smoke from the furnace, contact with the cashew nut shell liquid, unhealthy sitting posture, avoidance of rest intervals to maximise output, unhygienic environment in a section of the factories and the chances of accidents make the workers in the cashew sector vulnerable to health risks. Results from the field survey indicates that more than four-fifths of the workers reported health related problems due to their work in the sector while 3 per cent of the workers met with some accident in the workplace during the last five years.

The Employees State Insurance (ESI) Scheme acts as the main provider of health facilities. But not all workers are eligible for benefits under ESI scheme; further, certain problems need to be addressed on the functioning of the scheme. As far as the functioning of other social security schemes are concerned, a section of the workers raised complaints about the lack of transparency in the payment of provident fund (PF) contributions by the employer, while a strong concern was expressed to improve the functioning of the Kerala Cashew Workers' Relief and Welfare Fund Board.

Major suggestions/recommendations emerging from the study are grouped under short-term and medium-term measures.

SHORT-TERM MEASURES

- Considering the fact that the majority of cashew workers depend on ESI facilities there is an urgent need to strengthen the system of supplying medicines and consumables to the ESI dispensaries and hospitals.
- There is a need for Geographical Information System (GIS) mapping to understand the gaps in the ESI network. This has to be matched with the number of workers registered with ESI in each locality. New health facilities under ESI should be started taking into consideration the gaps. Periodic health camps may also be organised at the factories so that there is no loss of working days and hence wages for the workers.

- Given the precarious financial position of the workers in traditional industries like cashew, zero balance account facility in the banks should be extended to cashew workers as well.
- It is becoming increasingly difficult for the cashew industry, particularly in Kerala, to attract local labour. Poor working conditions are definitely one of the reasons that discourage workers from joining the cashew industry. There is much scope to improve working conditions in cashew factories:
 - a. A large majority of the women workers in the industry sit/squat on the floor to perform tasks such as shelling, peeling and grading. This uncomfortable posture leads to many health problems. In view of this, there is a need to provide benches/chairs for the workers so as to discontinue the current unhealthy practice. The employers are likely to shift to this better practice if some incentives are provided by the government for the same.
 - b. There is a need to provide proper orientation to the workers to use gloves especially as there exists apprehension about reduction in output if gloves are used. Such programmes can be organised by government agencies. It would be also helpful if some incentives are provided to encourage workers to use gloves.
 - c. Another improvement possible in the workspace is to install exhaust fans. Uniforms, caps, masks, etc. can also be introduced.
 - d. There is a need to provide clean toilets, washing spaces and places for resting and eating to the workers.
- To improve working conditions the government may provide a one-time grant/soft loans to the employer as an incentive to shift to good practices and also for modernising working sheds. Employers should also be made aware of the importance of adopting and adhering to such hygienic practices, particularly while competing for a share in the international market.
- The computerisation of ESI and PF has enabled a better environment for monitoring the enrolment and regularity of payments by both the employer and the worker. It is felt that there is much scope than presently made use of, to identify the defaulters of ESI and PF contribution.
- Increasing efficiency of the workers is beneficial to both the employer and the worker. In view of its importance, training and orientation programmes should be organised for workers, employers and the representatives of trade unions working at different levels. Available institutional structures like the Central

Board for Workers' Education (CBWE), V.V. Giri National Labour Institute and the Kerala Institute for Labour and Employment should collaborate with employers' associations and trade unions to provide requisite training.

MEDIUM-TERM MEASURES

- Dedicated Boards have played a key role in promoting, production, productivity and related aspects of traditional industries like coir. There is an urgent need to establish a 'Cashew Board' on similar pattern to promote the sustainability of cashew industry and employment.
- Low wages and irregularity in the availability of work are two major problems faced by the workers in the industry. To ensure that the workers in the cashew processing industry obtain adequate wages, an income support scheme may be initiated. The coir industry has been implementing such a programme for the workers engaged in spinning activity. The government provides an additional sum to the workers to make sure that they get at least ₹ 210 per working day. The workers have to be registered in the Coir Project Office for availing this benefit.
- There is a widely held complaint among the workers on the late payment of gratuity not only in the private sector but also in the government and cooperative sectors. At present, there is no annual contribution to gratuity. The employer has to raise a large amount on retirement of an employee. If there is a change of employer, there can be additional delay. There were also complaints regarding the calculation of gratuity. In view of the above, it is suggested that a separate fund is created and the annual contributions of the employer towards the gratuity of each employee is paid to this fund.
- Considering that cashew processing is spreading across different regions of India and conditions of work are still unsatisfactory, it is suggested that a Central Welfare Fund similar to that of Building and Construction Workers' Welfare Board or Beedi Workers' Welfare Fund should be established for cashew workers.
- Given the fact that the cashew industry is dominated by the women workers, possibilities should be explored to establish Mahila Banks in selected centres to enhance women's empowerment.
- There is also a need to improve the functioning of the Cashew Workers' Relief and Welfare Board, including the scholarship offered to the children of cashew

workers as the prevailing amount is not at all attractive and it hardly acts as an incentive given the high cost of education.

- There is also a demand for increasing the pension amount under the Welfare Fund. It may be noted that some of the workers such as widows, unmarried women aged above 50 years and workers aged above 80 years are eligible for higher amounts of pension under other social security schemes initiated by the state and central government. Such pensions are provided without any contribution from the beneficiary unlike the pension from the Cashew Workers' Relief and Welfare Board. Therefore, there is a need to rationalise the pension scheme under the Welfare Fund.
- The cashew processing industry is facing a shortage of labour mainly because the young generation prefers to work in other sectors which offer them better work environment. The industry now recruits labourers from the North, East and North-eastern states to ward off the labour shortage. It is suggested that the benefits of the welfare schemes available to local workers are extended to the migrant workers as well.
- Ensuring sustainability of the cashew industry is a way to improve conditions for the workers. Definitely there is a set of employers who have tried to improve the work environment. But there is also a need to recognise that entrepreneurs face some genuine problems. The cashew processing industry in Kerala has to compete with processing units in other states which offer lower wages and working conditions. The processing industry also has to compete with the unlicensed cottage units (*kudi varappu*) within Kerala which offer no social protection for workers or good work environment. Such a situation influences the cost competitiveness of the entrepreneurs who want to provide decent working conditions for the workers. Here, a few measures are suggested to improve the situation:
 - a. The significant growth in the Indian middle class and their changing life styles are likely to increase the domestic consumption of cashew kernels in the future. Market research on the domestic market of cashew kernels should be initiated to understand changing customer preferences. To tap the growing domestic market, effective promotional strategies have to be initiated with the participation of all players, the state and central governments as well as the entrepreneurs. There is also a need to give

recommendations to use Indian processed cashew in certain sectors like defence and tourism.

- b. Product diversification is an area that demands more attention. While doing so, the needs of the domestic market and price sensitivity of the domestic consumers have to be taken into consideration. Promotional strategies targeting the growing Indian population in countries such as the USA, Europe and the countries in Middle East can yield rich dividends.
 - c. Most other cashew processing countries are increasingly adopting the steaming method of processing, which is considered to be more hygienic. This is true even with respect to some of the processing states in India. On the one hand, there is a need to properly train the existing workforce to undertake such activities so as to equip them to do the new job.
- The public sector player in the industry, Kerala State Cashew Development Corporation (KSCDC), has been incurring losses for several years. The main reason for such losses is the inability of the Corporation to raise sufficient working capital. As a result, the Corporation, which was envisaged to be a model employer, has not been able play the role effectively. It is suggested that a detailed study of the issues related to the functioning of KSCDC as well as CAPEX needs to be undertaken to suggest measures to improve its performance.
 - Equally important is to promote scientific research to develop better varieties of cashew so as to improve production as well as productivity.

CONTENTS

<i>Preface</i>	i-ii
<i>Executive Summary</i>	iii-ix
<i>List of Tables</i>	xii
<i>List of Figures</i>	xii-xiii
<i>Abbreviations and Acronyms</i>	xiv
1 INTRODUCTION	1-4
1.1 The Context	1
1.2 Objectives of the Study	2
1.3 Approach and Methodology	2
1.4 Field Work and Data Processing	3
1.5 Structure of the Report	4
2 CASHEW PROCESSING INDUSTRY: AN OVERVIEW	5-16
2.1 Introduction	5
2.2 Area, Production and Yield of Cashew Nuts	5
2.3 Import of Cashew Nuts	8
2.4 Demand for Cashew Nuts	9
2.5 Situating Concerns of Cashew Sector Workers in Kerala	11
3 PROFILE OF THE WORKERS	17-23
3.1 Introduction	17
3.2 Demographic Profile of the Cashew Workers	17
3.3 Educational Profile of the Workers	20
3.4 Living Conditions	21
3.5 Poverty Status	22
3.6 Indebtedness	22
3.7 Dependence of the Workers' Households on Earnings from Cashew Sector	23

4	EMPLOYMENT AND WAGES OF CASHEW WORKERS	24-35
4.1	Introduction	24
4.2	Type of Ownership of the Unit	24
4.3	Major Activities in the Cashew Processing Units	25
4.4	Nature of Work	27
4.5	Experience of Workers in Cashew Processing Industry	28
4.6	Availability of Work	29
4.7	Skill Requirements and Skill Acquisition	32
4.8	Nature of Payment of Wages	32
4.9	Average Daily Earnings	33
5	CONDITIONS OF WORK	36-41
5.1	Introduction	36
5.2	Hours of Work and Rest Intervals	36
5.3	Facilities at the Workplace	38
5.4	Health Issues Faced by the Workers	39
5.5	Accidents in the Working Unit	40
5.6	Complaint Redressal Mechanism in the Workplace	41
5.7	Role of Trade Unions	41
6	SOCIAL SECURITY AND PROTECTION	42-48
6.1	Introduction	42
6.2	Employees' State Insurance	42
6.3	Provident Fund	45
6.4	Other Benefits under Central Legislations	46
6.5	Cashew Workers' Relief and Welfare Fund	47
7	SUGGESTIONS AND RECOMMENDATIONS	49-55
	APPENDIX	56-67
	REFERENCES	68-71

LIST OF TABLES

Table 2.1	Area, Production & Productivity of Cashew Nut in India	7
Table 2.2	Estimate of Domestic Demand for Cashew Kernels in India	11
Table 3.1	Details about the Dwelling Place of the Workers	21
Table 4.1	Working Status during the Days of Unemployment	31
Table 4.2	Wage Rates of Cashew Workers as per Minimum Wages Act	32
Table 5.1	Percentage of Workers Reporting the Availability of the Facility	39
Table 5.2	Proportion of Workers Reporting Health Problems due to their Work in the Cashew Sector	39
Table 5.3	Opinion of the Workers on the Existing Relationship between Management and Trade Unions	41
Table 6.1	Health Facility that the Workers Usually Make Use Of	43
Table 6.2	Reason for Not Depending on ESI Facilities	43
Table 6.3	Problems Reported by Workers in Accessing Health Care	45

LIST OF FIGURES

Figure 2.1	Area under Cashew Cultivation, 2012	6
Figure 2.2	Global Production of Raw Cashew, 2012	6
Figure 2.3	Global Trends in Cashew Yield, 2012	6
Figure 2.4	Trends in Export of Cashew Kernels, 2011	6
Figure 2.5	Trends in Area, Production and Productivity in India	8
Figure 2.6	Trends in Area, Production and Productivity in Kerala	8
Figure 2.7	Quantity of Raw Cashew Imported to India	9
Figure 2.8	Value of Raw Cashew Imported to India	9
Figure 2.9	Quantity of Cashew Products Exported from India	10
Figure 2.10	Value of Cashew Products Exported from India	10

Figure 3.1	Gender Profile of the Workers in the Sample	18
Figure 3.2	Distribution of Cashew Workers by Age	18
Figure 3.3	Distribution of Cashew Workers according to their Religion	19
Figure 3.4	Distribution of Cashew Workers according to their Social Class	19
Figure 3.5	Social Classification of Workers according to their Occupation	20
Figure 3.6	Percentage Distribution of Cashew Workers by Educational Level	20
Figure 3.7	Percentage of Workers who have Completed Matriculation according to Type of Activity	20
Figure 3.8	Source of Loan Taken by the Workers	22
Figure 3.9	Number of Household Members Engaged in Cashew Sector	23
Figure 4.1	Type of Ownership of the Units	25
Figure 4.2	Distribution of the Workers according to the Activity Performed	27
Figure 4.3	Nature of Employment	28
Figure 4.4	Permanent Workers by Gender and Type of Ownership of Units	28
Figure 4.5	Years of Experience in Cashew Processing Industry	29
Figure 4.6	Years of Experience in the Present Cashew Processing Unit	29
Figure 4.7	Number of Days of Work	30
Figure 4.8	Average Number of Days of Work for Different Categories of Workers	31
Figure 4.9	Distribution of Daily Earnings of Cashew Workers	33
Figure 4.10	Distribution of the Amount of Bonus received by the Workers	34
Figure 4.11	Percentage of Workers Reporting Complaints of Unreasonable Deductions in Wages	34
Figure 5.1	Position in which Workers Perform Various Activities	37
Figure 5.2	Position in which Workers Perform Various Activities by Type of Management	37
Figure 5.3	Major Health Problems Reported by the Workers	40
Figure 6.1	Distance from Workers' Home to the ESI Facility	44

ABBREVIATIONS AND ACRONYMS

BPL	Below Poverty Line
CBWE	Centre Board for Workers Education
CNSL	Cashew Nut Shell Liquid
CEPCI	Cashew Export Promotion Council of India
DCCD	Directorate of Cashewnut and Cocoa Development
DGET	Directorate General of Employment and Training
EPF&MP	Employees' Provident Funds & Miscellaneous Provisions
ESI	Employees' State Insurance
FAO	Food Agriculture Organization
FGDs	Focus Group Discussions
KSCDC	Kerala State Cashew Development Corporation
MGNREGS	Mahatma Gandhi Employment Guarantee Scheme
MoL&E	Ministry of Labour and Employment
NBFCs	Non-banking Financial Companies
NHM	National Horticulture Mission
OBC	Other Backward Community
OSMF	Oral Sub Mucous Fibrosis
PF	Provident Fund
SC	Scheduled Caste
ST	Scheduled Tribe

1.1 THE CONTEXT

The Ministry of Labour & Employment directed the V.V. Giri National Labour Institute (VVGNI) to undertake a research study on 'Employment and Social Protection of Cashew Workers in India with Special Reference to Kerala'. It was indicated that an Expert Group may be constituted to provide overall guidance and relevant inputs for the study. The Expert Group was required to suggest measures for improving the employment conditions and social protection of cashew workers, and sustainability of employment in the cashew processing industry. Accordingly, an Expert Group was constituted with the following members:

1. Shri P.P. Mitra, Labour and Employment Adviser, Ministry of Labour & Employment (MoL&E), Government of India, and Director General, VVGNI, NOIDA – Chairperson*
2. Adv. Jameela Ibrahim, Social Activist and Lawyer, Kollam, Kerala
3. Shri P. Sundaram, Industrialist, Kollam, Kerala
4. Adv. Kallada Kunjumon, Trade Unionist and Labour Lawyer, Kollam, Kerala
5. Dr. Vinoj Abraham, Associate Professor, Centre for Development Studies, Thiruvananthapuram, Kerala
6. Dr. S. Sivakumar, Professor, Indian Law Institute, New Delhi
7. Dr. S.K. Sasikumar, Senior Fellow, VVGNI, NOIDA
8. Dr. Rakhee Timothy, Associate Fellow, VVGNI, NOIDA

This report presents the findings of the research study as well as the recommendations of the Expert Group.

* Shri V.P. Yajurvedi, former Director General of VVGNI, served as Chairperson of the Expert Group during the period 30 August, 2013 to 26 December, 2013.

1.2 OBJECTIVES OF THE STUDY

The specific objectives of the study were to:

- Examine the socio-economic profile of cashew workers and their households;
- Analyse employment and working conditions of cashew workers, and particularly examine working hours, employment contract, wage payments, provision of social security, health hazards etc.;
- Assess the efficacy of existing social security and welfare measures aimed at improving the working conditions and living status of cashew workers; and
- Suggest suitable measures to strengthen social protection for cashew workers and sustainability of employment in the cashew processing industry.

1.3 APPROACH AND METHODOLOGY

The Expert Group approached the issues confronting the cashew workers on the premise that to improve the conditions of cashew workers, it is important to ensure the sustainability of the cashew industry. Given that the cashew industry continues to have a strong presence in Kerala, engaging a significant share of workers, it was envisaged that results emerging from the study would provide insights for appropriate policy formulations to improve the working and living conditions of cashew workers elsewhere in India. The report is based on both primary and secondary data sources.

Fieldwork for the study was conducted in four districts where the industry is concentrated – Kollam, Thiruvananthapuram, Pathanamthitta and Alappuzha – out of 14 districts in Kerala. Fieldwork entailed collecting data from different categories of respondents using a variety of methods (see Appendix 1 for details):

- To understand the issues from the cashew workers' perspective a primary survey was conducted using a structured questionnaire (Appendix 2).
- To supplement the survey results, a guideline was developed to conduct in-depth interviews with selected workers and undertake a few focus group discussions (FGDs).
- To obtain a holistic understanding of the cashew processing industry, in-depth interviews using semi-structured guidelines were also conducted with owners of cashew processing units, cashew traders, exporters, trade union representatives and officials in the Labour Department and Cashew Workers' Welfare Fund Board. The interviews covered questions on major problems

faced by the cashew industry in processing, marketing, industrial relations, export and procuring of raw nuts. Their views and suggestions on issues related to the welfare of the workers were also elicited.

For the primary survey among the cashew workers the sample size was fixed at 1000. However, in order to account for any non-response or partial response, the sample size was inflated by 10 per cent, making the sample size of the survey 1100. Excluding questionnaires with incomplete information, in the final analysis the number of cashew workers surveyed worked out to 1066.

The sample survey among cashew workers was conducted in select rural and urban local bodies. Initially, localities where cashew processing units are concentrated were identified. Different methods were adopted to identify the areas, including (a) preparing a list of cashew factories/cashew exporters; (b) contacting field offices of the Cashew Welfare Board to identify such localities; and (c) preparing a list of local bodies (Panchayats, Municipal Councils and Municipal Corporations of concerned districts) where cashew processing is being undertaken. Based on this exercise a consolidated list was prepared. Grama Panchayats and Municipalities were selected randomly from the list, the number of sample units being fixed for each rural and urban local body.

Prior to the fieldwork, in-depth interviews were held with different stakeholders in the sector. These discussions provided useful inputs for the preparation of the research instruments. The study team visited selected cashew units before preparing the interview schedules and also interacted with workers in the industry. The questionnaires were pre-tested before finalisation.

1.4 FIELD WORK AND DATA PROCESSING

The fieldwork for the study was done during November to December 2013. Investigators were deployed in different localities with supervisors monitoring their activities in selected localities chosen on the basis of high concentration of cashew processing units. Prior to the fieldwork, an intensive training programme was organised for the investigators and supervisors. The training programme included field-testing of the research instrument in real life setting by investigators.

To reduce errors questionnaires edited by the field supervisors were re-checked for consistency before data entry. In case of incomplete responses, the respondents were

contacted again to furnish the missing details. Appropriate codes were assigned for open-ended responses and commonly mentioned 'other' responses.

1.5 STRUCTURE OF THE REPORT

The remaining part of the report is structured as follows. Chapter 2 provides an overview of the cashew processing industry and locates key issues confronting the industry and the workers. Chapter 3 presents the profile of the workers in the study area. Chapter 4 discusses the different categories of work in the industry, nature of work, wages and bonus received by the workers, nature of payment of wages, etc. Chapter 5 elaborates the working conditions in the cashew processing units. Chapter 6 examines the social security available to the cashew workers and discusses issues related to them. Chapter 7 presents the major suggestions and recommendations emanating from the study.

2.1 INTRODUCTION

In India the cultivation of cashew was introduced by the Portuguese in the 16th century, though its economic significance was realised only during 1920s when the country started exporting cashew kernels. After independence, India launched various programmes to expand the area under cashew cultivation. In 1966, a Directorate of Cashew Nut Development was established under the Ministry of Agriculture with a mandate to increase the production of cashew nuts. Other initiatives introduced under different the Five Year Plans include the All India Coordinated Cashew Improvement Project under the Indian Council of Agricultural Research, programmes on cashew production-area expansion and replanting, along with facilitating cashew processing and trade. Currently, the National Horticulture Mission (NHM), a centrally sponsored scheme, has been launched to promote holistic growth of cashew production, processing and marketing.

This chapter intends to provide an overview of the Indian cashew industry, providing comparisons at the global level, locating trends in export and imports, and situating the issues of cashew sector workers in Kerala.

2.2 AREA, PRODUCTION AND YIELD OF CASHEW NUTS

Global Trends

Currently India has around a little less than one-fifth of the total area under cashew cultivation in the world, followed by Côte d'Ivoire and Brazil (Figure 2.1). In fact, over the years the share of area under cashew in India has declined, from 38.7 per cent estimated in 1961. However, when it comes to total production of cashew Vietnam, followed by Nigeria tops the list. As indicated in Figure 2.2, in production India occupied third position in 2012. The trend in cashew yield is very encouraging for India, as it records the lowest productivity among major cashew producing countries (Figure 2.3). However, what is significant as far as the workers in the

cashew processing sector are concerned is the high share of India in the export market for cashew. As indicated in Figure 2.4, in 2012 India accounted for 32 per cent of the global export market for cashew kernels.

Figure 2.1: Area under Cashew Cultivation, 2012 (in per cent)

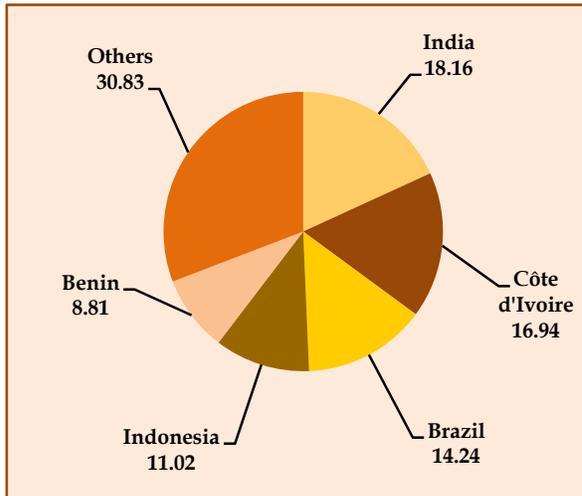


Figure 2.2: Global Production of Raw Cashew, 2012 (in per cent)

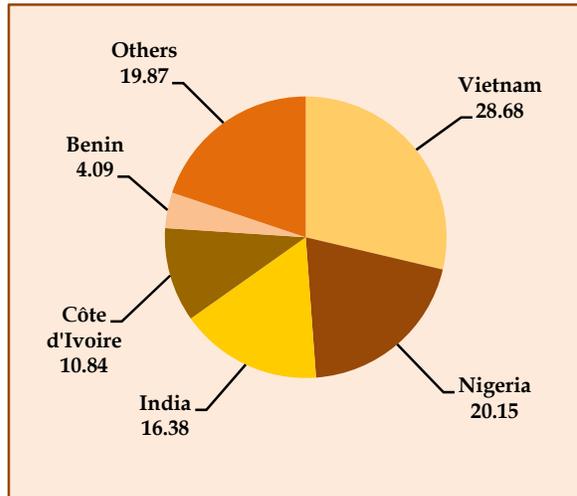


Figure 2.3: Global Trends in Cashew Yield, 2012 (in per cent)

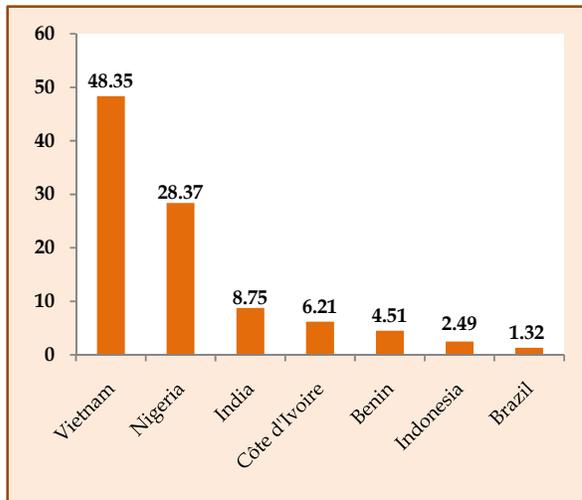
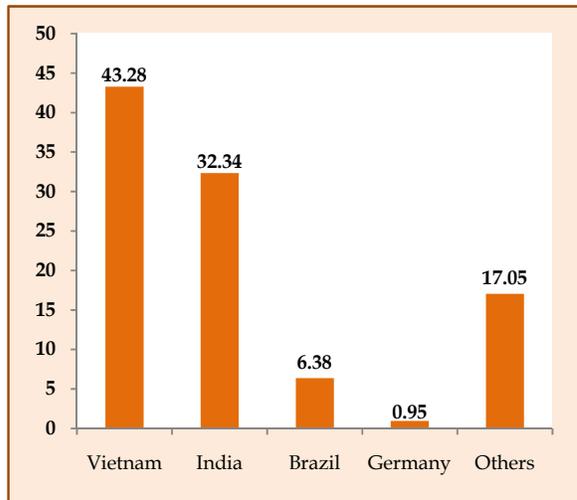


Figure 2.4: Trends in Export of Cashew Kernels, 2011 (in per cent)



Source: Food and Agriculture Organization (FAO), retrieved from the website <<http://fao.org>> on 6.01.2014.

Trends at the National Level

In India cashew is mainly grown in the coastal states, in Kerala, Karnataka, Goa and Maharashtra along the west coast and Tamil Nadu, Andhra Pradesh, Odisha and West Bengal along the east coast. As indicated in Table 2.1 the area under cashew

cultivation increased from 6.34 lakh hectares in 1995-96 to 6.95 lakh hectares in 2009-10. During 1993-94 to 2009-10, the domestic production of cashew nuts increased from 3.5 lakh tons to 6.1 lakh tons. But the analysis of productivity (yield per hectare) does not show any significant increase, indicating that increase in the domestic availability of cashew nuts was achieved mainly through expansion in the area under cultivation.

Table 2.1: Area, Production & Productivity of Cashew Nut in India

STATE	1995-96			2005-06			2009-10		
	Area (in '000 Ha.)	Production (in '000 MT.)	Average Productivity (in Kg per Hectare.)	Area (in '000 Ha.)	Production (in '000 MT.)	Average Productivity (in Kg per Hectare.)	Area (in '000 Ha.)	Production (in '000 MT.)	Average Productivity (in Kg per Hectare.)
Kerala	119	140	1000	80	67	900	72	66	957
Karnataka	84	38	550	100	45	700	118	53	461
Goa	50	18	410	55	27	690	55	26	473
Maharashtra	67	69	1440	160	183	1300	175	198	1186
Tamil Nadu	77	31	330	121	56	640	133	60	472
Andhra Pradesh	118	72	1000	170	92	880	183	99	544
Odisha	102	43	720	120	78	860	143	84	641
West Bengal	9	7	870	10	10	950	11	10	909
Others	10	1	560	21	15	1940	33	17	680
Total	635	418	720	837	573	815	923	613	695

Source: Directorate of Cashewnut and Cocoa Development (DCCD), retrieved from the website <<http://dccd.gov.in>> on 6.01.2014.

Among states, Maharashtra tops with respect to area, production and productivity of cashew. Over the years, the area under cashew cultivation has registered an increase in all the major cashew growing states, except in Kerala. This is attributed to diversification of land under cashew cultivation to other remunerative crops (Yadav, 2010). Kerala, which used to be the leading producer of cashew nuts in the 1960s and 1970s, witnessed a decline in production, area under cultivation and even in yield per hectare during the last two decades. The area under cultivation and production in Kerala almost halved during the last 20 years while the productivity declined marginally. Currently, Kerala accounts for 11 per cent of cashew production in India and it stands fourth in terms of production after Maharashtra, Andhra Pradesh and Odisha. Thus it is clear that the country's production of cashew nuts increased significantly because of the expansion in the area under cultivation in states other than Kerala and not because of any significant gains in productivity. But the situation in Kerala is the other way round. This interesting relationship between

area, production and productivity in India and Kerala is presented in Figure 2.5 and 2.6.

Figure 2.5: Trends in Area, Production and Productivity in India

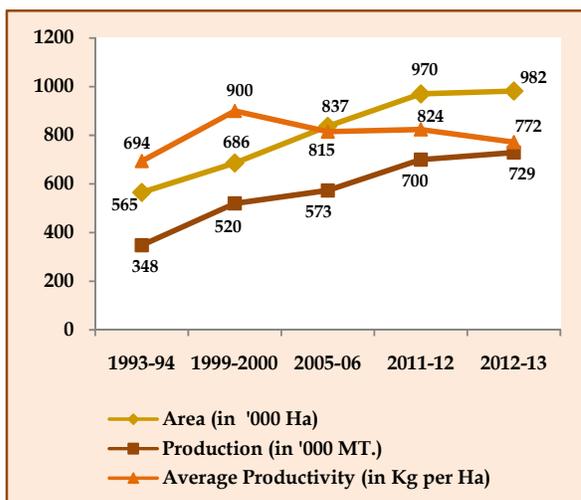
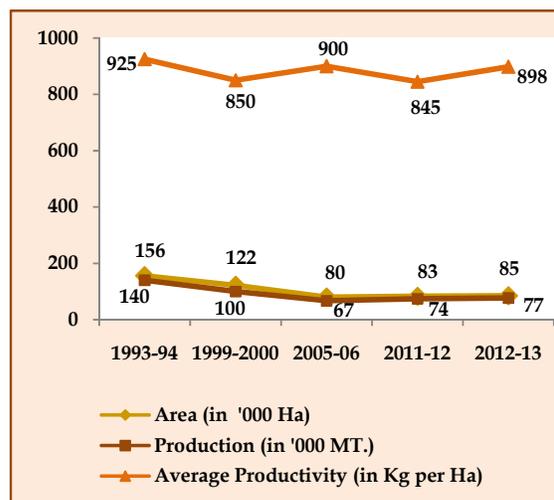


Figure 2.6: Trends in Area, Production and Productivity in Kerala



Source: DCCD, retrieved from the website <<http://dccd.gov.in>> on 6.01.2014.

2.3 IMPORT OF CASHEW NUTS

India's cashew processing capacity is much greater than the domestic availability of raw nuts and the country had to depend on imports to fill the gap. India started importing raw cashew nuts for processing from Africa in 1938 with 33,000 tons; the amount rose to 1.75 lakh tons in 1965-66. India's raw nut import showed a declining trend over the years to reach 0.22 lakh tons in 1985-86. But thereafter, the imports increased continuously over the years in spite of the increase in domestic production of cashew nuts. As mentioned earlier, the processing industry was also expanding rapidly, thereby increasing the demand for raw nuts. In 1993-94, the import was 1.9 lakh tons. Till 2000, the annual imports hovered around 2 lakh tons. But there was a sudden jump in the quantum of imports in 2001-02 and this has since been increasing. In 2012-13, the country imported 8.9 lakh tons of raw nuts. Currently, India imports raw cashew nuts mainly from Ivory Coast, Benin, Tanzania, Guinea Bissau, Ghana, Indonesia, Nigeria and Mozambique. Raw cashew nuts to India are largely imported through Tuticorin seaport, followed by seaports of Cochin, New Mangalore and Visakhapatnam. The details regarding the import of raw cashew to India are furnished in Figures 2.7 and 2.8.

Figure 2.7: Quantity of Raw Cashew Imported to India (in MT)

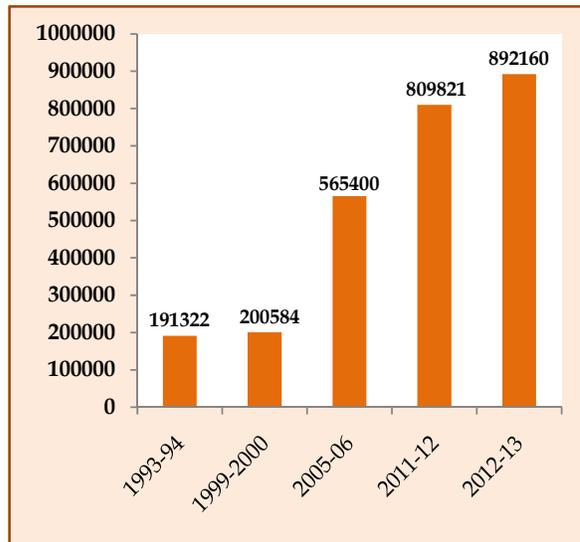
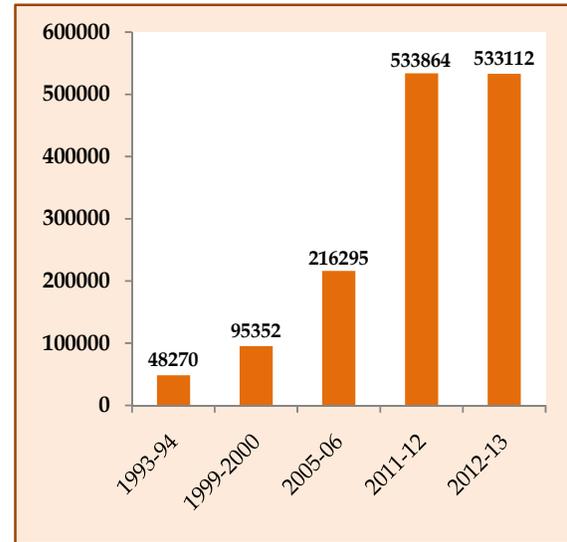


Figure 2.8: Value of Raw Cashew Imported to India (₹ in lakhs)



Source: The Cashew Export Promotion Council of India (CEPCI), retrieved from the website <http://cashewindia.org> on 6.01.2014; DCCD, retrieved from the website [http:// dccd.gov.in](http://dccd.gov.in) on 6.01.2014.

2.4 DEMAND FOR CASHEW NUTS

The cashew kernels produced in India are sold both in the domestic market and the international market. The cashew kernels are consumed as snacks and there is also a growing demand for cashew kernels from confectioneries, hotels and ice cream manufacturers. Increase in the inflow of tourists to India presents an additional opportunity. Cashew competes with almonds, walnuts, pecans, pistachios, peanuts and other edible nuts. Because of its high value, it is positioned as a premium product. The domestic market has been expanding continuously, particularly during the last two decades, because of the changing life styles of the burgeoning middle class (particularly the upper middle class) in the country. However, there is no reliable estimate of the consumption within India.

In the international market, the USA is the largest buyer of cashew kernels from India. More than one-third (36 per cent) of the Indian exports are to this country. Indian cashews are exported to more than 60 countries; the major export destinations other than the USA are the UAE, Netherlands, Japan, Saudi Arabia, UK, France, Spain and Germany. These nine countries together buy three-fourths of the exported kernels. India also exports cashew nut shell liquid (CNSL), a byproduct of the cashew processing industry which has many applications in polymer based

industries. The principal markets for CNSL export are the USA, China, UK, Japan, and Taiwan. Cashew kernels are mainly exported through Kochi seaport while CNSL is exported mainly from Chennai seaport. The other major seaports engaged in the export of cashew kernel and CNSL are New Mangalore, Tuticorin and Visakhapatnam. Figures 2.9 and 2.10 present the details of the export of cashew kernels and CNSL from 1993-94 to 2012-13.

Figure 2.9: Quantity of Cashew Products Exported from India (in tons)

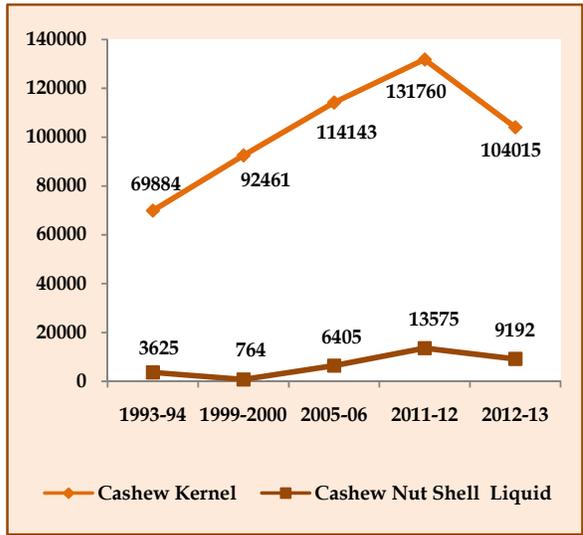
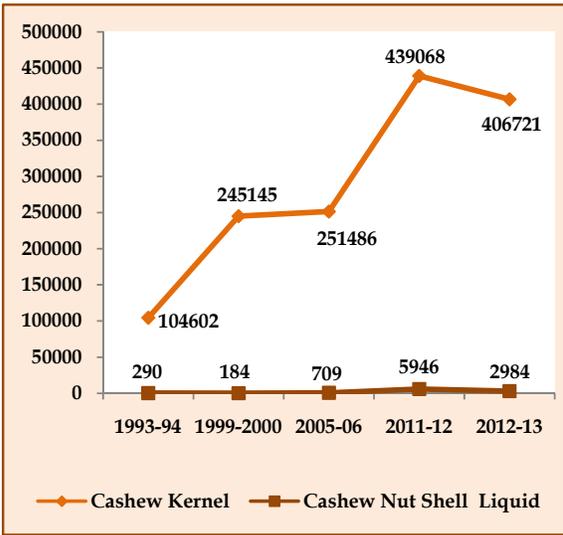


Figure 2.10: Value of Cashew Products Exported from India (₹ in lakhs)



Source: CEPCI, retrieved from the website <<http://cashewindia.org>> on 6.01.2014; DCCD, retrieved from the website <<http://dccd.gov.in>> on 6.01.2014.

The export of cashew kernels from India, in quantity terms, increased by 49 per cent from 69,884 tons in 1993-94 to 1,04,015 tons in 2012-13. The export earning from cashew kernels was a little more than ₹ 4,000 crores in 2012-13. The export of CNSL has tripled over the last 20 years. The export earnings from CNSL was ₹ 30 crores in 2012-13.

Estimating Domestic Demand for Cashew

Though the production increased, the import of raw nuts did not show any decline because of the increase in the processing capacity. It is equally import to note that though cashew kernels are primarily thought to be directed towards the export market, there is now considerable domestic demand for them. Table 2.2 indicates the rising trends in the domestic demand for processed cashew. The figure for domestic demand has been arrived at by estimating the difference between availability of raw

cashew (production and import) and export of processed nut. Conversion ratio of raw nuts to kernel has been taken as 4.

Table 2.2 Estimate of Domestic Demand for Cashew Kernels in India (in MT)						
Year	Raw Cashew Produced	Raw Cashew Imported	Total Raw Cashew Available	Processed Kernels	Export of Cashew Kernels	Domestic Demand
2007-08	6,65,000	6,05,970	12,70,970	3,17,742.5	1,14,340	2,03,402.5
2008-09	6,95,000	6,05,850	13,00,850	3,25,212.5	1,09,522	2,15,690.5
2009-10	6,13,000	7,52,894	13,65,894	3,41,473.5	1,08,120	2,33,353.5
2010-11	6,53,000	5,04,138	11,57,138	2,89,284.5	1,05,755	1,83,529.5
2011-12	7,00,000	8,09,821	15,09,821	3,77,455.3	1,31,760	2,45,695.3

Source: Estimated from data from the CEPCI.

2.5 SITUATING CONCERNS OF CASHEW SECTOR WORKERS IN KERALA

The cashew processing industry plays a significant role in Kerala's economy in terms of foreign exchange earnings and as an employment provider. Industry sources put the number of cashew factories currently functioning in Kerala at about 800. Like other traditional industries in Kerala such as coir and handloom, the wages are low in the cashew processing industry as well. Cashew processing in the state, from its beginning in the 1930s, was concentrated in South Kerala despite the fact that cultivation is concentrated mainly in the northern parts of the state. The availability of cheap labour in the second and third quarters of the 20th century facilitated the expansion of the cashew processing industry in the state. The labour surplus scenario in the industry also led to resistance from the trade unions to any technological change. To reduce the production cost, the employers resorted to cottage processing (*kudivarappu*). Though a ban on cottage processing was introduced in 1967, it still continues. Of late, the industry has changed from a situation of labour surplus to labour shortage particularly in shelling and cutting activities.

Non-availability of raw nuts was a major problem faced by the industry during the last quarter of the 20th century. While domestic production was not sufficient to meet the increasing processing capacity, imports of raw cashew continued to be irregular and insufficient. Fluctuation in the price of raw cashew in the international market also negatively affected the industry. Several initiatives were taken by the state government to improve the situation. In 1969, the Kerala State Cashew Development

Corporation (KSCDC) was set up as a model employer and also to play a pivotal role in expanding the market, both domestic and international. KSCDC, at present, runs 30 factories. Though the Corporation was successful in the initial years, it seems to be struggling with financial difficulties in the last few years. Currently, raw material for the cashew processing industry, i.e. raw cashew nuts, is sourced from both domestic suppliers and suppliers in other countries. While an increase in domestic demand is definitely going to boost the cashew industry, factors like reduction in the area under cashew cultivation in Kerala and competition from other cashew producing regions in India pose serious threat to the industry in Kerala (Rajan and Binil, 2004).

The remaining section presents key aspects of the industry as indicated in the literature, such as characteristics of the workers, insecurities faced by them, working conditions and changes over the years to better locate contemporary issues faced by cashew workers and to evolve appropriate policy responses to improve employment conditions and social protection of cashew workers.

Characteristics of Workers

As per the results of a study conducted by the Labour Bureau, Ministry of Labour, Government of India, in 1954, 73 per cent of the labour force in the cashew processing industry were women. Another significant observation of the Bureau was that children were employed in the sector and the share of children in the workforce in the cashew processing industry was almost equal to that of men. The results were based on a survey conducted in 17 cashew processing factories in Travancore-Cochin. Kurian et al. (1978) examined the status of women workers in cashew industry and found that the majority of the workers in *kudivoarappu* belonged to the age group of 12-16.

The share of women workers in the cashew processing industry increased over the years. As per the results of another study undertaken by the Labour Bureau (Government of India, 1982), 94 per cent of the workers were women. The survey covered 46 cashew processing units and 138 families of cashew workers. It is also important to note that the majority of women workers in the industry belonged to Schedule Caste households (Government of India, 1999). Deepa (1994) found evidence of caste based division of labour in the cashew industry in spite of strong trade union activities.

Studies also indicate the prevalence of low literacy rates among cashew workers (Kannan, 1978; Government of India, 1982). In fact, one of the suggestions by the committee appointed in 1953 by the erstwhile Travancore-Cochin state (which later became part of the Kerala), to fix minimum wages in the industry, was to promote education among the workers; initiatives for this were to be taken by the government, trade unions, employers and adult education organisers (Government of Travancore-Cochin, 1953). However, as indicated by the studies available till the mid 1980s, improvement in education seems to be minimal.

Working Conditions

As early as 1953 there were attempts to fix minimum wages in the cashew industry; as mentioned above a committee was formulated towards this objective in Travancore-Cochin state, the region where the cashew processing industry in India was concentrated at that time. As per the recommendations of the committee wage rates were stipulated in three ways: according to the minimum time of work, according to workload and minimum piece rate (Government of Travancore-Cochin, 1953). As per the recommendations of the Committee, piece rate workers were entitled to a compensation equivalent to his/her wage per day, in case of underemployment. The study conducted by the Labour Bureau (Government of India, 1954) indicates that 93 per cent of workers in the sector were engaged in shelling and peeling of cashew nuts on a piece rate basis and the remaining on a time rate basis as graders. The male workers engaged in *borma*¹, roasting, packing, etc. received a higher pay and on a time rate basis. The employment of workers was on a temporary basis. The labour turnover was very high and there was the practice of non-payment of wages for splits, butts and broken kernels. The workers who were interviewed by the Bureau demanded a differential wage for different grades of kernels rather than payments only for whole kernels.

Soon after the formation of the state of Kerala, the government appointed a Minimum Wages Advisory Committee for the cashew industry. The committee recommended a revision of the minimum wage rate fixed in 1953 and also recommended dearness allowance, guaranteed daily minimum wage for piece rate workers and strict enforcement of labour laws (Government of Kerala, 1959). In spite of such stipulations to fix minimum wages, it was observed that actual payment of wages continued to be lower than the prescribed minimum wages (Kannan, 1978). The availability of cheap labour and child labour in Kanyakumari coupled with the

¹ Heating chamber/oven to roast raw cashew.

ban of cottage processing in Kerala in 1967 accelerated the shift of processing units from Kerala and resulted in a reduction in the number of days of employment.

In the 1980s, the Labour Bureau (Government of India, 1982) undertook a study on the working and living conditions of workers in the cashew nut processing industry in Kerala. The survey found that 93 per cent of the women were engaged in shelling and peeling of cashew nuts on a piece rate basis and the remaining on a time rate basis as graders. The male workers engaged mainly in *borma*, roasting, packing, etc. received a higher pay and on a time rate basis. The survey found the existence of social security benefits like PF, pension, gratuity and maternity benefits. The survey observed the absence of welfare officers in some units and work committees in any factory. In order to provide work throughout the year which could improve the plight of the cashew workers, the report suggested that the industry should make efforts to bring in more raw nuts for processing. The suggestion deserves attention as even in the mid 1990s it was observed that employment in factories was restricted to 100 days in a year (Deepa, 1994).

Srinivasan et al. (1999) identifies poverty caused by insufficient income as the main problem faced by women workers in the cashew industry. Women workers' earnings were only two-fifths of that of men in spite of longer hours of work and greater workloads. The study suggested that the trade unions should help the workers in ensuring their rights, particularly security social security rights, rather than playing a mediatory role between employees and employer once a year. Seasonality, lack of job security and inadequate income is adding to the job stress of female cashew workers (Ajay, 2003). The study, based on a survey among 155 women cashew workers in Kollam district of Kerala, indicates that workers engaged in shelling and cutting, those with physical ailments and in the age group of 51-60 years had higher job stress. The study observed that the majority of the women workers had a passive way of coping with stress. The study suggests the need for counselling for special groups, awareness of stress coping and health aspects, medical support and the use of gloves for cashew workers.

Poor working conditions in cashew processing factories and the inhuman treatment meted out to workers in the early phase of the industry are some of the major reasons cited for the rapid growth of trade unions which drew strength from radical political ideologies (Kannan, 1983). Over the years the situation has improved and currently most of the cashew factories have a multiplicity of trade unions focusing on securing the claims of its members (Rajan and Binil, 2004).

One of the most noteworthy studies on workers in the cashew processing sector was done by Lindberg (2001a; 2001b). Lindberg explored the life of female cashew workers in Kerala by analysing the role of cashew factories, trade unions and marriage in the formation of identities based on class, caste and gender. She examined the interrelationships among gender ideologies, gender discourses and social struggle that have influenced the lives of the workers. The study finds that only women work in all labour intensive jobs at piece rate, whereas male workers receive monthly payments. Lindberg finds that the wage gap between males and females over the period 1953 to 1998 has actually widened and women workers were differentiated along caste lines for different processes. She states that trade unions are totally male dominated and women workers increasingly distrust their leaders. Based on her analysis of the cashew processing sector, she finds that widespread unemployment contributed to preserve the caste division of labour in the state.

Mounting Health Risks

One of the early studies on occupational health among cashew workers in Kerala observed a high prevalence of oral sub mucous fibrosis (OSMF) (7.85 per cent) (Varghese et al., 1986). A large majority of the workers who had OSMF was engaged in shelling, pointing towards a strong linkage between exposure of cashew kernel oil and OSMF. The study by Thresia (2007) finds that incidence of severe health problems for women workers in cashew sector is due to poor working conditions, domestic violence and lack of access to health care. One of the suggestions by the study was implementation of a multipronged approach to cater to women's practical needs and provisions for a good social environment at the workplace. The study highlights the need for efficient and quality health care services in the public sector and developmental services for workers, with active participation from local self-governments and trade unions. Two recent studies on cashew workers highlight their health insecurities. Divakar et al. (2012) assessed the health of cashew workers with respect to their nutritional status, and called for nutritional education and awareness programmes to improve health and hygiene practices among the cashew workers. Ravi (2013) studied the reproductive health of cashew workers using a sample of 483 women aged 15 years and above. The study reports back pain and leg pain as the major health problems leading to reproductive diseases. The study suggests governmental intervention in ensuring a good working environment for women cashew workers. The situation of cashew workers in other states is equally deplorable. Girish et al. (2012) examined the health aspects of cashew factory workers in Karnataka and found that self-reported pain and discomfort among the

workers were more prevalent for the knee, followed by back and then shoulder. These problems pose the risk of musculoskeletal disorders, brought on by repetition, contact stress, forceful contraction, awkward postures, as well as sustained positions.

Globalisation & Changing Employment Relations

There is unanimity of opinion that there is an increase in the demand for cashew kernels in both international and domestic markets. However, it is argued that liberalisation of the economy gave impetus to the shift of cashew processing from factory to non-factory settings, deterioration of labour standards and working conditions (Eapen et al., 2003). The location of value-addition and the buyer driven nature of the cashew nut supply chain have negative implications for the wages and working conditions of workers in developing countries (Kanji, 2004). It was suggested that collaboration between the government, companies and civil society organisations, at local, national and international levels, can contribute to gender equity and sustainable development of the industry.

A similar argument is put forth by Harilal et al. (2006). According to this, while jobs in the cashew industry are essential for survival, it is not sufficient to bring women workers out of poverty considering the prevailing hazardous working conditions and gender inequalities confronted by them. According to the study liberalisation of the economy and resultant changes have led to the state government's inability to find funds to provide social protection to workers. The study calls for the proper implementation of existing labour laws and provision of secure and equitable employment conditions for the cashew workers. ActionAid (2007) examined the problems faced by female workers in global supply chains. The report observes that pressures from the foreign supermarkets are passed on to the Indian cashew suppliers, who face tough competition in the export market. Consequently, they are forced to cut prices, which in turn disempowers and exploits cashew workers, reducing their access to basic rights. The report points out that there will be no improvement in working conditions till the cost and risk pressures imposed by supermarkets in the countries to which India exports cashew kernels are lifted.

3.1 INTRODUCTION

The cashew processing industry is a major source of livelihood for a large number of people in south Kerala. Cashew processing involves the conversion of raw cashew nuts to cashew kernels. The major stages of processing include roasting or steaming the raw nuts to facilitate removal of the hard outer shell, shelling or cutting the outer shell, peeling the skin of the kernel and grading the kernels based on quality. The majority of the workers in the industry are engaged in shelling/cutting, peeling and grading activities.¹ A lower percentage of workers are employed in roasting/cutting, drying, supervision, office work, packing, loading and unloading.

The industry faced an acute shortage of raw materials in the 1990s, and it became difficult to provide year-round employment to the workers. But the situation has improved during the last decade because of the increase in domestic production as well as import of raw nuts. The number of days of employment gradually increased and at present many of the processing units are able to provide year-round employment. The industry, however, is still characterized by low wages. A large majority of the workers are women, especially from the lower socio-economic strata. This chapter presents the demographic and socio-economic profile of the workers in the cashew processing industry. As mentioned earlier, the findings are based on a sample survey of 1066 workers engaged in different activities in the cashew processing industry.

3.2 DEMOGRAPHIC PROFILE OF THE CASHEW WORKERS

It is well known that the cashew processing industry is dominated by women workers. In the study sample, around 94 per cent of the workers were women

¹ Details about the different stages of processing and the categorisation of workers are presented in Chapter 4.

(Figures 3.1 and 3.2). A striking feature of the workforce is the relatively small presence of the younger generation in the cashew sector. It appears that the composition of workers in the cashew processing industry has undergone significant changes over a period of time. For instance, Kannan (1983) found that 8 per cent of the female cashew workers belong to the age group of 15-19 years, whereas there was no worker in this age group in the present survey. The Ministry of Labour, Government of India (1999), reports that 31.6 per cent of the women workers belonged to the age group 18-24 years. In our sample, just 9 per cent of the workers are aged below 30 years. The unattractiveness of the job, low wages in the cashew sector, changing aspirations of the younger generation, higher education levels, aversion to employment in a not-so-modern industry and the availability of jobs in other sectors which provide a better working environment might have contributed to the failure of the sector in attracting young workers. It is interesting to note that persons above 60 years of age are engaged in the private sector. Currently about 5 per cent of the workforce in the private sector belongs to this age cohort; perhaps they are workers who have retired from other cashew factories.

Figure 3.1: Gender Profile of the Workers in the Sample (in per cent)

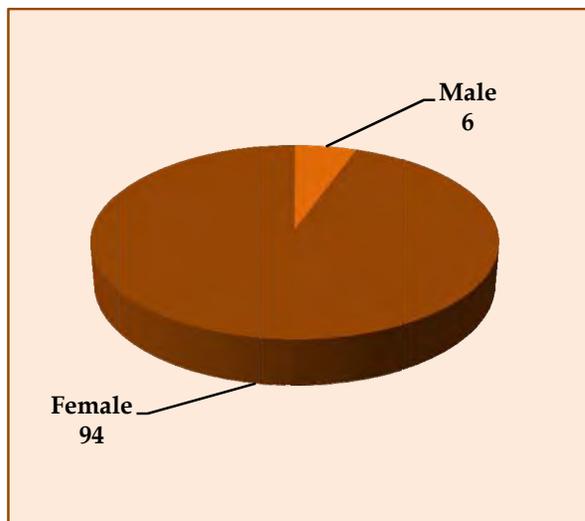
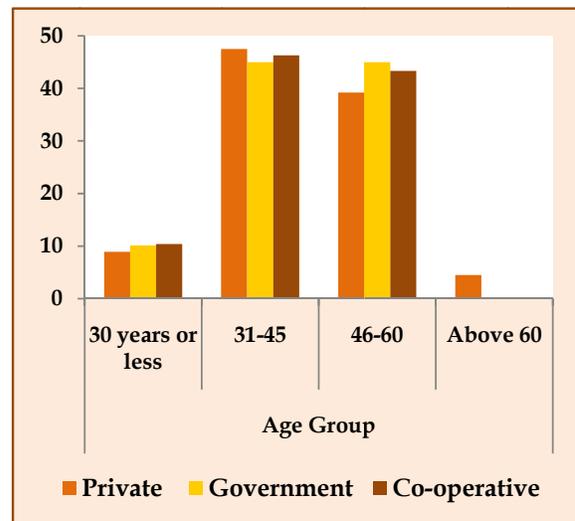


Figure 3.2: Distribution of Cashew Workers by Age (in per cent)



Source: Primary Survey.

Figures 3.3 and 3.4 present the distribution of cashew workers according to religion and social class. About nine out of ten workers in the cashew processing units belong to the Hindu religion. With respect to social class, about one-third of the workers belong to Scheduled Caste (SC)/Scheduled Tribe (ST) households— this is almost three times their proportion in the population of the state. Another one-third

belongs to other backward communities (OBCs). The predominance of low-caste Hindus in the cashew processing industry was noted by earlier studies as well.

Figure 3.3: Distribution of Cashew Workers according to their Religion (in per cent)

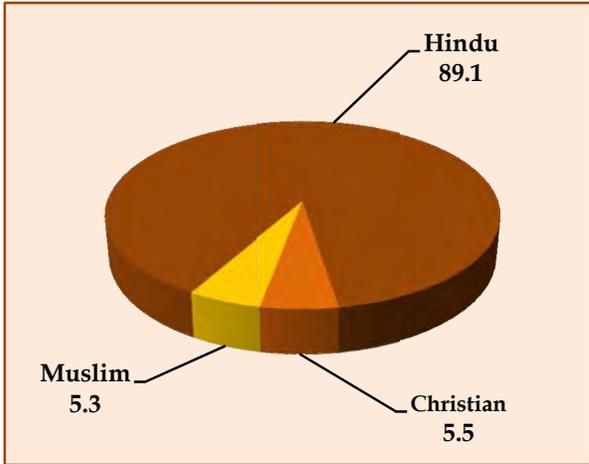
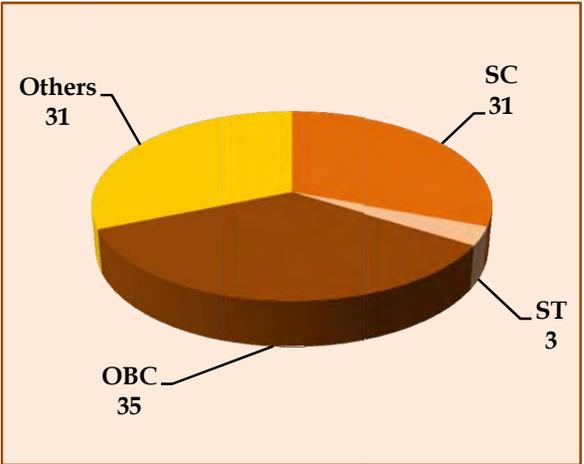


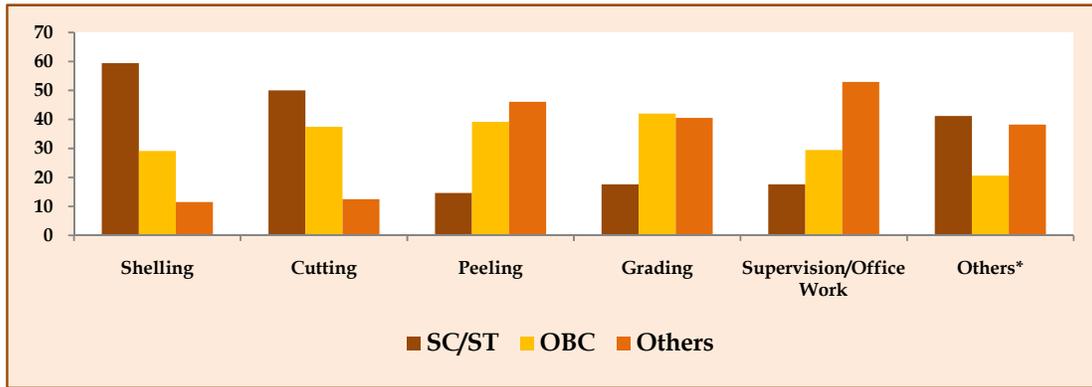
Figure 3.4: Distribution of Cashew Workers according to their Social Class (in per cent)



Source: Primary Survey.

Furthermore, caste division of labour is another important feature of Kerala’s cashew processing industry. The major occupational categories in the cashew processing industry are shelling, peeling, grading, cutting, supervision and office work. Other jobs include roasting, drying, loading/unloading, and packing. While about 60 per cent of the workers engaged in shelling belong to SC/ST households, the share of these groups is less than 20 per cent in the case of peeling, grading and supervision/office work, as indicated in Figure 3.5. The activity of cutting shows a pattern similar to that of shelling, with 50 per cent of the workers belonging to SC/ST. So about 70 per cent of the SC/ST workers are engaged in shelling and cutting. On the other hand, more than half of the workers engaged in office work and supervision belong to general categories, while their share in the workforce in the industry is only one-third.

Figure 3.5: Social Classification of Workers according to their Occupation (in per cent)

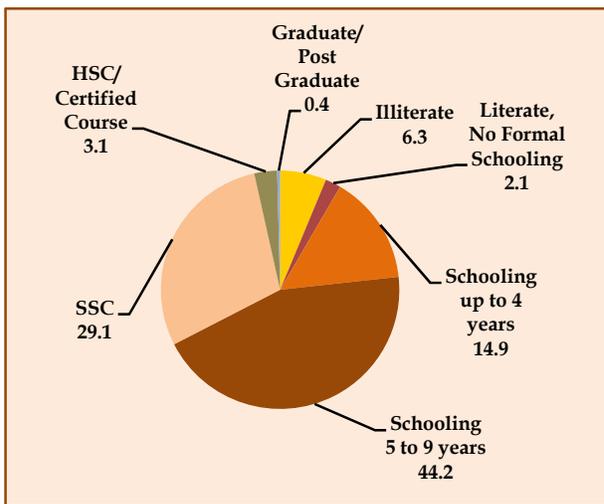


*Note: *Others include roasting/steaming, packing and loading/unloading.
Source: Primary Survey.*

3.3 EDUCATIONAL PROFILE OF THE WORKERS

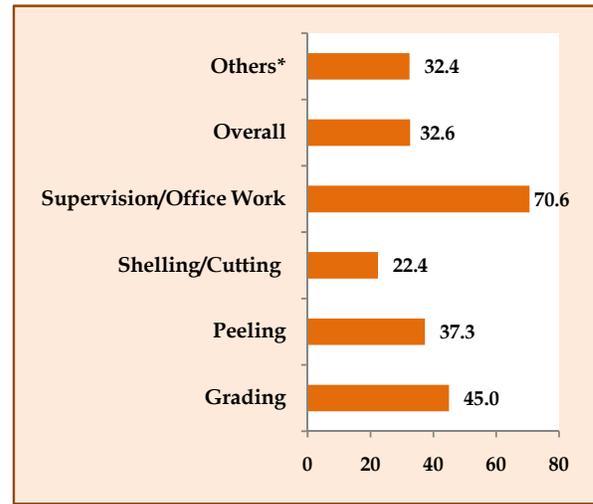
Details of the educational attainments of the workers in the sample are presented in Figures 3.6 and 3.7. The majority of the workers have attended school, but did not complete the secondary stage. However, nearly one-third have educational qualification of matriculation or above. Only 6 per cent are illiterate. It was also found that the educational level of the younger people (below 30 years) was much higher, with 56 per cent of them having successfully completed matriculation (not shown in the figure).

Figure 3.6: Percentage Distribution of Cashew Workers by Educational Level



*Note: *Others include roasting/steaming, packing and loading/unloading.
Source: Primary Survey.*

Figure 3.7: Percentage of Workers who have Completed Matriculation according to Type of Activity



Expectedly, the maximum proportion of those with matriculation work as supervisors and in administration. Peeling and grading have attracted more of the educated compared to shelling/cutting, which is considered to be the lowest level in the occupational hierarchy. But even in the case of shelling/cutting, more than one-fifth of the workers have completed matriculation.

3.4 LIVING CONDITIONS

Insights on the standard of living of the workers in the cashew sector are presented in Table 3.1. The data indicates relatively better dwelling places compared to the situation in the rest of the country, which could be a reflection of the higher standard of living in Kerala even among poor households. A large majority of workers live in houses owned by them or their family members. Most are pucca houses. Half of the houses have three or more living rooms. Most of the houses have electric connection and toilet facilities. Water from a well in the premises is the main source of drinking water for majority. But firewood is the main source of fuel for most of the workers in the cashew processing sector. Just 7 per cent use LPG as the main fuel for cooking. A large majority of the households have a television with cable connection and mobile phones. Nearly one-third of the households have a refrigerator and one-fifth have a two-wheeler in the household.

Table 3.1: Details about the Dwelling Places of the Workers					
Ownership of House	Owned	87.6	Type of House	Pucca	55.5
	Rented	6.0		Semi-Pucca	35.9
	Rent Free	6.4		Kutcha	8.6
Living Rooms	One	5.9	Ownership of Durables	Refrigerator	29.9
	Two	40.0		TV	87.1
	Three	36.8		Cable Connection	81.6
	Four or More	17.3		Mobile Phone	86.4
Two Wheeler				19.1	
Electric Connection	Yes	96.0	Main Cooking Fuel	Firewood	92.9
	No	4.0		LPG	7.1
Source of Drinking Water	Piped Water	6.0	Toilet Facility	Own flush Toilet	65.6
	Own Well	70.6		Own pit Toilet	28.6
	Public Tap/Well	10.1		Shared Toilet	2.4
	Tap/Well in the Neighbouring House	13.2		No Toilet Facility	3.4

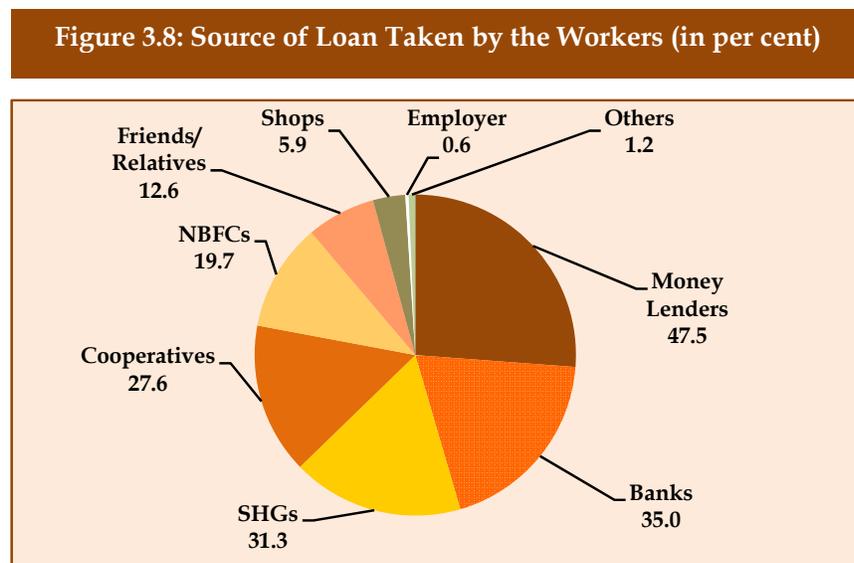
Source: Primary Survey.

3.5 POVERTY STATUS

In order to understand the poverty status of the households of the cashew workers, enquiries were made as to whether they have ration cards which classify the household as living below the poverty line (BPL). It was found that nearly two-thirds (63 per cent) of the workers' households have a BPL ration card. This is much higher than the proportion among the general population in the state. This implies that the workers in the sector are vulnerable to income shocks. The relatively low earnings in the cashew processing sector coupled with the relatively poor economic background of the families of the cashew workers have led to their classification as 'poor'.

3.6 INDEBTEDNESS

About three-fourths (76.2 per cent) of the workers had debts at the time of the survey. The high financial indebtedness may be a reflection of the low earnings of the workers. Many of the workers depend on more than one source to raise the money when they need it. The sources of loans received by the workers are reported in Figure 3.8.



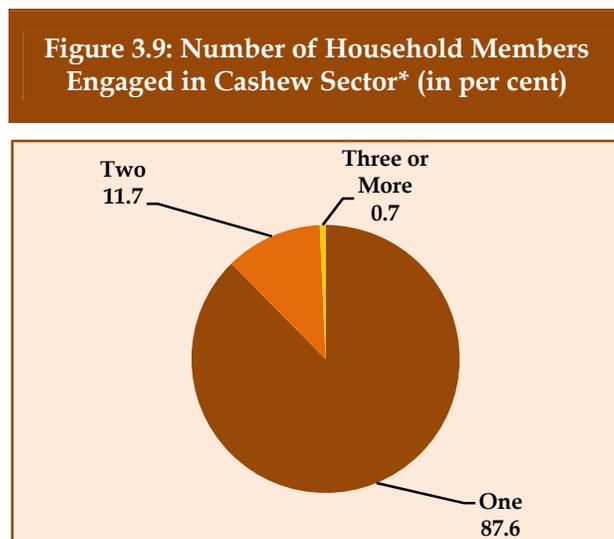
Source: Primary Survey.

Nearly half of the workers depend on moneylenders. In spite of the high interest rates, the workers depend on these sources because of the ease with which they can get loans from this source. Non-banking financial companies (NBFCs) have emerged as another major source of loans for the cashew workers. Banks and cooperatives

have also supported the workers by providing loans. A relatively new player in the field is self help groups, mainly under the Kudumbashree programme initiated by the state government. It was also found that about two-thirds (64.2 per cent) of the women workers are members of self help groups. The workers seldom take loans/advances from the employers.

3.7 DEPENDENCE OF WORKERS' HOUSEHOLDS ON EARNINGS FROM CASHEW SECTOR

Figure 3.9 presents the distribution of the members working in the cashew sector in the sample households. A large majority of the households have only one member (the respondent) in the cashew sector. Just 12 per cent have two or more members of the family employed in the sector. But what is important is that in the sample 26 per cent of the workers are the sole earners in their family. For another 60 per cent there are two earning members. Therefore any fluctuations in the availability of labour in cashew processing is likely to affect these households more than others.



Note: * including the respondent.
Source: Primary Survey.

EMPLOYMENT AND WAGES OF CASHEW WORKERS

CHAPTER 4

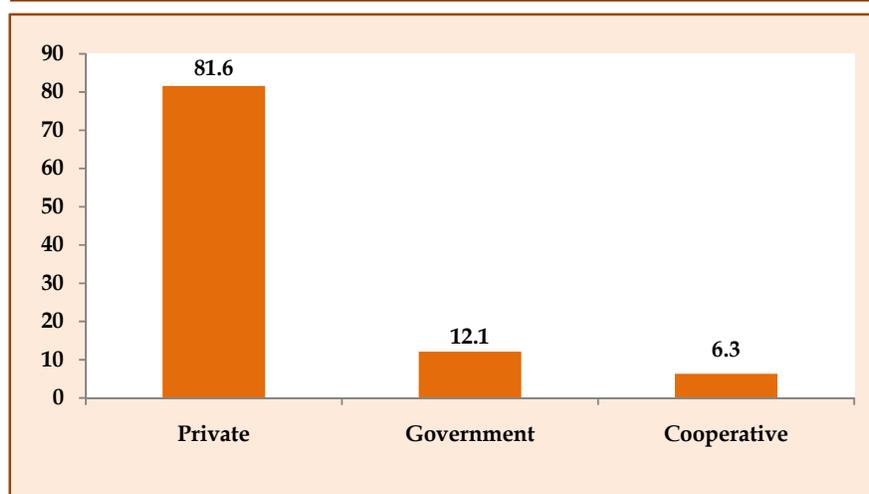
4.1 INTRODUCTION

The cashew processing industry in Kerala is known to be highly labour intensive due to the various types of manual work involved in the cashew nut production processes. Earlier studies have pointed out that the industry is characterised by low wages and irregularity in employment, with the workforce predominantly constituted by women. This chapter presents details of employment in the sector, wages for cashew workers engaged in different occupations, the nature of payment of wages, number of days worked, etc.

4.2 TYPE OF OWNERSHIP OF THE UNIT

Data on the sample of 1066 cashew workers shows that more than four-fifths of them are working under private ownership, indicating the domination of the private sector in the cashew processing industry. The private sector includes limited companies and proprietary and partnership firms. Twelve per cent of workers in the sample are employed in the factories managed by the government owned Kerala State Cashew Development Corporation (KSCDC). The Corporation, which was incorporated in 1969, started commercial activities in the year 1971. KSCDC now runs 30 cashew factories in Kerala, most of which are in the districts of Kollam, Alappuzha and Thiruvananthapuram. The Corporation is viewed as a 'model employer' in the cashew processing industry as it takes several initiatives to protect the interest of workers, such as providing them maximum days of employment and statutory benefits like minimum wages, bonus, etc. The other major employer in the industry is the Kerala State Cashew Workers Apex Industrial Co-Operative Society (CAPEX), started in 1984. Six per cent of the workers in the sample are employed in CAPEX (Figure 4.1). There are ten factories managed by the primary cooperatives under CAPEX. Most of the factories owned by CAPEX were taken over from the private sector at a time when the private sector was unable to provide continuous employment to the workers.

Figure 4.1: Type of Ownership of the Units (in per cent)



Source: Primary Survey.

4.3 MAJOR ACTIVITIES IN THE CASHEW PROCESSING UNITS

The various stages involved in cashew processing are as follows:

Roasting/Steaming: To ease the removal of the outer shell of cashew two methods are adopted – roasting or steaming. Roasting is carried out at a temperature of 185°C to 190°C to remove the moisture from the nuts. After roasting, the nuts are cooled using water spray and centrifuged in order to remove the excess liquid. If the process adopted is steaming, the raw nuts are steamed for about 30 minutes and then allowed to cool for about a day to attain room temperature. A cylindrical steam cooker is used for the purpose.

Shelling/Cutting: Shelling/cutting is the process of breaking the shell from a roasted nut. When shelling the nut it is important to ensure that the kernel is not broken as whole nuts command a much higher price in the market. The technique used to separate cashew kernels depends on the process used at the first stage – steaming or roasting. If the roasting process is adopted, shelling by hammering the shells with a stone or a wooden flail is done to extract the nuts from the outer shell of the nut. On the other hand, if the raw nuts are steamed, they have to be cut with the help of a hand cum pedal operated shell cutter to remove the kernels. After shelling, the kernels and shell pieces are separated manually. This is predominantly a women dominated activity.

Drying of Kernels: Cashew kernels removed from the shells have a brown cover. To facilitate easier removal of the cover and to reduce moisture content in the kernels, they are exposed to prolonged and controlled heating with hot air at 65-70° C for six to eight hours.

Peeling: Peeling involves the removal of the outer skin of the kernel with the help of a sharp knife.

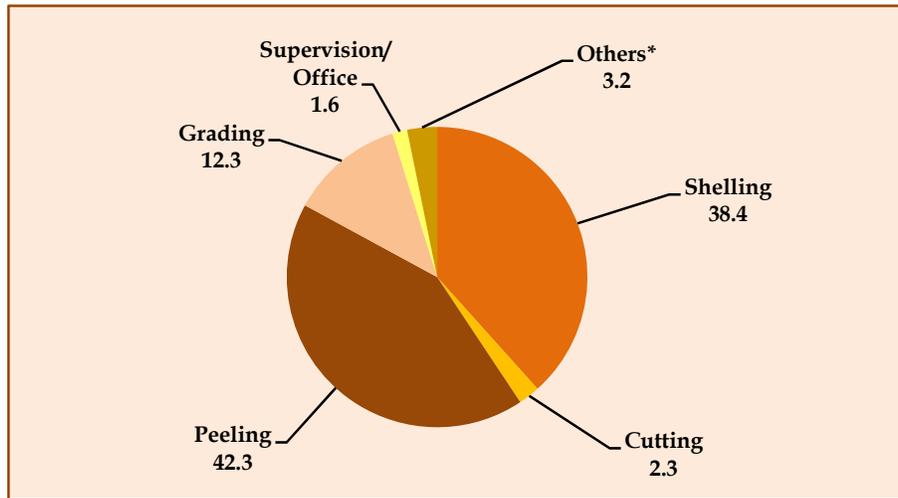
Grading: The kernels are graded based on wholeness, colour, size and scratch manually by hand/sieve. Specifications of the Cashew Export and Promotion Council are adopted for the grading of cashew kernels. Grading requires a relatively high level of skill as the peeled kernels have to be classified into more than 30 varieties. This skilled operation is also done by women.

Packing: The graded kernels are packed (in gas infused flexi packs or tins) in different sizes after vacuuming and infusing of carbon dioxide. Though this requires some skill, it can easily be attained. This task is usually done by male workers.

Supervision and Office Work: Supervision and office work are the other activities undertaken in the cashew processing factories. Most of the workers performing these jobs are men.

The distribution of the sample according to the activities performed by the workers is presented in Figure 4.2. Peeling, which is the slowest activity in cashew processing, and shelling, the relatively unattractive job, requires the maximum number of workers. The cashew processing sector in Kerala has not adopted the steaming process in any significant way. As mentioned earlier, cutting is done only when the raw nuts are steamed. Only 2 per cent of the workers in the sample are engaged in cutting. Grading requires about one-third of the workforce necessary for shelling. These activities – peeling, shelling, cutting and grading – engage 95 per cent of the workforce.

Figure 4.2: Distribution of the Workers according to the Activity Performed (in per cent)



*Note: *Others include roasting/steaming, packing and loading/unloading.
Source: Primary Survey.*

4.4 NATURE OF WORK

Only 10 per cent of the workforce is engaged in the cashew processing industry as temporary/casual workers. The proportion of temporary/casual workers is higher in supervision/office work and other jobs usually undertaken by men. Only 3 out of the 1066 workers were trainees, engaged in shelling. In cutting all workers were engaged were in the permanent category (Figure 4.3).

Survey results also indicate that the proportion of permanent workers is lower among the male workforce compared to female workforce. As against 90 per cent of the female workforce being permanently employed, only 75 per cent of the male workforce belongs to this category. Among different types of management, the proportion of permanent workers is lower in the private sector compared to the government and cooperative sectors (Figure 4.4).

Figure 4.3: Nature of Employment (in per cent)

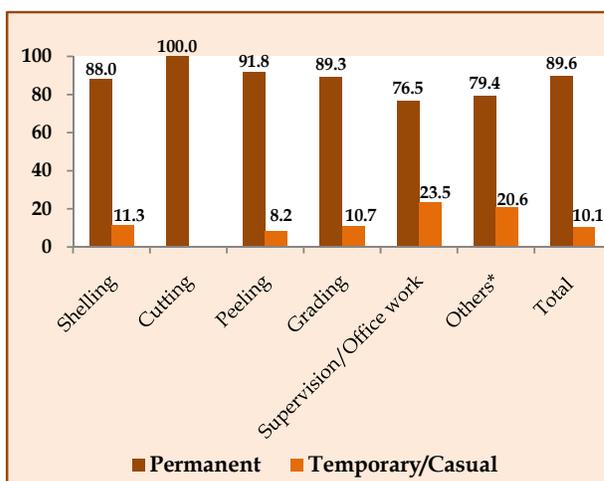
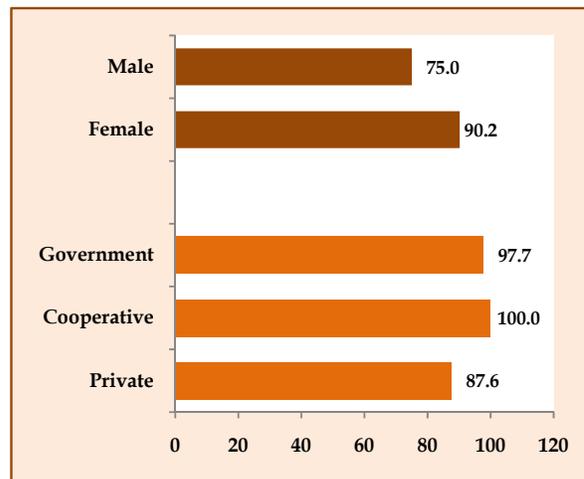


Figure 4.4: Permanent Workers by Gender and Type of Ownership of Units (in per cent)



*Note: *Others include roasting/steaming, packing and loading/unloading.*

Source: Primary Survey.

4.5 EXPERIENCE OF WORKERS IN CASHEW PROCESSING INDUSTRY

The total work experience of the cashew processing workers and their years of experience in the unit they are working at present are detailed in Figures 4.5 and 4.6. Only 14 per cent have five years or less experience in cashew processing, indicating that after joining, the worker is likely to continue in the industry. But the figure also indicates that the years of experience in the present unit are much lower. It implies that a good section of the workers have changed their employer. During the FGDs and in-depth interviews with the workers they were asked why they had changed employers. The major reasons cited were the preference of working with employers who provides more days of work, and marriage and the consequent shift in residence. Earlier there was also a preference to work in factories which are government owned or in the cooperative sector. But this has come down as the number of working days in the government and cooperative sector are no longer higher than that in the private sector.

Figure 4.5: Years of Experience in Cashew Processing Industry (in per cent)

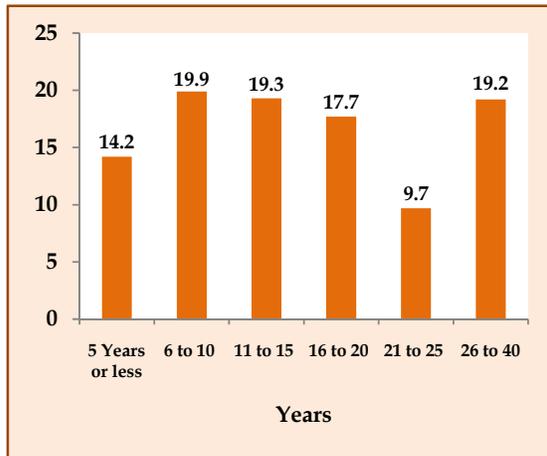
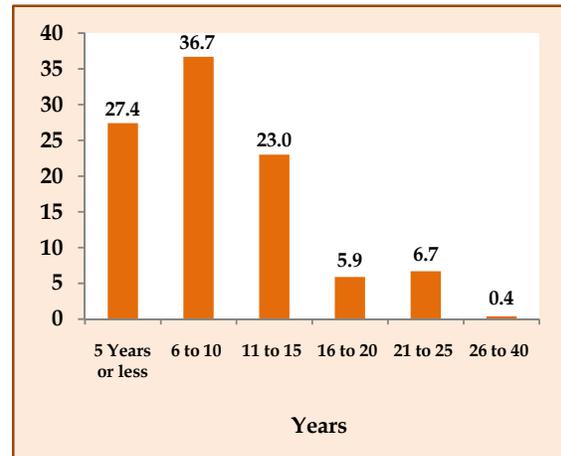


Figure 4.6: Years of Experience in the Present Cashew Processing Unit (in per cent)

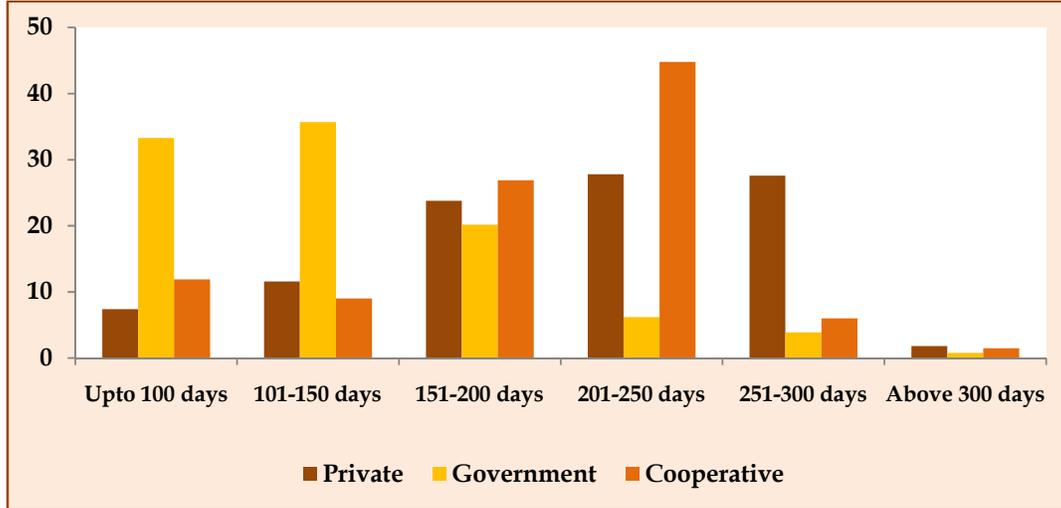


Source: Primary Survey.

4.6 AVAILABILITY OF WORK

As noted earlier, one of the major problems faced by the industry is the shortage of raw materials. The domestic production of cashew nuts is insufficient to provide year round employment to the workers. The situation is managed by imports undertaken by the employers individually. The number of days of work in the 1980s and 1990s in many factories was as low as below 100. The situation has improved due to the significant increase in the quantum of imports in the last decade. At present, only about one-tenth of the workers have worked less than 100 days during the last one year. One-fourth of the workers received more than 250 days of work. There is a significant difference between the number of working days of workers in the private sector and that in government/cooperative sector. While 29 per cent of workers in the private sector could work for more than 250 days, only 5 per cent of the workers in the factories under the government owned KSCDC and 8 per cent in the factories of CAPEX in the cooperative sector received more than 250 days of work. Another significant point is that more than two-thirds of the cashew workers in the government sector got work only up to 150 days in the last year. As against this, the number of days of work was 150 or below only for one-fifth of the workers in the private sector (Figure 4.7).

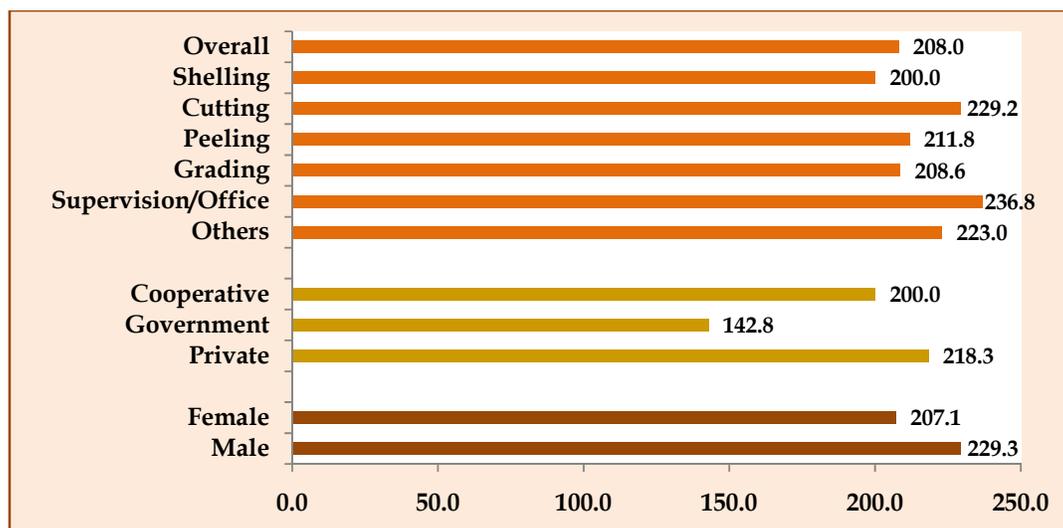
Figure 4.7: Number of Days of Work (in per cent)



Source: Primary Survey.

The average number of days of work for different categories of workers is presented in Figure 4.8. On an average, the workers received 208 days of work in the last year. Occupation wise, the average number of days of work was the highest for office staff/supervisory staff, and lowest for those engaged in shelling. Those engaged in cutting received more number of days of work compared to workers engaged in shelling, peeling and grading. The number of days of work was the highest for workers in the private sector. They received, on an average, 75 days more than those in the government sector and 18 days more than those in the cooperative sector. Male workers, in general, received more work than female workers. It may be noted that the number of days of work is dependent not only on the availability of labour but also on the number of days the worker takes leave with or without wages.

Figure 4.8: Average Number of Days of Work for Different Categories of Workers (in per cent)



Note: Others include roasting/steaming, packing and loading/unloading.

Source: Primary Survey.

About one-fourth of the workers (26.7 per cent) reported that they did not go for work continuously in the unit they are working at present. Enquiries were made as to whether they had tried to get jobs in other factories or in other sectors. The results are detailed in Table 4.1. Only 15 per cent of them worked in other cashew processing units when the factory in which they were working remained closed. Another 6 per cent worked in other sectors. One-third of them did not search for alternate jobs. Only one person mentioned that she looked for alternate opportunities during the days of unemployment but could not succeed. One-third of those who did not work round the year gave illness as the reason.

Table 4.1: Working Status during the Days of Unemployment (in per cent)

Did not search for paid work/ Attended house hold duties	36.8
Temporarily stopped working because of illness	34.7
Worked in another cashew unit	15.1
Worked in other sector	6.3
Searched for work but did not get any employment	0.4
Others*	6.7
Total	100

*Note: *Others mainly include abstaining from work due to personal reasons.*

Source: Primary Survey.

4.7 SKILL REQUIREMENTS AND SKILL ACQUISITION

The work in the cashew sector necessitates some skills especially for those who are engaged in shelling, peeling, grading and cutting. It is usually acquired by the workers with the help of co-workers. Only 3 per cent of the workers have reported that they acquired the necessary skills through a training programme. The training was provided in the unit they work. The training programme was of short duration ranging from three days to one week. After the training programme, the workers are engaged as trainees to get on-the-job training. While the job requirements necessitate such a method of skill acquisition, if some training protocols can be developed at the industry level, skill acquisition can be speeded up. This will benefit both the workers and the management.

4.8 NATURE OF PAYMENT OF WAGES

The majority of workers in the cashew processing industry are paid wages on a piece rate basis. In this method, the wage payment is based on the quantity processed by the worker. Hence workers who are more efficient and skilled get more wages. The piece rate is applicable to workers engaged in shelling, peeling and cutting. Other jobs are usually done on a time rate basis.

As per the long-term wage settlement reached between the representatives of the employees and employers of the cashew processing sector, the wages were revised with effect from 1 February, 2011 (Table 4.2). The rates of the major categories of work are as follows:

Category of Work	Wage Payment System	Minimum Wage Rate
Shelling/Cutting	Piece rate	₹ 22.36 for 1kg shell removed full nut
Peeling (shell removed)	Piece rate	₹ 28.44 for 1 kg full nut
Peeling (broken piece)	Piece rate	₹ 19.54 for 1 kg nut sorted after peeling
Grader	Daily rate	₹ 180

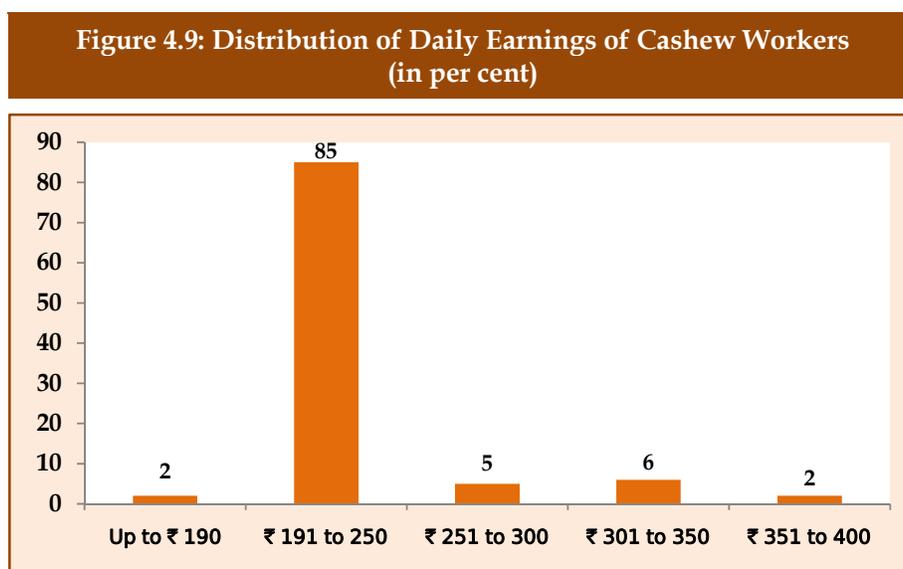
Source: Primary Survey.

The workers who are engaged on a piece rate basis are usually paid wages on a weekly basis. The office staff is paid on a monthly basis. In the case of other workers,

the payment is weekly or monthly. In the case of casual workers, the payment is on a daily basis.

4.9 AVERAGE DAILY EARNINGS

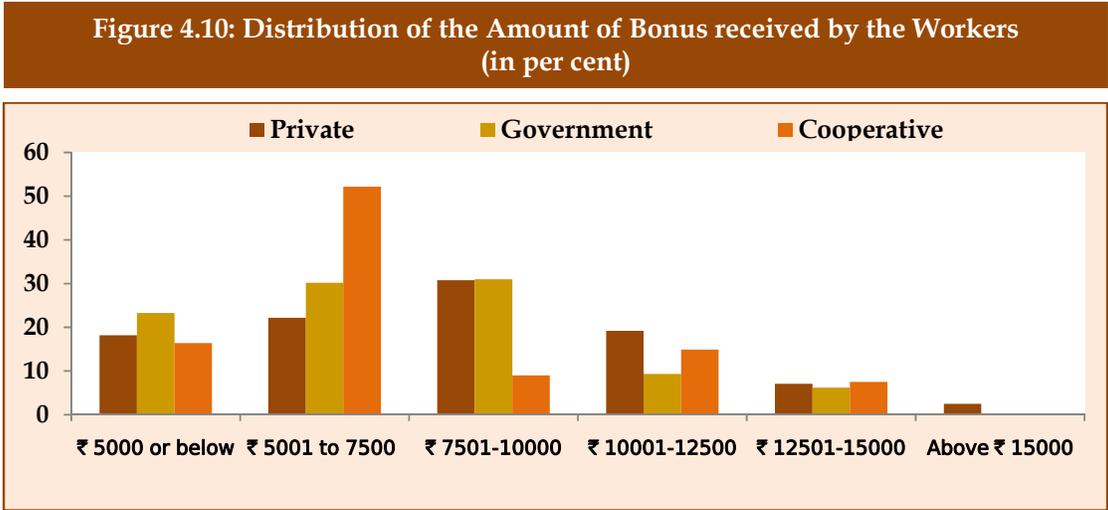
Many studies on the cashew processing industry in Kerala refer to the existence of low wages. This is despite the fact that cashew workers in Kerala get better wages compared to their counterparts in other cashew processing states. Figure 4.9 indicates the distribution of wages among cashew workers. Disaggregated analysis indicates that as in the case of number of days of work, the earnings per day were also higher for office staff/supervisors and other male dominated occupations. Among the different women dominated occupations in the sector, cutting fetched the highest daily earnings followed by grading. The average daily earning was the lowest for shelling, an occupation in which the majority of workers are from SC/ST. It is also the most arduous among the occupations in the sector. The salary for shelling remains low in spite of the fact that labour shortage is felt mainly in shelling. The analysis did not show much difference among factories under different types of management.



Source: Primary Survey.

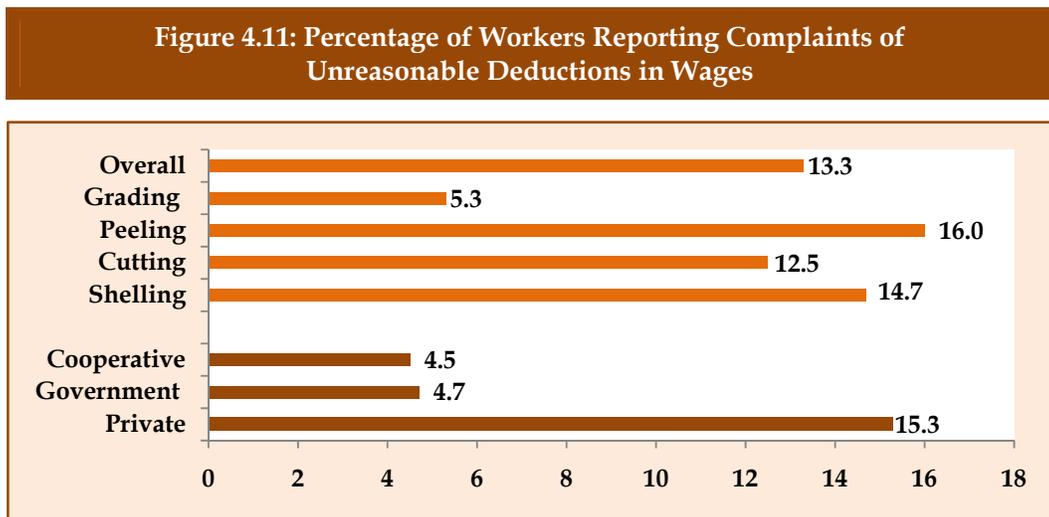
In addition to wages, all the workers in the sample received a bonus. On an average, a worker in the industry received ₹ 8,317 as bonus in the last year. The distribution of the amount of bonus received by the workers during the last one year is presented in Figure 4.10. Since the bonus is a fixed percentage of the wages, the pattern observed in the case of wages is echoed here. Male workers received a higher bonus

compared to female workers, ₹ 11,887 and ₹ 8,164 respectively. This is not surprising given that women in the cashew sector are engaged in the low levels of production, where bonus is low, compared to men who are employed in supervisory and office work.



Source: Primary Survey.

Under piece rate system, the worker has to ensure that the required quantum of output of the required quality is produced. Two aspects become important in a piece rate system. Firstly, there needs to be transparency in the way the quantum of output is measured. Secondly, assessing the quality of the output should be acceptable to the worker and the management. A section of the workers (13.3 per cent) complained about unreasonable deductions made in their wages. Male workers did not make any such complaints.



Source: Primary Survey.

Figure 4.11 presents the details of percentage of workers complaining about unreasonable deductions in wages. Complaints were the highest among peeling workers followed by workers engaged in shelling and cutting. But grading workers did not report major problems related to wage deductions. It was also found that government and cooperative sector were much better than the private sector in this regard. The complaint rate in the private sector was more than three times that in government and cooperative sectors. It appears that there is a lack of transparency in the assessment of the quantum of work relating to peeling, shelling and cutting work in some of the processing units in the private sector. The most widely heard complaint is about inaccurate measurement of weight and assessment of quality. According to the workers, this happens mainly because of the use of tampered weighing machines. Because the method of assessing the quality of the output of a worker lacks transparency, it is difficult for the worker to understand whether the quality assessment is correct.

The workers' right to know about the earnings, benefits, number of days of work, quantum of output, etc. has to be ensured. The workers are entitled to get wage cards/slips (Form 6) with details about the number of days of work, earnings in each week/month, deductions under PF, ESI, quantum of work done, bonus paid, etc. It was found that a small section of the employers are not issuing proper wage slips to the workers. We have even found wage/pay slips which do not have the name of the factory but just the amount paid during different weeks written on a piece of paper.

5.1 INTRODUCTION

Provision of a safe and attractive work environment is important not only to the workers but also to the employers as the cashew processing sector is currently failing to attract the new generation to its fold. A relatively better educated labour force in Kerala is no longer willing to work in poor working conditions. As a result, many of the youngsters prefer to work in retail and other sectors where the work environment is better than that in the cashew processing units. So the continued sustenance of the industry lies in their ability to develop attractive and health promoting work environments. Workers in general are of the opinion that over the years working conditions have improved in the sector as the majority of employers are taking proactive steps.

5.2 HOURS OF WORK AND REST INTERVALS

The usual work time in the cashew processing sector is from 8AM to 5PM. This is true of factories under all types of ownership. There is some uniformity in this regard across different activities and gender. Only 7.5 per cent of the workers reported that they work for extended hours. Under the piece rate system, the worker who is working for additional time gets wages based on the additional output. An attempt has also been made to examine the rest time allotted to the cashew workers. The industry standard is to have three rest intervals/breaks in a day during work. However, it was found that many of the workers skip or reduce their rest intervals to maximize output under the piece rate wage system. The study found that one-third (34 per cent) of the workers skipped rest intervals and this was more prevalent among female workers who are paid on a piece rate basis. Most of the workers who skipped rest intervals did so to maximize the output and thereby increase the earnings under the piece rate system. Only 3 per cent of the workers reported that they had to skip rest intervals because the employers did not allow them the interval. It appears that though proper rest intervals are available in the industry, a good section of the workers are not availing of them. This has long-term

consequences on the health of the worker, more so when the workers are squatting on the floor to perform their work.

Continuous sitting for a long period of time can lead to physical difficulties and disorders. Low back pain has been identified as one of the most common disorders among the cashew working population. If the worker has to sit/squat on the floor, the chances of disorders are more than for work involving sitting on a bench/chair. We have seen that the workers often skip rest intervals and therefore continue working in the sitting position for long hours. The study also explored the sitting position of the women workers engaged in shelling/cutting, peeling and grading (Figures 5.1 and 5.2). It is found that even after significant improvement in many other sectors, four-fifths of the workers in cashew processing are still sitting/squatting on the ground and performing their tasks for long hours without making use of rest intervals. Almost all the shellers perform the work sitting/squatting on the floor. The situation is better among peelers and graders. About one-fourth of the peelers and one-third of the graders sit on a chair/bench while performing their tasks. The cutters perform their task while sitting on a chair/bench or in standing position. It was also found that the situation is better in factories owned by the government compared to those in the private and cooperative sectors.

Figure 5.1: Position in which Workers Perform Various Activities (in per cent)

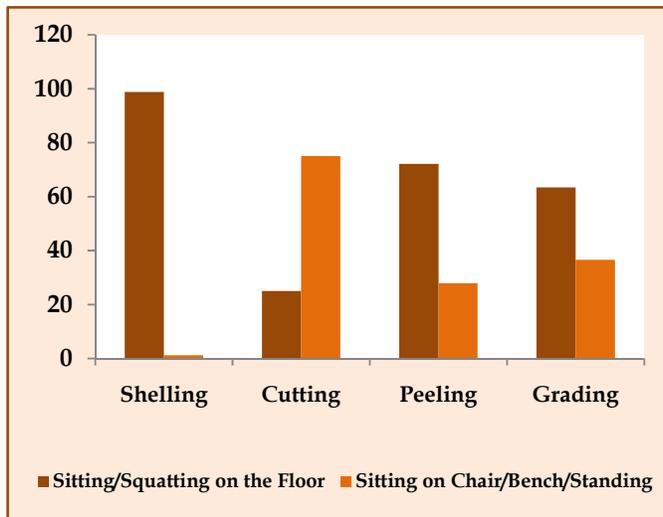
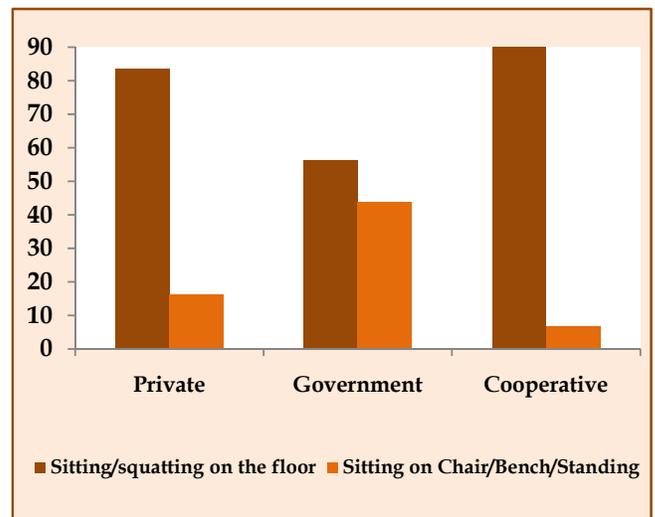


Figure 5.2: Position in which Workers Perform Various Activities by Type of Management (in per cent)



Source: Primary Survey.

5.3 FACILITIES AT THE WORKPLACE

Proper ventilation and sufficient lighting are available in the workspace in the large majority of cases (Table 5.1). Only 5 per cent of the workers reported not having sufficient lighting and 8 per cent reportedly work in spaces lacking proper ventilation. Sufficient toilets and spaces for cleaning/washing are also available in most of the factories. But the problem with toilets and the bathroom/space for cleaning/washing is not related to the availability but their cleanliness. Many of the workers whom we interviewed reported that the toilets and washing places are unclean. This is a major concern for the workers. Another often-heard complaint is that there is no space for the workers to take rest and have lunch. The problem is more widely reported in the factories under the cooperative and public sectors compared to the private sector. The workers have to eat lunch under the trees or in the open. Interestingly, though this problem was widely reported by both genders, a slightly larger proportion of the male workers had such a complaint. The situation arises because the limited facilities provided by the employers are meant for women.

While doing shelling or cutting, the cashew nut shell liquid (CNSL) may fall on the hands of the workers, which in turn can develop black spots on the skin. It can also cause dryness in the skin. Earlier, the hands of the workers involved in shelling tended to be almost black in colour. But over the years there has been some improvement in the situation mainly due to protective methods adopted by the workers. However, this is one reason younger workers are reluctant to engage in this activity. The exposure to CNSL is lower in the cutting process compared to shelling.

Gloves are not usually used by the workers while handling the nuts. The use of gloves is important not only for the health of workers but also for better hygiene in processing. During the survey, one of the employers pointed out that the workers did not use the gloves as it was difficult for them to work wearing gloves. Another improvement possible in the workspace is to install exhaust fans. Uniforms, caps, masks, etc. can also be introduced, as is found in many other countries, to ensure more hygienic processing. Such changes in the work environment may also help in attracting the young generation to the industry. It may be noted that it is increasingly becoming difficult for any industry in Kerala to attract local labour unless it is modernised.

Table 5.1: Percentage of Workers Reporting the Availability of the Facility				
Facility	Type of Management			Overall
	Private	Government	Cooperative	
Proper Ventilation	91.5	93.0	94.0	91.8
Sufficient Lighting	94.9	93.8	95.5	94.8
Sufficient Toilets/Latrines	92.2	98.4	98.5	93.3
Sufficient Space in Resting Room	74.8	58.1	29.9	70.0
Availability of Drinking Water	91.1	93.0	95.5	91.6

Source: Primary Survey.

5.4 HEALTH ISSUES FACED BY THE WORKERS

More than four-fifths of the workers reported health related problems due to their work in the sector. As pointed out by Kannan (1978), one indicator of the conditions of work is the state of health of the workers. The cashew workers are exposed to health risks due to the characteristics of the job. Exposure to smoke from furnaces, contact with the cashew nut shell liquid, unhealthy sitting posture, avoidance of rest intervals to maximize output, unhygienic environment in a section of the factories and the chances of accidents make the workers in the cashew sector vulnerable to health issues.

Table 5.2 presents the proportion of workers who have reported facing health problems due to their work in the cashew sector. These figures have been arrived at solely on the basis of what the respondents have reported. In spite of this limitation, some patterns emerge from the data. Clearly there is a high proportion of health problems reported by those engaged in certain activities like shelling, peeling, grading and cutting.

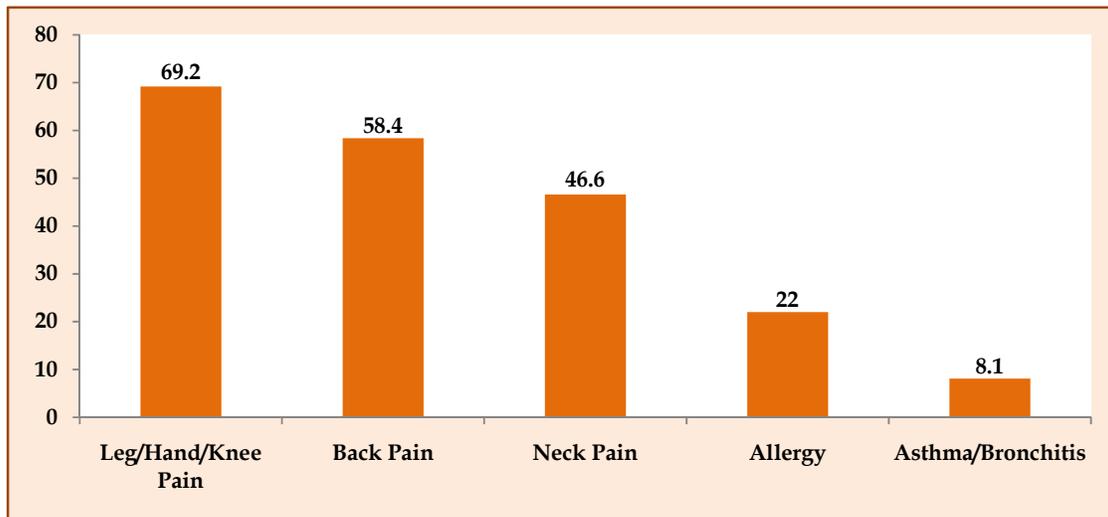
Table 5.2: Proportion of Workers Reporting Health Problems due to their Work in the Cashew Sector (in per cent)	
Shelling	86.6
Cutting	79.2
Peeling	85.1
Grading	84.7
Supervision/Office Work	35.3
Others*	67.6
Overall	84.1

Note: *Others include roasting/steaming, packing and loading/unloading.

Source: Primary Survey.

Pain in the leg/hand/knee/neck/joints and body pain are the most reported health problems. Female workers reported more problems than male workers. Though the workers were reluctant to disclose information about reproductive diseases during the survey, during the in-depth interviews female workers pointed out uncomfortable sitting posture as a probable cause of such diseases. Figure 5.3 presents details about the health problems reported by the workers.

Figure 5.3: Major Health Problems Reported by the Workers (in per cent)



Note: Base, 897 respondents who have reported having a health problem.

Source: Primary Survey.

5.5 ACCIDENTS IN THE WORKING UNIT

Three per cent of the workers met with some accident in the workplace in the last five years. In case of accidents, the employers made arrangements for conveyance to hospital. In some cases, the hospital expenses were fully or partly borne by the employer if the worker was not eligible for ESI facility. There were also instances where the worker meeting with an accident was taken to the nearest private hospital; in a few such cases there were complaints that the employer did not meet the hospital expenses. We have also come across a case where a worker was injured due to electric shock. The employer provided conveyance to the health care facility but did not meet the hospital expenses. In this particular case the worker did not have any ESI facility and therefore had to make an out-of-pocket expenditure on health care. The worker was also not provided wages for the one and a half weeks' leave required to recover from the injury. The ESI Scheme acts as the main instrument to cover health insecurities. But not all workers are eligible for benefits

under the ESI scheme; further, there are certain problems about the functioning of the scheme that need to be addressed.²

5.6 COMPLAINT REDRESSAL MECHANISM IN THE WORKPLACE

Most of the workers reported the absence of a complaint redressal mechanism in the workplace. Such a mechanism exists only in the factories of the KSCDC. A complaint box is available, which is opened every week. The workers reported some instances when positive action was taken on complaints registered by the workers. For instance, one worker in a KSCDC factory told us that an issue of improper waste management, which had created problems for the workers, was solved through such a mechanism.

5.7 ROLE OF TRADE UNIONS

As in the case of other industries in Kerala, trade unions have been playing a major role in ensuring the welfare of the workers in the state. They have been instrumental in wage settlements, negotiating with employers for workers' rights, etc. There are several unions in the cashew sector affiliated to central trade unions. Four in five workers in the sector are members of trade unions (Table 5.3).

Opinion	Private	Government	Cooperative	Overall
Peaceful and Harmonious	84.7	88.4	76.1	84.6
Confrontational	2.1	0.0	0.0	1.7
Varies Considerably	11.1	10.9	23.9	11.9
No Opinion	2.1	0.8	0.0	1.8
Total	100.0	100.0	100.0	100.0

Source: Primary Survey.

In the sample, the majority of the workers considered the existing relationship between the employer and the trade union to be peaceful and harmonious. Only 2 per cent felt that there is confrontation between the employers and the trade unions while another 2 per cent were reluctant to disclose their opinion. A little more than one-tenth of the workers opined that the relationship varies from time to time. This does not mean the industrial relations are smooth and that there are no issues between the employer and trade unions, but it appears that the situation has improved over the years. The situation is more volatile in the cooperatives.

² The details of the ESI scheme are discussed in Chapter 6.

SOCIAL SECURITY AND PROTECTION

CHAPTER

6

6.1 INTRODUCTION

The workers in cashew processing industry face innumerable hurdles in their day-to-day life. As seen in Chapter 3, they belong to the lower social strata. The majority of them come from BPL households, which makes them vulnerable to income shocks and indebtedness. For such a group of workers, the reach and effectiveness of social security schemes is of utmost importance. The workers in the industry can be classified into two types: those covered by the social security schemes and those not covered by such schemes. The workers in the unorganised sector are usually not covered by labour laws and social security schemes. But even in the organised sector, a small section of the workers are not covered by social security. In this chapter, we examine social security and social protection coverage of cashew workers.

6.2 EMPLOYEES' STATE INSURANCE

Employees' State Insurance Act, 1948 (ESI Act), which covers factories and establishments with ten or more employees, provides for comprehensive medical care to the employees and their families as well as cash benefits during sickness and maternity, and monthly payments in case of death or disablement. It was found that 86 per cent of the workers in the sample are eligible for benefits under the ESI scheme. In order to understand the dependence of the workers on the ESI facility for health care, workers health care seeking practices were examined. The workers were asked to report which facility they approach for outpatient (OP) consultation as well as inpatient care when there is a need for health care. The responses are summarised in Table 6.1.

Table 6.1: Health Facility that the Workers Usually Make Use Of (in per cent)		
Health Facility	Outpatient Care	Inpatient Care
ESI Hospital	78.8	76.0
Other Government Hospitals	16.6	18.6
Private Hospitals	4.6	4.8
Total	100.0	100.0

Source: Primary Survey.

More than three-fourths of the workers approach the doctor in the ESI hospital/ dispensary for OP consultation and inpatient care. It is also found that the proportion of workers depending on the ESI facility is slightly lower among the workers employed in factories in the private sector compared to those in the government and cooperative sectors (not reported in the table). This may be because of the lower coverage of the ESI scheme among workers in the private sector. The majority of those who do not depend on ESI hospitals approach other health facilities in the public sector for OP care. Just 5 per cent consider private health facilities as an option in the first instance.

Table 6.2: Reason for Not Depending on ESI Facilities (in per cent)		
Reason	Outpatient Care	Inpatient Care
Not eligible to avail ESI facility	56.2	48.4
Not satisfied with the ESI facility	13.3	18.8
ESI facility is far-off	13.3	14.8
Private facility is more convenient	7.1	5.1
Private hospitals are better	3.5	2.7
ESI doctor referred or recommended private hospital	0.0	1.2
Government hospitals are better	0.9	0.8
Treatment is not effective	4.0	0.0
Base	226*	256*

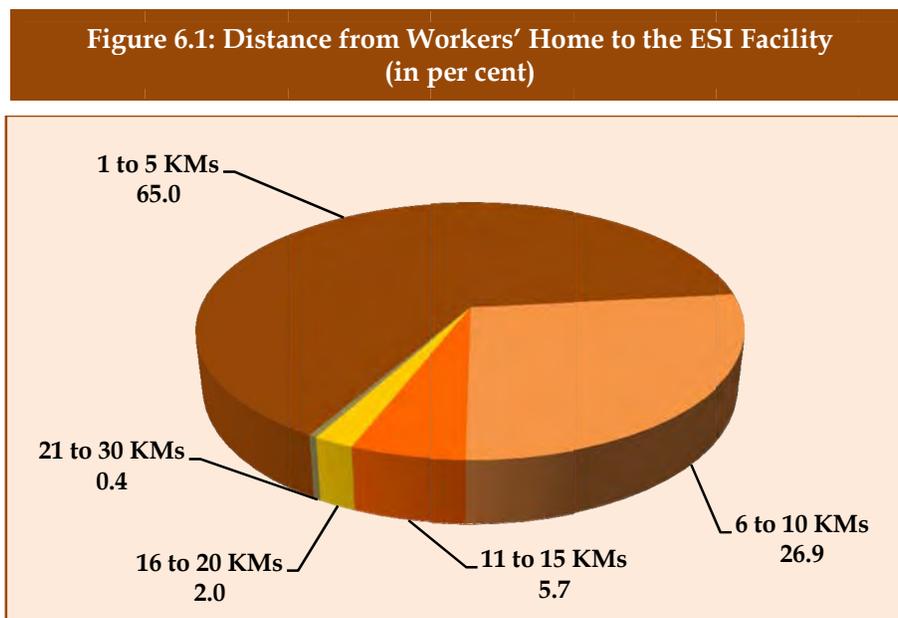
Note: *Respondents who depend on health care facilities other than ESI.

Source: Primary Survey.

The workers who did not depend on ESI facilities for inpatient care were asked the reasons for this. The most cited reason was that the respondent worker was not entitled to avail the benefits under the scheme (Table 6.2). Nearly one-fifth of the workers who depend on non-ESI facilities for inpatient care did so because they were not satisfied with the health care provided in the ESI facilities. The ESI facility being located far away from their residence and inconvenient timings of the

hospitals deterred some of the workers from availing the facilities under the ESI scheme.

In order to understand issues related to physical access to ESI facilities, distance from the residence of the workers to the nearest ESI facility was examined. The details are summarised in Figure 6.1. About two-thirds of the workers have a hospital close to their homes, i.e. at a distance of less than 5 kilometres. But 8 per cent of the workers have to travel more than 10 kilometres to reach the nearest health facility under the ESI scheme. The results clearly highlight the need to undertake efforts to improve physical accessibility to ESI facilities for the workers.



Source: Primary Survey.

More than one-fifth (21.8 per cent) of the workers covered in the survey reported some problems in accessing health care. The major problems they face are presented in Table 6.3. The primary issue in accessing health care facilities is that even when they depend on ESI facilities, they have to buy medicines/consumables, as these are not provided by the ESI facilities. A few workers also reported that they had to get lab tests done outside. Another major problem is related to the non-availability of doctors. Doctor are either not be available on the day the workers visit the hospital or they have to wait long hours for consultation. It may be noted that the absence of doctors necessitates additional visits to the health facility, which in turn results in loss of more days of work. Another often cited problem was related to the issue of medical certificates. Many workers reported difficulties in getting medical leave

even if they were genuinely ill. On the other hand, there is a perception that one has to pay a bribe to get a medical certificate from the ESI hospital/dispensary. Such a perception prevails mainly in the case of illnesses which do not require inpatient care. Unsatisfactory behaviour of doctors and staff, difficulty in reaching the health facility and the absence of 24x7 service are the other major problems reported by the workers.

Table 6.3: Problems Reported by Workers in Accessing Health Care (in per cent)	
Problem	
Have to buy medicines from outside	57.3
Service of doctors not available	19.8
Difficulty in getting leave for treatment	16.4
Delay in obtaining medical certificate	12.5
Earned leave available only if admitted in hospital	6.5
Inconvenience to reach the ESI facility	5.2
Not eligible for ESI	3.4

Source: Primary Survey.

6.3 PROVIDENT FUND

Employees' Provident Funds & Miscellaneous Provisions Act, 1952 (EPF & MP Act), which applies to specific scheduled factories and establishments employing 20 or more employees, ensures terminal benefits of PF, superannuation pension and family pension in case of death during service. A large majority of the workers (85.5 per cent) in our sample have enrolled in PF. One often heard problem related to the PF is that the employers were not regular in paying the contribution to the PF.

The contribution to the PF has to be made by both the employer and the worker. A section of the workers raised complaints about the lack of transparency in the payment of PF contributions by the employer. The worker's contribution is 12 per cent, which is to be deducted from the wages. The employer has to remit the worker's contribution and the employer's contribution to the PF. It was pointed out that some of the employers make only a partial contribution. The worker is also asked to contribute less than the stipulated 12 per cent. The adjustment is made by adjusting the wages/number of days of work in the records. Some of the workers are happy because their daily earnings are increased. The employer is happy because he

has to spend less on PF. While this may not be an industry wide phenomenon, the situation demands the attention of the PF authorities.

6.4 OTHER BENEFITS UNDER CENTRAL LEGISLATIONS

In addition to ESI and PF, the women workers in the sector are eligible for maternity benefits. The Maternity Benefit Act, 1961 (MB Act) provides for leave with wages during maternity. The workers did not raise any complaints about maternity benefits. Another legislation intended to benefit the workers is the Employees' Compensation Act, 1923 (WC Act). As per the Act, compensation has to be paid to the workers or his family in cases of employment related injuries resulting in death or disability. But though some incidents of work related injuries have been reported by the workers in the sample, they had not caused death or disability. Yet another important legislation which benefits the workers is the Payment of Gratuity Act, 1972. As per the Act, the employer has to pay 15 days' wages for each year of service to employees who have worked for five years or more in establishments having a minimum of ten workers. The payment has to be made soon after the workers complete the service in the unit. Our discussions with different stakeholders indicated that the workers do not get the gratuity at the time of retirement. This is happening not only in the private sector but also in the government and cooperative sectors. The workers get the gratuity several years after they retire from service. It was pointed out that in the case of the state owned KSCDC and the cooperative CAPEX, the amount earmarked in the state budget for paying gratuity is spent for procuring raw materials because of the shortage of working capital. There were also complaints that the full gratuity is not extended to the workers. It was also pointed out that a large number of cases relating to payment of gratuity are pending in different courts of law. In some cases, there was a change of ownership of the processing unit. As per the Gratuity Act, the last employer (the owner of the unit at the time of termination of service of the worker) is liable to pay the gratuity. At present, there is no mechanism to make the employer pay an annual gratuity contribution. Therefore, the present employer has to pay the full amount even if s/he has become the owner recently. To avoid such payments or at least delay the payments, they approach the courts. This results in much delay in workers getting the gratuity.

6.5 CASHEW WORKERS' RELIEF AND WELFARE FUND

In addition to the above central legislations, the Government of Kerala has initiated a welfare fund for cashew workers managed by the Kerala Cashew Workers Relief and Welfare Fund Board. The scheme came into force in 1988. The Board which administers the fund has representation from the government, employers and employees. There are three executive officers at Kottayam, Kottarakkara and Kayamkulam and eleven inspectors at different places. The scheme covers about 1.65 lakh workers. The income sources of the Board are the contributions from employees and employers and a matching grant from the Government of Kerala. The contribution of employee and employer is fixed at ₹ 1 each per day of work, which is to be paid on a monthly basis. The government pays a matching grant equivalent to employees' contribution on an annual basis. The benefits under the scheme are:

Pension: A member gets a pension at the rate of ₹ 500 per month on termination of service or on attaining the age of superannuation or when rendered permanently disabled which incapacitates the worker to continue employment.

Ex-gratia Assistance: A member or his/her dependent gets a sum of ₹ 2,500 as ex-gratia payment in case of accidental death of the member or prolonged illness or permanent disablement of the member incapacitating the worker to continue employment.

Maternity Benefit: A sum of ₹ 1000 (maximum three times) is granted to women employees who are deprived of the maternity benefit under the ESI scheme due to insufficient attendance during the relevant period.

Scholarship: Children of members of the welfare fund get scholarships at different rates for their education. The scholarship amount is ₹ 500 at the higher secondary level, ₹ 750 at the undergraduate level and ₹ 1000 at the postgraduate level. For professional courses, it is ₹ 1,500.

Financial Assistance for Funeral Expenses: There is a lump sum payment of ₹ 1000 in the event of death of the member while in service and ₹ 500 if after service.

Financial Assistance for Marriage: An amount of ₹ 1000 (maximum two times) is available for expenditure involved in the marriage of daughters of widowed members.

Refund of Accumulation Contribution: In the event of death of the member or on voluntary retirement, the amount of contribution in the credit of the member will be refunded to him/her or his/her nominee/legal heir.

It was found that 88.6 per cent of the workers in the sample have membership in the Kerala Cashew Relief and Welfare Fund. The workers without membership in the Fund were mainly in the private sector. Four per cent of the workers who are members of the Welfare Fund opined that there were problems in getting assistance from the Welfare Board. The main problem was the delay in receiving the benefits. Due to the delay, the workers have to make several visits to the office of the Board. Since the visit can only be done on a working day, it results in the loss of wages for the day. If multiple visits are needed, the opportunity cost of the worker will exceed the financial benefit from the Board. It was also found that the scholarship offered to the children of cashew workers is not at all attractive and it hardly acts as an incentive given the high cost of education faced by the households. This is more so in the case of higher and professional education. There has also been a demand for increasing the pension amount under the Welfare Fund. It may be noted that some of the workers such as widows, unmarried women aged above 50 years and workers aged above 80 years are eligible for higher amounts of pension under the various other social security schemes initiated by the state and central governments. These pensions are provided without any contribution from the beneficiaries. Therefore, there is a need to rationalise the pension scheme under the Welfare Fund.

The overall approach of the study was premised on the consideration that there is a pertinent need to protect the cashew workers' welfare and rights on the one hand and the sustainability of the cashew industry on the other. Viewed in this perspective, the suggestions and recommendations presented in this chapter have been formulated taking a holistic approach to the cashew processing sector. The major suggestions/recommendations emerging from the study have been grouped under short-term and medium-term measures.

SHORT TERM MEASURES

- The ESI scheme has been playing a major role in ensuring security towards the health risks of workers in the cashew sector. However, some operational issues have prevented the full utilisation of ESI facilities. One major problem related to the health care facilities under ESI is the non-availability of medicines and consumables. This has been widely reported by the workers. While the amount paid for buying medicines from outside are eventually reimbursed, it necessitates additional visits to the health facility. This, in turn, may result in loss of working days. In view of this, there is an urgent need to strengthen the system of supplying medicines and consumables to the ESI dispensaries and hospitals.
- Given the precarious financial position of the workers in traditional industries like cashew, zero balance account facility in the banks should be extended to cashew workers as well.
- Physical access to an ESI health facility is a problem in a few places. There is a need for GIS mapping to understand the gaps in the ESI network. This has to be matched with the number of workers registered with ESI in each locality. New health facilities under ESI should be started taking into consideration the gaps. Periodic health camps may also be organised at the

factories so that there is no loss of working days for the cashew workers which adversely affects their earnings.

- It is becoming increasingly difficult for the cashew industry, particularly in Kerala to attract local labour. Poor working conditions are definitely one of the reasons that discourage workers from joining the cashew industry. Of course, over the years there has been some improvement in the conditions of work in the industry. However, there is still much scope to improve working conditions; some measures are detailed below:
 - a. A large majority of women workers in the industry sit/squat on the floor to perform tasks such as shelling, peeling and grading. This uncomfortable posture leads to many health problems. In view of this, there is a need to provide benches/chairs for the workers so as to discontinue the current unhealthy practice. This will necessitate some additional investment by the employers. The employers are likely to shift to this better practice if some incentives are provided by the government. It was also found that the workers often skip rest intervals and work continuously without taking necessary rest in this uncomfortable posture. Workers should be sensitised about the need for rest during the intervals meant for resting. This has long-term consequences on the health of the worker, more so when the workers are squatting on the floor to perform their work.
 - b. Gloves are not usually used by the workers while handling the nuts. The use of gloves is important not only for the health of workers but also to ensure better hygiene in processing. There is a need to provide proper orientation to the workers to use gloves especially as there exists apprehension about reduction in output if gloves are used. Such programmes can be organised by government agencies. It would also be helpful if some incentives are provided to encourage workers to use gloves. Employers should also be made aware of the importance of adopting and adhering to such hygienic practices particularly while competing for a share in the international market.
 - c. Another improvement possible in the workspace is installation of exhaust fans. Uniforms, caps, masks etc can also be introduced, as is found in many other countries, to ensure more hygienic processing.
 - d. There is a need to provide clean toilets and washing space to the workers. It is equally important to provide sufficient space for resting and eating.

- To improve the working conditions, the government may provide a one-time grant/soft loans to the employer as an incentive to shift to needed practices and also for modernizing working sheds.
- A section of the workers complained about the lack of transparency in the payment of PF contributions by the employer. The employer has to remit the worker's contribution and the employer's contribution to the PF. It was pointed out that some of the employers make only a partial contribution. A regular mechanism to monitor the inflow of funds to the PF account should be undertaken to prevent such malpractices which can adversely affect the welfare of the workers in the sector in the long run.
- The computerisation of ESI and PF has enabled a better environment for monitoring the enrolment and regularity of payments by both the employer and the worker. It is felt that there is much scope, than presently made use of, to identify the defaulters of ESI and PF contributions.
- Increasing efficiency of the workers is beneficial to both the employer and the worker. In view of its importance, training and orientation programmes should be organised for workers, employers and the representatives of trade unions working at different levels. Available institutional structures like the Central Board for Workers' Education (CBWE), V.V. Giri National Labour Institute, and the Kerala Institute for Labour and Employment should collaborate with trade unions and employers' associations to provide the requisite training. Training/ orientation may be given on increasing output, improving quality of the output, need for better work environment, more hygienic practices in processing etc. Most of the jobs in the sector require some skill acquisition which is presently acquired through on the job training. The training method varies from unit to unit. Skill upgradation and orientation programmes for adopting new techniques may also be required if there is a change in the method of processing employed in the unit. While the job requirements necessitates on the job training for skill acquisition, if some training protocols can be developed at the industry level, the acquisition can be made faster. This will benefit both the workers and the management. The relatively better education of the workers in the sector as compared to the scenario in other cashew processing states is a positive aspect in adopting any technological change in the industry.

MEDIUM TERM MEASURES

- Dedicated Boards have played a key role in promoting, production, productivity and related aspects of traditional industries like coir. There is an urgent need to establish a 'Cashew Board' on similar pattern to promote the sustainability of cashew industry and employment.
- Low wages and irregularity in the availability of work are two major problems faced by the workers in the industry. The workers, on an average, get less than the minimum wages fixed for the state for unskilled workers. This is in spite of the fact that only skilled workers can undertake most of the jobs available in the cashew processing industry. To ensure that the workers in the cashew processing industry are not denied of adequate wages, an income support scheme may be initiated. The coir industry has such a programme for the workers engaged in spinning activity. The government provides an additional sum to the workers to make sure that they currently get at least ₹ 210 per working day. The workers have to be registered in the Coir Project Office for getting this benefit.
- Gratuity is a major social protection measure that helps to tide over the difficult period of lack of income after retirement. A widely held complaint among the workers is the late payment of gratuity. Gratuity is to be paid to the employee soon after retirement. But there have been inordinate delay in payment not only in the private sector but also in the government and cooperative sectors. At present, there is no annual contribution to gratuity. The employer has to raise a large amount on retirement of an employee. In the absence of a fixed fund for gratuity at the unit level, any shortage in working capital can affect the disbursement of gratuity to the worker. If there is a change of employer, there can be additional delays. There were also complaints regarding the calculation of gratuity. In view of the above, it is suggested that a new system should be introduced in the cashew processing industry to make sure that the workers get the benefit of gratuity soon after retirement. It is suggested that a separate fund should be created and the annual contributions of the employer towards the gratuity of each employee are paid to this fund. It is also important to make sure that the workers should be made aware of the annual contribution made to the gratuity fund.

- A large majority of the workers in the industry are members of the Cashew Workers' Relief and Welfare Board. Some of the workers in the sample reported problems in accessing the benefits of the Board. In some cases, the workers had to visit the office of the Board one or more times to avail the benefits. This leads to loss of wages for such days. Improvement in the functioning of the Welfare Board can help in curtailing such visits. It was also found that the scholarship offered to the children of cashew workers is not at all attractive and it hardly acts as an incentive given the high cost of education. This is more so in the case of higher and professional education.
- There is also a demand for increasing the pension amount under the Welfare Fund. It may be noted that some of the workers such as widows, unmarried women aged above 50 years and workers aged above 80 years are eligible for higher amounts of pension under other social security schemes initiated by the state and central government. Such pensions are provided without any contribution from the beneficiary unlike the pension from the Cashew Workers' Relief and Welfare Board. Therefore, there is a need to rationalize the pension scheme under the Welfare Board.
- The cashew processing industry in Kerala is facing a shortage of labour mainly because the young generation prefers to work in other sectors, which offers them better work environment. The industry, now recruits labourers from the North, East and North-eastern states to ward off the labour shortage. These workers are given a lump sum. Their earnings in Kerala are much better than they get in their native states before migration. Therefore, the workers seldom complain about not getting other benefits extended to local workers. It is suggested that the benefits of the welfare schemes available to the native workers are extended to the migrant workers as well.
- The existence of unauthorised processing units is a threat to the processing units which pay for the social security of the workers. These unauthorised units do not contribute to the welfare programmes of the workers. As deductions under ESI and PF are not made, the daily earnings of the workers employed in such unauthorised units can be slightly higher. This attracts a section of the workers. This also contributes to the shortage of labour in the factories in the organised sector. There is a need to check the proliferation of such units as they can act as a threat to providing decent working conditions to workers in the sector.

- Considering that cashew processing is spreading across different regions of India and conditions of work are still unsatisfactory, it is suggested that a Central Welfare Fund similar to that of Building and Construction Workers Welfare Fund or Beedi Workers' Welfare Fund should be established for cashew workers.
- Given the fact that the cashew industry is dominated by the women workers, possibilities should be explored to establish *Mahila Banks* in selected centres to enhance women's empowerment.
- As noted earlier, ensuring sustainability of the cashew industry is one way to improve conditions of the workers. Definitely there is a set of employers, who have tried to improve the work environment. But there is also a need to recognise that entrepreneurs face some genuine problems. The cashew processing industry in Kerala has to compete with the processing units in other states which offer lower wages and working conditions. They also have to compete with other countries where the production cost is lower. The processing industry also has to compete with the unlicensed cottage units (*kudi varappu*) within Kerala which offer no social protection for workers or good work environment. Such a situation influences the cost competitiveness of the entrepreneurs who want to provide decent working conditions for the workers. Thus the economic prerequisites for maintaining and developing attractive work environments in the cashew processing industry in Kerala are not optimal. The competitiveness is also affected by the continuance of the non-mechanised form of labour followed in the state's processing units even when the industry faces shortage of labour. Here, we suggest a few measures to improve the situation:
 - a. The significant growth in the Indian middle class and their changing life styles are likely to increase the domestic consumption of cashew kernels in the future. To tap this growing domestic market, there is a need for pooling of resources of the government and the industry. Till now, the efforts to tap the domestic market have been undertaken by a few players. Effective promotional strategies have to be initiated with the participation of all stakeholders, the state and central governments as well as the entrepreneurs. There is also a need to give recommendations to use Indian processed cashew in certain sectors like defence and tourism.

- b. Product diversification is an area that demands more attention. While doing so, the needs of the domestic market and price sensitivity of the domestic consumers have to be taken into consideration. Value addition may be possible in the case kernel pieces also. At present there is an apprehension among consumers about the quality/taste of the kernel pieces which needs to be changed through proper awareness programmes among consumers. The Cashew Board can also act as a facilitator for expanding the market for Indian cashew in the international market. Promotional strategies targeting the growing Indian population in countries such as USA, Europe and the countries in Middle East can provide rich dividends.
 - c. Most other cashew processing countries are increasingly adopting the steaming method of processing, which is considered to be more hygienic. This is true even with respect to some of the other cashew processing states in India. On the one hand, there is a need to properly train the existing work force to undertake such activities so as to equip them to do the new job, it is equally important to develop a market for cashew highlighting the geographical location in which cashew is produced and processed.
- The public sector player in the industry, KSCDC, has been incurring losses for several years. Such losses are attributed to the inability of the Corporation to raise sufficient working capital. As a result, the Corporation which was envisaged to be a model employer has not been able play the role effectively. It is suggested that a detailed study of the issues related to the functioning of KSCDC as well as CAPEX need to be undertaken to suggest measures to improve its performance.
 - No reliable estimate of the current domestic market for cashew kernels is available. The preferences and price sensitivity of the domestic consumers may be different from those of consumers in the USA or Europe. To provide such data and information, market research on the domestic market of cashew kernels should be initiated.
 - Equally important is to promote scientific research to develop better varieties of cashew so as to improve cashew production as well as productivity.

APPENDIX

Appendix 1

Sampling Framework of the Study	
<i>Respondent Groups</i>	<i>Sample Size</i>
a. Primary Survey among cashew workers in Kerala	1066
b. In depth interviews with workers	50
c. Focus group discussions with workers	10
d. In depth interviews with industrialist, traders and exporters engaged with cashew	50
e. In depth interviews with trade union representatives	10
f. In depth interviews with government officials	10

Research Study on Employment and Social Protection of Cashew Workers in India with special reference to Kerala

Schedule for Sample Survey of Cashew Workers

Questionnaire Number:

IDENTIFICATION													
A1. District and Code		Kollam..... 1 Pathanamthitta..... 2 Alappuzha..... 3					<input type="checkbox"/>						
A2. Name of the Local Government and Code		<input type="text"/>											
A3. Name of the Unit and Code		<input type="text"/>											
A4. Type of Ownership of the Unit		Private 1 Government 2 Cooperative..... 3											
A5. Name of the Respondent													
A6. Address of the Respondent		----- -----											
A7. Telephone No. (mobile or land line)													
A7. Interview Date						D	D	M	M	Y	Y	Y	Y
										2	0	1	3
Name	<i>Spot Checked by</i>	<i>Field Edited by</i>	<i>Office Edited by</i>				Keyed By						
Date	_____	_____	_____				_____						
<i>Name, Code & Signature of the Investigator</i>					<i>Name & Signature of the Supervisor</i>								
<p>My name is _____ and I am working with the Centre for Socio-economic & Environmental Studies. We are conducting a Study on Employment and Social Protection of Cashew Workers jointly with the V.V. Giri National Labour Institute. We would very much appreciate your participation in this survey. The survey usually takes around twenty minutes to complete. Whatever information you provide will be kept strictly confidential and will not be shown to other persons. Participation in this survey is voluntary. If you choose to participate, you may subsequently withdraw from the survey at any time. However, we hope that you will take part in this survey since your participation is important.</p> <p>At this time, do you want to ask me anything about the survey? ANSWER ANY QUESTIONS AND ADDRESS RESPONDENT'S CONCERNS.</p> <p>May I begin the interview now?</p>													

BLOCK 1: EMPLOYMENT-UNEMPLOYMENT

1.1	How many years have you been working in the cashew sector?	Years.....	
1.2	How many years have you been working in the current working unit? (If less than one year, write the number of months, else approximate number of years)	Years..... Months.....	
1.3	How many days did you work in this unit in the last year?	Days.....	
1.4	During the last one year did you work continuously or were there breaks in-between?	Yes..... 1 No..... 2	
1.5	During the last one year what did you do when you did not have work in this unit	Worked in other cashew units..... 1 Worked in other sectors..... 2 Searched for work but did not get any employment..... 3 Did not search for paid work/ attended household duties 4 Others (specify)..... 5	
1.6	Nature of employment	Permanent 1 Temporary/Casual..... 2 Contract..... 3 Trainee..... 4 Others (specify)..... 5	
1.7	Is the work in this unit a part time or a full time work?	Full time..... 1 Part time..... 2	
1.8	If the work in this unit is part time what other activity do you take up?	Work in other cashew units..... 1 Work in other sectors..... 2 Did not search for paid work/attended household duties..... 3 Others (specify)..... 4	

BLOCK 2: NATURE OF WORK AND SKILL REQUIREMENT

2.1	In which activity are you engaged in this unit?	Shelling..... 1 Cutting..... 2 Peeling..... 3 Grading..... 4 Packing..... 5 Steaming..... 6 Roasting..... 7 Loading/unloading..... 8 Drying..... 9 Supervising..... 10 Office work..... 11 Others (specify)..... 12	
2.2	The activity that you are involved has which of the following aspects	Fully manual labour..... 1 Mainly manual labour but supported by machinery..... 2 Mainly machinery but supported by manual labour..... 3	
2.3	How did you acquire the skill to do this activity?	Learned from workers who are Kins..... 1 Learned from other workers..... 2 Learned through a training programme..... 3 No skill required..... 4	
2.4	Did the unit provide any skill training for the work you are doing?	Yes..... 1 No..... 2	
2.5	If Yes, Please provide the details of the training like place, duration, skill, method etc.?		

BLOCK 3: WAGES, EARNINGS AND BENEFITS

3.1	Nature of payment of wages	Piece rate..... 1 Time rate..... 2 Salary..... 3 Others (specify)..... 4	
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3.2	How often the wages are paid	Daily..... 1 Weekly..... 2 Fortnightly..... 3 Monthly..... 4 Others (specify)..... 5	
3.3	During the last one year, on an average, how much do you earn a day you work?	₹	
3.4	Are deductions made in your wages?	Yes..... 1 No..... 2	
3.5	Reasons for which deductions are usually made	Absence from work..... 1 Lower output..... 2 Lower quality/damage..... 3 Others (specify)..... 4	
3.6	Do you think that the deductions are reasonable?	Yes..... 1 No..... 2	
3.7	Do you receive any of the following benefits or are you eligible for the following? (Ask each option) Yes-1, No-2	a) ESI	1 2
		b) PF	1 2
		c) Gratuity	1 2
		d) Earned Leave	1 2
		e) Maternity benefit	1 2
		f) Pension	1 2
		g) Bonus	1 2
3.8	Amount of bonus received this year.	₹	

BLOCK 4: CONDITIONS OF WORK, ACCIDENTS AND REDRESSAL SYSTEM

4.1	How do you perform your task?	Sitting/squatting on the floor..... 1 Sitting on chair/bench..... 2 Standing..... 3 Others (specify)..... 4	
4.2	Normal working time and hours of work	a. From..... To.....	
		b. Number of hours	
4.3	Do you work beyond normal working hours?	Yes..... 1 No..... 2	
4.4	If Yes, are you paid for addition and working hours and rate at which such payments are made per hour?	Yes..... 1 No..... 2	Rate in ₹/hr
4.5	Number of rest intervals/breaks?	Number.....	

4.6	Do you skip breaks/rest intervals	Yes..... 1 No..... 2	
4.7	If Yes purpose for which you skip the rest interval?		
4.8	Total duration of the rest intervals (in minutes) that you actually take?	Minutes.....	
4.9	Whether the work space has the following? (Ask each option) Yes-1, No-2	a. Proper ventilation	1 2
		b. Sufficient lighting	1 2
		c. Sufficient toilets/latrines	1 2
		d. Sufficient space in resting room/place	1 2
		e. Drinking water	1 2
		f. Satisfactory washing/cleaning facilities	1 2
4.10	Have you faced any of the following during the last one year in the workplace? (Ask each option) Yes-1, No-2	a. Late payment of wages	1 2
		b. Had to work when sick	1 2
		c. Verbal abuse	1 2
		d. Physical abuse	1 2
4.11	What are your problems as a cashew worker	Low wages/earnings..... 1 Delay in getting wages/payments..... 2 Health problems..... 3 Lack of job security..... 4 Others (specify)..... 5	
4.12	Do there exist complaint redressal mechanism in the factory?	Yes..... 1 No..... 2	
4.13	Do you think that complaint redressal mechanism is useful?	Yes..... 1 No..... 2	
4.14	Please give details of one or two cases where the redressal mechanisms were found either useful or not useful?		
4.15	Did you face any accident in the work place (cashew unit) during the last five years?	Yes..... 1 No..... 2	

4.16	Please give details about the accident and the support you received from the employer.		
4.17	Days lost due to illness/accident during the last one year?		
4.18	Did you get the wages for these days?	Yes, for all days.....1 Yes, but only for some days..... 2 Did not get..... 3	
4.19	Has the factory in which you are working now remained closed other than regular holidays during the last two years?	Yes..... 1 No..... 2	
4.20	If yes, the period for which it was closed and reasons cited for such closure?		
4.21	Do you receive salary or compensation when the factory remains closed?	Yes..... 1 No..... 2 Not applicable..... 3	
4.22	Please provide details regarding existing relations between the management and labour unions in your factory? How far such relations are contributing/obstructing the growth of the firm and employment?		

BLOCK 5: HEALTH AND HEALTH CARE

5.1	Do you have any health problem because of your work in the cashew sector?	Yes..... 1 No..... 2	
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5.2	<p>What are the health problems you have? More than one response possible</p>	<p>Body pain..... 1 Leg/hand/knee Pain..... 2 Back pain..... 3 Joint pain..... 4 Neck pain..... 5 Head ache..... 6 Asthma/ Bronchitis..... 7 Cough..... 8 Tuberculosis..... 9 Skin disease..... 10 Sneezing..... 11 Arthritis..... 12 Urinary Infection..... 13 Allergy..... 14 Other diseases (specify) 15</p>	
5.3	<p>In case of illness whom do you consult usually?</p>	<p>Doctor in the ESI dispensary/ Hospital..... 1 Other government doctors..... 2 Private doctors..... 3 Medical shop 4 Others (specify) 5</p>	
5.4	<p>Why you do not depend on the ESI facilities? More than one response possible</p>	<p>I am not eligible to avail ESI facility.... 1 The ESI facility is far off..... 2 I am not satisfied with the ESI Facility..... 3 Private doctors are better..... 4 Private facility is more convenient 5 I have to pay money in ESI..... 6 Others (specify)..... 7</p>	
5.5	<p>In case of hospitalization, where will you go for treatment?</p>	<p>ESI hospital..... 1 Other government hospital..... 2 Private hospital..... 3 Others (specify)..... 4</p>	
5.6	<p>Why you do not depend on the ESI facilities when hospitalisation is required for you? More than one response possible</p>	<p>I am not eligible to avail ESI facility.... 1 The ESI facility is far off..... 2 I am not satisfied with the ESI Facility..... 3 Private hospitals are better..... 4 Private facility is more convenient..... 5 I have to pay money in ESI..... 6 ESI doctor recommended to this hospital..... 7 Others (specify)..... 8</p>	

5.7	Distance to the ESI dispensary (in kilometers)	Kilometers	
5.8	Do you face any problems in accessing health care?	Yes..... 1 No..... 2	
5.9	Please specify the problems in accessing health care?		

BLOCK 6: INDEBTEDNESS

6.1	Are you financially indebted at present?	Yes..... 1 No..... 2	
6.3	If yes, to whom all? More than one response possible	Banks..... 1 Cooperatives..... 2 Employer..... 3 NBFCs..... 4 Money lenders..... 5 SHGs..... 6 Friends/Relatives..... 7 Shops..... 8 Others (specify)..... 9	
6.2	Amount of financial indebtedness?	Less than Rs. 5000..... 1 ₹ 5001 - 25000..... 2 ₹ 25001 - 50000..... 3 ₹ 50001 - ₹ 1 lakh..... 4 Above ₹ 1 lakh..... 5	
6.3	Please give the details which led to the financial indebtedness and the problems arising from such situation like high interest rates?		

BLOCK 7: INSTITUTIONAL SUPPORT AND ORGANISATIONAL AFFILIATION

7.1	Are you a member of any trade union?	Yes..... 1 No..... 2	
7.2	Are you a member of any self help group?	Yes..... 1 No..... 2	
7.3	Are you a member of Cashew Workers Welfare Fund Board?	Yes..... 1 No..... 2	
7.4	For what all purposes you have received support from the Welfare fund? More than one response possible	Pension..... 1 Financial aid for education of children..... 2 Financial aid for marriage of daughter..... 3 Financial aid for building house..... 4 Financial aid for maintenance of house..... 5 To meet health related expenses..... 6 Others (specify)..... 7	
7.5	Please provide details of one or two instances where you found activities of the Welfare Fund being beneficial to the workers or non beneficial? (including the problems that you may have encountered in accessing benefits)		

BLOCK 8: VIEWS/SUGGESTIONS TO IMPROVE EMPLOYMENT AND WELFARE OF WORKERS

8.1	How do you see the prospects for sustainable employment in the cashew sector and measures to make it sustainable?		
8.2	What needs to be done to strengthen the welfare benefits to workers, including working of the Welfare Fund?		

PERSONAL DETAILS ABOUT THE RESPONDENT AND THE FAMILY

1	Age of the Respondent	Years.....	
2	Gender (DO NOT ASK)	Male..... 1 Female..... 2	
3	Religion	Hindu..... 1 Christian..... 2 Muslim..... 3 Others..... 4	
4	What is your caste or tribe? Do you belong to a scheduled caste, scheduled tribe or other backward caste?	SC..... 1 ST..... 2 OBC..... 3 OEC..... 4 Others 5	
5	Mother tongue	Malayalam..... 1 Others (specify) 2	
6	Educational qualification of the worker	Illiterate 1 Literate, no formal schooling..... 2 Schooling up to 4 years 3 Schooling 5-9 years 4 SSC..... 5 HSC/ Certificate course 6 Graduate/ Post graduate 7 Not disclosed 8	
7	Marital status of the worker	Married 1 Single..... 2 Seperated/deserted/divorced..... 3 Widowed..... 4	
8	Ownership Status of the House	Owned..... 1 Rented..... 2 Rent free..... 3	
9	Type of house	Pucca..... 1 Semi-pucca..... 2 Kutchca..... 3	
10	Number of living rooms	No.	
11	Is there electric connection in the house?	Yes..... 1 No..... 2	

12	What is the main source of drinking water?	Piped water.. 1 Own well..... 2 Public Tap..... 3 Public well..... 4 Tap/well in the neighboring house.....5 Pond/River/Backwater..... 6 Others 7	
13	Type of toilet	Own Flush Toilet..... 1 Own Pit Toilet..... 2 Shared Toilet (Any Type) 3 Public/Community Toilet (Any Type)..... 4 No Toilet Facility 5	
14	Main cooking fuel used	Firewood..... 1 LPG..... 2 Kerosene..... 3 Electricity..... 4	
15	Does your household has any of the following:? Ask each option Yes-1; No-2	a. Refrigerator	1 2
		b. Cable connection	1 2
		c. Mobile phone	1 2
		d. Two-wheeler	1 2
		e. Four-wheeler	1 2
		f. Television	1 2
16	Does your household have a Below Poverty Line (BPL) ration card?	Yes..... 1 No..... 2	
17	Total number of members in the houshold	
18	Number of earning members in the household (including the respondent)	
19	Number of members in the household engaged in cashew sector (including the respondent)	
20	Are you the main earner in your household?	Yes..... 1 No..... 2	

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Cashew processing, a highly labour intensive industry, engages an overwhelmingly large share of women workers belonging to the economically and socially disadvantaged strata of society. The state of Kerala has the highest proportion of cashew workers in India. Though the working conditions of cashew workers have been the object of scholarly and policy concerns for long, many of the insecurities affecting the lives of cashew workers, ranging from health hazards to lack of effective social protection, seem to have persisted till date. It is important that these problems and insecurities encountered by the workers are rigorously analysed and relevant policy measures adopted so that the working conditions and lives of cashew workers are improved.

It is in this context that the Ministry of Labour and Employment had entrusted the V.V. Giri National Labour Institute with the responsibility of undertaking a research study on 'Employment and Social Protection of Cashew Workers in India with Special Reference to Kerala'. The study suggests several measures to be adopted, in the short term and medium term, for improving the employment conditions and social protection of cashew workers, and for ensuring sustainability of employment in the cashew processing industry.

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