Chapter-III
Changing Agrarian Relations and Global Coffee Crisis in Chikmagalur District

The princely state of Mysore after the British rule in 1881 was under double slavery of the Wodeyars and the British through the medium of representative assemblies for greater peace and containment and ignoring the real wishes of the people. The representative assembly, which consisted of, nominated ryots and merchants from all the taluqs to meet as a petitioning body with the princely authorities at the time of Dasara Durbar.¹ The public image adopted by the Mysore rulers as model administrators, successful entrepreneurs and as progressive interested in the political advancement of their subjects² made the Maharajas and Dewan of Mysore as heroes in the eyes of Indian National Congress.³

In the early years of 20th century the Government adopted the Lingayat and Vokkaligas as categories to identify the rural elite of Mysore.⁴ But the dominance of Brahmins continued under Deewan’s through Mysore Civil Service and explored new educational opportunities in different arenas. The rural vokkaligas and lingayats were unaware of this dominance because they remained dominant in the villages and the

¹ Dasara festival is celebrated in the month of September/October for a ten day long socio-religious festival. The Mysore Maharaja started holding a special durbar (royal assembly) for important citizens like members of the Royal family, Europeans, Palace officials, royal priests and the Intelligentsia.

² In the early 1890s the more vocal members constituted into a standing committee to function as a forum when the assembly was not in session and enable the government to consult them in taking vital decisions. The Dewan Seshadri Iyer who initially encouraged it, but later found them to be critical of him and the administration, ignored it totally. See S, Chandrashekar (2004): Peoples Movements in the Princely States, (Ed) by V.Vaikuntham, Manohar Publishers, pp.113-27.

³ The rural elite from the beginning constituted a valuable support group for the government, particularly when the attacks from the urban elite started. Later when the congress succeeded in mobilizing the rural rich, the whole idea of squeezing the peasants became increasingly unrealistic during that time. Murahari, D.Naik (1989) Agrarian Unrest In Karnataka, Reliance Publishing House, New Delhi, p-20

anti-Brahmin feeling in the rural areas was very weak. The Non-Brahmin movements\textsuperscript{5} in princely state of Mysore politics was motivated by the urge to have a share in the administrative power system decided to establish organizations for representing their concerns. The urban middle class minorities resented the power of urban Brahmins manifested through major organizations like Mysore Lingayat Education Fund Association in 1905 and Vokkaliga Sangha established in Bangalore. The pressure put on the government in 1918 led to the concessions and created special seats for representative of "caste" interests in the state legislature, special educational and civil service concessions.\textsuperscript{6} In 1923, the new Constitution enacted the caste associations was deprived of their special seats in the legislature, and the consequent changes led them to fund raisers for educational institutions, which they have been successful. They operated not through caste associations but through formal political parties which brought many leaders who started questioning the government for more reforms rather than mere concession as the predecessors had done.\textsuperscript{7} The freedom struggle in order to broaden its base took peasant issues such as tax reduction, debt relief reduction of rent and reform of the land tenure system as part of the Freedom Movement.\textsuperscript{8}

The Tenancy Movement formally started in Shimoga in 1946 with the founding of the Malanad Tenants Association (MTA) due to the growing strength of the tenants led to the development of tenancy movements. In 1949 many congress workmen left the party and formed the socialist party in Karnataka with leaders like Shantaveri Gopala Gowda, Y.R. Parameshvarappa, J.H.Patel, Bangarappa, Kagodu Thiamappa made their presence felt through the party. The poor peasants, tenants

\begin{enumerate}
\item The term backward classes first acquired its significance in the princely Mysore State where in 1918 the government appointed a commission to consider the disproportionate Brahmin participation in public service and in 1921, preferential recruitment of "backward communities" was instituted. The connection between anti-Brahmin movements and backward class mobilization has been opposed to the use of caste for reservations because it provides conditions for antinationalist ends. G.S. Ghurye (1969): 	extit{Caste and Race in India}, Popular Prakashan, Bombay, p-292.
\item Ibid., p-365.
\end{enumerate}
cause made its prime political agenda of the socialist party and supported the cause of kagodu satyagraha. The association had both socialist and congress parties, even including the landlords. The demand of the association was the fixation of rent at one-third of output and making tenancy more secure by providing documentation of terms, abolition of free labour from the landlords but did not envisage total abolition of tenancy. The deewars community which belonged to the backward caste did not have the tenancy rights and also did not have an effective voice in the Malnad. The movement become popular but as far its achievement are concerned within one year 1950-51 the agitation appeared to have died down, almost ending the tenants movements in the district. But it opened the eyes of the Deewar community, who stood in support of the socialist party and rose in an organized movement.

One of the central debates about the conceptualization of the colonial economy on Indian agriculture, namely the Mode of production debate has provided some insight into the differentiated nature of Indian capitalism. In this debate several strands like the first group which mainly involved Ashok Rudra, Utsa Patnaik, R.S.Rao and Paresh Chattopadhay, were concerned about what degree of capitalist mode had arisen in Indian agriculture. The second strand involved Andre Gunter Frank, Jairus Banji, Hamza Alvi, were concerned about the international aspects and the third strand were interested in empirical research by Amit Bhaduri and Nirmal Chandra. Much of the debate concerned itself with definitional problems relating to

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9 The struggle took place at kagodu and the agitation that made the movement famous was over a measure called kolag refers to the official measure. It was supposed to be equal to three seers in weight, but the landlords employed double standards. When they sold or loaned food grains, kolaga. But when tenants had to pay their rent in kind, the measure varied from 3-1/4 to even 4 seers in weighing depending on the landlords. Ram Manohar Lohia came all the way from Delhi and visited the district with a batch of satyagrahis to Kagodu and participated in the satyagraha. Many of the activists from different parts of Karnataka joined the movement. The senior most person of the party Mr.Sadhashivaraya was the first satyagrahi. The socialist party, which led the kagodu struggle, employed non-violence methods. Thousands were brutally beaten up by the police and the landlords and Lohia and his associates were arrested. The Government offered alternative land to the evicted tenants, but the people rejected the offer. The tenants could not hold for long and although tenants from different areas have sympathized with the movement it did not grow outside the Sagar Taluk, and it was confined only to Kagodu. M.V. Nadkarni (1987): Farmers Movement in India Allied Publishers Private Limited, Bangalore, p 19-22. Boralingiaiah, H.C and N.Huchappa Master (2002): Kagodu Chalavali: Swarna Samputa: A Golden Jubilee Volume on Peasant movements in Kagodu (Ed). Published by Malendadu Janapada Loka, Shimoga Karnataka, pp. 50-75. Also See Rajashekar, G (1980): Kagodu Satyagraha, Sagar, Akshara Prakashan, (in Kannada), pp. 45-46.

capitalism, wage labour, commodity production and capital accumulation. But in recent phase the emphasis is on the functional aspect of these relations but not on the casual factors generating these institutions. In Karnataka it reveals that the colonial rule imposed bourgeoisie private property in land and subordinated pre-capitalist mode of production like mines, plantation to the world market. The vast majority of agricultural labourers could not find work because of the limited development of industry and the lack of capitalist development in agriculture remain bounded to agriculture were often conflicts between caste/religious collectiveness, which share certain class attributes, but it is not uniform between caste and class as they are drawn from multiplicity of castes and identified with different groups even they belong to the same class.

**Abolition of Land Tenures**

The Constitution of India, which was adopted in 1950 were the issue of land reforms was included in the list of ‘state subjects’ to enact and implement by the State Government to achieve these goals. This led to a series of legislation were also enacted to abolish various personal, service, religious, charitable and miscellaneous inam land tenures. The Mysore Alienated villages Act was passed for regulating tenancy and protecting the tenants from inamdars. (The Mysore Personal and Miscellaneous) *Inam* Abolition Act was passed in 1954, and in 1955 the government passed the (Religious and Charitable) *Inams* Abolition Act, covering the Sringeri *Jahgir*.

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12 Castes constitute status groups with multiplicity of castes which are defined essentially in styles of life were as Classes are defined in terms of property or ownership or non ownership of the production. Political conflicts are revolved around caste based at the village level constitute communities whereas classes do not. Andre, Beteille (1966): *Caste, Class, and power: Changing patterns of Stratification in a Tanjore Village*, Oxford University Press, pp-206-208.


It may be noted that the three dominant castes in Karnataka like Vokkaligas, Lingayats and Brahmans in Karnataka\textsuperscript{15} constituted majority of the ministers in the state Legislature from 1952 to 1972.\textsuperscript{16} The upper caste Brahmans held the inam lands, which were granted to them by erstwhile rulers in appreciation of their services. Since over the years, most Brahmans had migrated to the cities or into the government services and eventually became absentee landlords by leasing their land to tenants for actual cultivation.\textsuperscript{17}

In India the prevalence of land tenure systems, such as jagirs and inams (tax free) in Mysore region did not see any political risk in undertaking to abolish Inams as the inamdars were very less in number to wield political power and it belonged to a community which had brought a lot of resentment among the other communities like the Non-Brahmin movement. The state required the cooperation of the Brahmans to implement any such implementation, but the implementation of this Act was half hearted since Brahmans who were affected adversely by the Act dominated the State bureaucracies. The 1955 Inam abolition act was never implemented through formal administrative channels, but only through court decisions on the claims of the tenants of Inam lands.

The state of New Mysore after the reorganization of the state in 1956 (now called Karnataka since November 1, 1973) was brought together after the amalgamation of four different administrations of the British period.

1. The Hyderabad Act I of 1936.

\textsuperscript{15} The concept of dominant caste has been when it preponderates numerically over the other castes and when it also yields economic and political power. See Srinivas, M.N. (1955): \textit{The Social System of a Mysore Village"}, in McKimm Marriott (Ed), \textit{Village India, Studies in the little community}, University of Chicago Press, Chicago, p-18.


6 The Bombay Tenancy (suspension of provisions and amendments) Act, 1957.
9. The Karnataka Tenancy (amendment and continuance of tenancies) Act, 1957

The different forms of tenure were governed by a complex set of Acts, Rules, executive orders, administrative practices and customs. The Government followed its own style and speed in enacting the land reforms.\textsuperscript{18} The challenge before the new state was to formulate an essentially uniform law that would accommodate local problems and variations to the greatest degree possible.\textsuperscript{19} Each of the regions of Karnataka has its own historical significance, political dynamics, caste equations and local socio-cultural specificities.

**The Karnataka Land Reforms Act, 1961**

The state Government in order to formulate uniform land reform legislation appointed a committee popularly known as Jatti Committee to make a detailed review of tenancy and agricultural Land legislation in different parts of the state and presented its report in September 1957. The recommendations became the basis of the Mysore Land Reforms Act 1961 (later called Karnataka Land Reforms Act, 1961). The 1961 Act had received assent of the President of India on 5\textsuperscript{th} March 1962, but its implementation actually stated from 2\textsuperscript{nd} October, 1965.\textsuperscript{20} The nature and extent of


\textsuperscript{20} The 1961 Act included a various concessions to different streams of society. There was a conscious delay of eight years in implementing the Act. The delay facilitated *malafide* transfers of land under different names and the gross misuse of the concession given to widows, minor etc to hold ownership over the leased out land and granting rights to landlords for resumption of land for personal cultivation – a phrase loosely defined in the Act. The exemptions from ceilings were granted to cooperatives, various educational, religious and charitable institutions were exempted, in particular institutions
tenancy was not even in Karnataka as tenancy was a dominant feature in the three districts namely: Uttara Kannada, Dakishna Kannada and Shimoga.

The State Government were driven by the slogan ‘land to the tiller’, landlordism, tenancy, rent and land distribution were taken up by the political parties. The main purpose of the Act was to provide security, against eviction of the tenants and to prevent landowners taking over plots which their tenants had cultivated. The Act also designed to abolish tenancy, ban on further leases, fix fair rents with respect to the then existing leases and to impose ceilings on landholdings so that the surplus land could be distributed among the agricultural labourers.

The dominant castes took the maximum advantage of the tenancy legislation in Karnataka except in the coastal region where small holding tenure leases were more widespread. The interests of dominant castes were represented in the legislature and safeguarded by bureaucracy which could use pressure tactics in specifying the goals of land reforms (particularly land ceiling) in Karnataka in such a way as to provide built-in safeguards for the land-owning dominant castes. The vested interests in the rural areas got abundant opportunity to evict tenants due to the gross misuse of concessions given to widows, minors etc., to hold ownership of leased-out land, and a similar misuse of the provisions granting landlords the right to resumption of land under ‘personal cultivation’ – a phrase which was very loosely defined in the act.

engaged in industry and business, were the rent was collected. The plantation growing tea, coffee, rubber, cardamom and pepper were given exemptions under which they could hold land without limit. See M.A.S. Rajan (1979): The Land Reforms Law in Karnataka, Bangalore Government Press, pp. 45-46.

21 Political parties provide the links between the regional distribution and centers of power in the village. The political parties act from outside and most persons living within the village has been mobilized around caste groupings and link the rural electorate to the state legislature. See Andre, Betille (1966): Caste, Class, and power: Changing patterns of Stratification in a Tanjore Village, Oxford University Press, pp.140-6.


23 According to this definition only such landowner could claim to be engaged in ‘personal cultivation’ as bore the risk of cultivation and undertook supervision either himself or through another member of his family or if necessary even through a paid manager. But according the official definition ‘personal cultivation’ did not involve personal manual labour, i.e. participation by the landowner in actual agricultural operations. See P.C. Joshi (1974): “Land Reform and Agrarian change in India and Pakistan since 1947: I”, The Journal of Peasant Studies, Vol.I, No.2, p.177.

The tenants on the contrary, had to claim their rights through their landlords by filling application before the land tribunals were cumbersome and could be easily manipulated. In 1968 the tribunals were overburdened with the work and the political pressure by local politicians represented the vested interests of the dominant class of landowners. Thus, the 1961 Act had the laudable objectives of transforming the agrarian structure but its provisions were rendered ineffective by the loopholes which thwarted that change. The split in the congress party in 1969 and the subsequent events in Karnataka led to the installation of ‘backward’ minority communities, which did not have such landed interests, provided the necessary grounds for more radical land reforms.

**Radical Land reforms of 1974 Act**

Devaraj Urs came to power in 1972 and was ousted in 1980. He joined Indira Gandhi congress were the political strategy of building independent national support bases that would free her from political dependence upon the party bosses in the states was primarily along the rural propriety and urban commercial classes led to further centralization of the planning process.

Devraj urs gave a new ideological turn and recognized that if the backward castes united with the less dominant vokkaligas in order to extend his coalition

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26 In India at the same time the inception of Naxalite movement during the 1960s has been a major factor of agrarian mobilization outside the political parties and has been a new phenomenon in India. In spite of its internal splits and external repression by the state it continues to grow and at present times under the banner of CPI (Maoist) organization. See Sumanta, Banarjee (1980): *In the wake of Naxalbari: A History of the CPI (Maoist)* organization. See Sumanta, Banarjee (1980): *In the wake of Naxalbari: A History of the Naxalite Movement in India*, Calcutta.

27 In 1969 there was a split in the congress party at the national level resulting in the formation of congress (O) headed by Mr.S.Nijalingappa and congress (R) was used initially to distinguish Indira Gandhi’s Congress break away from congress from the parent organization referred to congress (O) shortly organizational congress. Nijalingappa who was then the Congress president, was pitted against Indira Gandhi. The initiation of large-scale anti-poverty programme, an increasingly important and internal component of the planning process occurred after the 1971 parliamentary elections in which Mrs. Indira Gandhi’s central election slogan was *Garibi Hataoo* (eradicate poverty). See M.N. Srinivas and M.N. Pannini (1984): “Politics and Society in Karnataka”, *Economic and Political Weekly*, Vol 19(2), January 14th, pp. 70-71.

beyond old Mysore and to absorb the tenancy movements into the congress. The 1974 Act finally abolished all leasing of lands for cultivation (except in cases of soldiers and sailors); it abrogated all existing leases, abolished the resumption of leased-out land for personal cultivation and imposed a reduced ceiling on size of landholdings as prescribed by the Central Guidelines of 1972. The main objective of the tenancy legislation was to bestow the ownership rights on tenants on their lease holdings. The 1974 Act stipulated that all surplus land, vested in the government to be allotted among

(i) Dispossessed/ displaced tenants having no land.
(ii) landless agricultural labourers;
(iii) Released bonded labourers and
(iv) Landless persons, ex-service men or other persons residing in the same or neighbouring villages whose gross annual income did not exceed Rs.2000. However, it was obligatory for the government to see to it that at least 50 percent of the grantees would be from the scheduled castes/tribes categories.

The renewed land reforms tried to address the lacunas in the 1961 Act, the 1974 Act became the most publicized and progressive measure. The 1974 Act provided the following facilities to the tenants.

(i) Repeated extensions of the last date to file declarations for claming ownership right which was finally extend up to June 30, 1979.
(ii) The tenants were asked to file their declarations before the land tribunals formed under the 1974 amended law. It gave special powers to the Tribunals to issue interim orders to address or administer the land and these orders were revocable and alterable under the tribunals own power. The Act however provided for compensation to be paid to the landlords by tenants, for this purpose it incorporated the fixation of rent on leased lands to calculate the amount of compensation payable to landlords.

In Shimoga the major socialist leaders shifted to the congress party and also in the coastal districts the communist supporters moved to the congress. The poorer districts of the northern Karnataka district had a natural appeal in that region.

In section 79A of the Karnataka Land Reforms Act 1974 on ‘restrictions on holding or transfer of agricultural land’ the government forbade the acquisition of land by a person or a family or a joint family which had an assured income of more than 12,000 from sources other than agricultural lands.

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(iii) Free legal assistance to poor tenants wherever necessary for establishing their claim for ownership.

(iv) Consideration of declarations by the tribunal’s even if details such as clear survey numbers and extent of the tenanted land were not furnished by the tenants.

(v) The land tribunals were empowered to issue interim order to prevent to forcible displacement of tenants, and if necessary, to appoint a receiver to administer the land since the tenant was vulnerable to even a temporary interruption of his farm operations.

(vi) After obtaining the ownership rights, however, the tenants were forbidden from selling the plot for at least fifteen years.\(^3\)

The 1974 law required declarations to be filed by every landowner who had 40 acres of dry land, or 20 acres of rain fed wet land, or 10 acres of fully irrigated land. This acreage was considerably lower than the prescribed upper ceiling limit of 54 acres of dry land or its equivalent for a family of five members or less. Further, every adult male member and a widow in the family were treated as independent units entitled to hold land separately as per the ceiling of full ten units of landholdings. This liberal provision tremendously reduced the number of potential surplus holders.\(^3\) The surplus land distributed was around 2.73 lakh hectares, secured for the redistribution programme came from those landowners from the four districts of the northern Karnataka dominated by Lingayats namely: Raichur, Bijapur, Gulburga, and Dharwad who opposed the ceiling legislation.\(^3\)

The 1974 tenancy legislation has been viewed as very impressive since more than 61.2 percent of the tenants, have secured occupancy rights on their leased-in land. The redistributed lands were mostly of poor soil quality, dry and un-irrigable which resulted in the low income and returns from farm business were comparatively

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low and hence uneconomical in such lands.\textsuperscript{34} In Karnataka 28.4 percent of the agricultural labourers consisted of the Scheduled castes and Scheduled Tribes, while only 13.2 percent of them belonged to the class of cultivators in 1961. The SCs/STs constituted more than 50 percent of the labour-force in the districts of Bangalore, Kodagu and Kolar. Apart from these in Bidar, Chikmaglur, Chitradurga, Hassan, Mandya and Mysore districts the proportion of those belonging to SCs/STs was more than the state average in the agricultural work force. In the absence of specific programmes guaranteeing regular work to them, their condition was likely to undergo any radical change after the introduction of the land reforms.\textsuperscript{35}

The achievement of Devraj Urs government was that he established a new kind of ownership of land with medium and small farmers who were incidentally also the (non-Lingayat, non-Vokkaliga) and minority groups composed of Schedule Castes and Scheduled Tribes. Similarly the critique against Urs government was that he tried to unite the non-dominant backward caste by offering them material benefits by offering money and positions of power to those who supported him. Thus creating a large vote bank of medium, small and landless farmers belonging to the other backward classes for himself and his congress party but at the same time demonstrated the power to curtail the powerful vested interests of vokkaligas and Lingayats and strengthen the position of the small farmer.\textsuperscript{36} The big landholders decreased only by 2.37 percent from 65 percent in 1970-71 to 62.63 in 1976-77 which means they still controlled the large tracts of land disproportionate to their class size.


Commercial Agricultural Setting

The Western Ghats region of Karnataka has two physiographical components that is Coastal plain and malnad. Malnad, the adjoining zone of coastal plain, popularly known as “Sahyadri Hills” has an elevation ranging from 300-200 meters from the sea level with higher elevation on the southern part of the region. The commercial agricultural setting of the Chikmagalur District is dominated by arecanut, coffee, cocoa, and pepper as inter-plantation varieties with Coffee and other important commercial products of this region of Karnataka are extensively marketed.

The basic orientation of the commercial setting is profit generated by cash crop that is producing crop for market. The commercial crops like cardamom, cocoa, coffee, pepper, rubber and tea are grown on the basis of aranch-type farm organization. The 1974 Land reforms Act, continued the trend from 1961 Act with regarding to the exemptions from ceiling were granted to co-operatives, sugar mills, joint farming societies and the like, and these loopholes were fully exploited by the big land owners to escape the application of ceiling legislation. Their cultivation is required for the industry, especially as some of them like tea, rubber and coffee require on-farm or near-farm processing facilities. The breaking of the plantation into small farms owned and operated by economically smaller groups may result in decreased production and in turn will hit the foreign exchange.

In Karnataka coffee is a major export driven commodity in the country with nearly 70% of the total production being exported. The land reforms were defeated by

37 The Malanad literally means hill country, lies to the west, and is confined to the tracts bordering or resting on the Western Ghats. Malanad is adorned with some of the well-known peaks- Mullayangiri (1,913m), Kudremukh (1,892m) and Kodachadri (1,343m). It is rich in forest cover and the tropical evergreen forest cover is dense in the western slope of the ghat, which receives heavy rainfall. The greater portion of the state belongs to the plateau land also known as Maidan or open country (Bayalasime or Mudalasime in Kannada).

38 Chikmagalur District has a population of 1139104 as per the 2001 census and has seven taluks: Sringeri, Koppa, N.R.Pura, Tarikere, Kadur, Chikmagalur, and Mudigere.


multiple means such as concealing actual tenancy, registering lands on *benami* names,\(^{41}\) forcible evictions etc.

**Karnataka coffee – Units of Holding in Selected Years**

**Number of Units by Size Categories**

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<td></td>
<td>0-2</td>
<td>9,868</td>
<td>17,894</td>
<td>32,035</td>
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<td></td>
<td>2-4</td>
<td>1,392</td>
<td>4,745</td>
<td>14,669</td>
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<td></td>
<td>4-10</td>
<td>1,161</td>
<td>3,296</td>
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<td>II</td>
<td>Large Holdings</td>
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<td></td>
<td>10-20</td>
<td>341</td>
<td>838</td>
<td>1,344</td>
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<td>249</td>
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<td>374</td>
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<td>40-60</td>
<td>125</td>
<td>136</td>
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<td>60-80</td>
<td>66</td>
<td>86</td>
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<td></td>
<td>80-100</td>
<td>47</td>
<td>44</td>
<td>52</td>
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<tr>
<td></td>
<td>100 &amp; Above</td>
<td>110</td>
<td>123</td>
<td>130</td>
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<tr>
<td></td>
<td>TOTAL of all Registered holdings</td>
<td>13,359</td>
<td>27,497</td>
<td>56,113</td>
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The land reforms provided space for different categories of economy including the plantation especially the big landlords to tighten their hold on land. The monopolization of Land were the smallholdings under coffee cultivation during 1980-81 were 17,894, which have doubled by 32,035 in 2001-02. The main reason for increasing the land fragmentation was due to expansion of coffee cultivation by the encroachment of adjoining forestlands.

\(^{41}\) *Benami* is without name or purchaser under a false name.
Encroachment of Forest Land

The highest number of households encroaching on forest land between 1978 and 2002 came from three districts—Uttara Kannada (35,604), Shimoga (23,994) and Chikmagalur (11,540). A total of 138,382 people had encroached on 117,556 ha of forestland in the state. The Supreme Court had directed that 1978 should be the cut-off year for legalizing encroachment and those who encroached later should be evicted. Some of the encroachers belong to the ruling party and the issue has been turned against the labourers by arguing that it would adversely affect the job opportunities and uncertainty for the workers in the coffee estates. The consolidation and expansion of the landlord class has not been necessarily achieved by the acquisition of the lands of pauperized peasantry, but the peasantry has clung to his land against blazing storms as land is the only asset of the small and marginal farmers and agricultural income is their only source of income.

The large estate owners of more than 100 acres do not face the risk of investing in a single crop because the gross income they receive from cultivation of

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42 The Karnataka forest department identified a senior political party member and his father-in-law as prime offenders for having encroached upon 31.12 acres of Tathkola Reserve forest for coffee cultivation in the Mudigere range. The value of the land is estimated to be about 1.24 crores. Over 3,300 acres of prime reserve forest in the Chikmagalur district of the Western Ghats has been illegally appropriated mainly for coffee plantations. There were 416 cases of encroachment were booked between August and November 1997. An FIR was lodged against a member and with a few days A.M.Annaiah, IFS the man behind the crackdown was shifted from the post of Deputy Conservator of forests, Chikmagalur Division. See Sanctuary Asia (1998): _Tiger Link News_, Vol.VIII, No.2, Mumbai, pp. 80-81.

43 Landlord: The rich peasant household is one which possesses land in excess of what is possible for it to exploit fully through lease-out its excess land to tenants much like the landlord household but do not cultivate land.

44 Middle Peasant: The middle peasant is a self cultivating household which cultivates its wage labour only during peak seasons of harvesting or transplanting. It is left with little or no surplus

45 Karl Marx description of primitive accumulation reveals a wide range of process like commodification and privatization of land and exclusion of peasant populations, the conversion of various property rights into exclusive private property rights. The mechanisms of primitive accumulation has been reframed in the present context as described by Harvey as “accumulation by dispossession” in India on issues such as water were the state assisting or facilitating what Lenin called ‘de-peasantization’-small holders being stripped of their means of production, the privatization of common property resources with the convenience of the state meant for rural areas. See David, Harvey (2003): _The New Imperialism_, Oxford University Press, pp.145-48.
coffee is high due to the high volume of their production. The encroacher usually approaches the village accountant or revenue inspector in charge of the survey gets an authorized sketch from the revenue department stating that they are in possession of the encroached land. The official land use data on forests do not really report the physical conditions of the land due to the fractions of physically forested land are under the jurisdiction of the revenue department.  

The other major issue is increase in the land prices and prosperity of the landowning sections at the cost of labouring classes. That is the major reason for not handing over the encroached land to the state, despite the Supreme Court directions. The state government defended the planters because some of the encroachers belong to the ruling party or sympathizers to it by funding to the parties at the time of election which is why in the last Lok Sabha election BJP won two seats in the Malnad region.

The contradictions between different categories/castes, groups and class structure on the other, brought into focus the larger issues of contestation between agrarian classes in Chikmagalur district. The caste superiority coupled with economic superiority has heightened the dominant position of the higher castes in the agrarian set-up. For example in Mudigere district of Chikmagalur there are two dominant castes Vokkaliga and Dalits from the taluk of Mudigere. The vokkaligas are dominant force in coffee plantations and tries to protect its interests by putting a common candidate from its community and may contest elections from any political form like BJP, Congress or Janta dal and this has resulted in no single candidate winning elections regularly and this has resulted in poor mobilization of the labourers among the different political parities. D.C. Srikantappa is the only candidate who does not belong to the coffee planter community as he belongs from Tarikere, when compared to the other leaders like Chandre Gowda, Putte Gowda, Tara Devi and B.L. Shankar.

In Karnataka 10 taluks are depended on coffee, and the elected members to the state legislative assemble are 8 ministers and 3 Vidhana Parishad and 2 members have

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48 Interview with Saathi Sundaresh a Zilla Parishad member from CPI, on 5/10/07, Bangalore.
elected to the parliament.\(^{49}\) The rural land owners employ a collective strategy reflecting their class interests aimed at bargaining with the state.\(^{50}\)

**Crisis of the Global coffee Industry**

The coffee crisis is linked to the liberalization since the early 1990s in India. The Board which served as a monopoly trading institutions was directly regulated by the central government. The bigger landlord institutions such as UPASI and KPA pressurized the government for the early dismantling of the coffee board and generated the impression that globalization were the magic solution and the corrupt board had been the culprit all along.

In 1992-93, Coffee Board initiated a liberalization process which resulted in Internal Sale Quotas (ISQ) was introduced that allowed growers to sell 30 percent of their output to the domestic market. Free Sale Quota (FSQ) subsequently replaced the ISQ in 1993-94 allowing growers to sell 50 percent of their output in the domestic or external market. Through FSQ, an open market system came into existence.\(^{51}\) The existence of centralized coffee procurement and regulating agencies such as the Indian Coffee Board’s involvement in marketing ended completely and coffee growers and exporters were free to trade the crop as they choose.\(^{52}\) The global coffee economy is caught in a deep crisis. On the one hand the crisis is typified by over production of coffee beans. Nearly 40% of coffee consumed in one year remains an

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\(^{49}\) In recent years, political parties rely on big donors to meet electoral expenditure by traders, financiers, contractors and business houses were as in earlier time’s big farmers in the village used to meet the election expenses. See P.V. Lokesh (2001): “An open letter from the Coffee growers to different associations, Peoples representatives and State Government”, published by Siravase Coffee Belegara (Growers) Sangha, Chickmagalur (in Kannada).


\(^{51}\) M, Indira (1995): “What brought de-pooling?” Published by Indian Coffee Board, Bangalore, pp.5-6.

\(^{52}\) Some coffee producing countries tried to create a cartel in order to stem the disruption to production that would ensue from the collapse of the International Commodity Agreements (ICA). An Association of Coffee Producing Countries (ACPC) was formed by 14 governments in 1993 under Brazilian initiative and India was also a member to it. The ACPC was to operate as a coffee cartel similar to OPEC (Organization for Petroleum Exporting Countries). See George, Jose and P. Krishnaprasad (2006): “Agrarian Distress and Farmers Suicides in the Tribal District of Wayanad”, Social Scientist, No7-8, July-August, pp. 70-85
accumulated idle stock. If coffee production has been growing 3.6% annually, its consumption has been growing only 1.8%. Consequently the purchase price of coffee has fallen by half when compared to rates in 1997.\textsuperscript{53}

The Coffee Board served as an instrument denying the Trans National Corporation full sway over the global market.\textsuperscript{54} The singing of the World Trade Organization (WTO) agreement by the Indian Government\textsuperscript{55} in 1995 has been a turning point in precipitating matters.\textsuperscript{56} Initially the farmers began to receive high prices for their product which was due to the fall in global coffee production, especially in Brazil; the farmers attributed it totally to the abolition of the pooling system.\textsuperscript{57} With the establishment of the WTO, trade in agricultural commodities was brought under the multilateral trading process. Earlier, agricultural trade used to be done through bi-lateral agreements and countries were free to favour countries to impose quotas, as they wished. The most favoured nation (MFN) clause implies that any concession granted to one member automatically applies to all members of the WTO. The principal of non-discrimination is carried into the domestic realm through the application of the national treatment clause, which implies that any concession granted to a domestic product should be granted to the imported product also.\textsuperscript{58}


\textsuperscript{55} The marketing of the bean had been under the monopolistic control of the coffee board, an autonomous body functioning under the Union Ministry of Commerce and Industry. The centralized pooled system made it obligatory on the part of the coffee grower to surrender all his produce to the pool and used to receive his returns on the basis of quality and quantity of the produce he pooled.

\textsuperscript{56} After World War II coffee prices rose and peaked in 1955 and then prices crashed which created instability in the poor coffee-exporting world. The US government showed initiative in the creation of an International Coffee Agreement (ICA) and the third world countries favoured it since it provided price stability and appeared as the only insurance against price collapse. The ICA established in 1963 fixed export quotas each year for each country based on estimates of the global coffee market remained stable but in the 1980s the ICA began to crack and it eventually collapsed. See Coffee (2001): "Hard Times", \textit{Economic and Political Weekly}, 1 September, pp.3332-33.

\textsuperscript{57} Utsa, Patnaik (1996): "Export- Oriented Agriculture and Food security in Developing Countries", \textit{Economic and Political Weekly}, Vol XXXI, No. 35, 36, Special Number, September, pp. 2429-49.

elimination of quantitative restriction is extremely important in the WTO framework. The removal of quantitative restrictions is one of the conditions that have become obligatory by India’s entering into agreement on agriculture with WTO.

With quantitative restrictions were lifted exports from Brazil, Columbia, Vietnam and Indonesia began to reach India and compete with the Indian varieties. Coffee from these countries is superior in quantity and caters to the demand of the connoisseurs in the market. The leading Asian coffee producers have been Vietnam and Indonesia apart from India. Vietnam was a country, which grew little coffee, but it was encouraged by countries like France and USA, Coffee Trans National Corporation Such as Nestle and multilateral banks such as the World Bank, the French Development Fund (FDF) and Asian Development Bank (ADB) to undertake the rapid expansion of coffee. The FDF issued a 40 million loan to Vietnam as late in 1998 to create 40,000 acres of coffee plantation by stripping pristine forest. Vietnam became the second largest producer of coffee in the world and the largest producer of the cheaper Robusta variety. The harvest areas expanded from 1.5 lakh hectares in 1995 to 5.5 lakh hectares in 2001. Exports rose in this period from 4 million to 14 million bags of coffee.

The glut of Vietnamese coffee in the world market has been stated as the reason for the crisis of over production by many governments and agencies. The International NGOs like Oxfams International-coordinated advocacy by establishing a direct linkage between World Bank and IMF to the worldwide coffee crisis. Since the domestic consumption of coffee remains stagnant at around 60 thousand tones, the global price trend has very specific implications for the coffee economy of the country and naturally for the coffee growers of Chikmagalur.


### Coffee in Global Output

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil</td>
<td>31.70</td>
</tr>
<tr>
<td>Columbia</td>
<td>14.10</td>
</tr>
<tr>
<td>Vietnam</td>
<td>11.90</td>
</tr>
<tr>
<td>Ivory Coast</td>
<td>9.90</td>
</tr>
<tr>
<td>El Salvador</td>
<td>5.70</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>5.70</td>
</tr>
<tr>
<td>India</td>
<td>3.20</td>
</tr>
<tr>
<td>Guatemala</td>
<td>3.10</td>
</tr>
<tr>
<td>Angola</td>
<td>3.00</td>
</tr>
<tr>
<td>Kenya</td>
<td>2.10</td>
</tr>
<tr>
<td>Costa Rica</td>
<td>2.00</td>
</tr>
<tr>
<td>Uganda</td>
<td>1.00</td>
</tr>
<tr>
<td>Indonesia</td>
<td>1.00</td>
</tr>
<tr>
<td>Tanzania</td>
<td>0.90</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>0.70</td>
</tr>
<tr>
<td>Ecuador</td>
<td>0.60</td>
</tr>
</tbody>
</table>

Source: Coffee Board, Bangalore

In Karnataka coffee is grown basically in three districts: Chikmagalur, Hassan and Kodagu. These districts are adjacent to one another in a linear direction which produces 72 percent of the country’s total coffee output. In India 75% coffee output is exported and during the year 1998-99 India exported 210315 tonnes of coffee mainly to the European Union, USA, and Russia and earned foreign exchange worth 1,700 crore. Among the plantation crops, coffee is the largest contributor of foreign exchange.\(^{61}\)

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\(^{61}\) Ibid., p-7.
Planted Area of Coffee in Karnataka State

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Arabica</td>
<td>Robusta</td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>Chikmagalur</td>
<td>58,330</td>
<td>28,225</td>
<td>86,555</td>
</tr>
<tr>
<td>2.</td>
<td>Coorg</td>
<td>26,110</td>
<td>56,250</td>
<td>82,350</td>
</tr>
<tr>
<td>3.</td>
<td>Hassan</td>
<td>25,030</td>
<td>7,040</td>
<td>32,070</td>
</tr>
<tr>
<td>4.</td>
<td>Mysore and Others</td>
<td>800</td>
<td>0</td>
<td>800</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>1,10,260</td>
<td>91,515</td>
<td>2,01,775</td>
</tr>
</tbody>
</table>


The unprecedented crisis due to the continuous fall in coffee prices since 1998 reached the lowest prices in 2002. The two important varieties of coffee grown on commercial scale are Arabica and Robusta were arabicas are grown at high altitudes ranging from 3,500-4,500 feet above sea level where the annual rainfall is 200cm, whereas robusta are grown at lower altitudes of 1,500-2,500 feet above sea level.

The coffee market is characterized by cycles with short periods of high prices and extended period of depressed prices, due to variations in supply. The Indian coffee plantation is in no position to influence global prices which are on the basis of the London Terminal Market for Robusta Coffee and New York terminal Market for Arabica coffee, although a few plantations cultivate some fine connoisseur coffee.

Share of Different Varieties in World Output: Year 1999-2000

<table>
<thead>
<tr>
<th>Variety</th>
<th>Countries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Robusta</td>
<td>Vietnam, India, Indonesia</td>
<td>34%</td>
</tr>
<tr>
<td>Columbian mild</td>
<td>Columbia, Ivory Coast, El Salvador, Costa-Rica</td>
<td>13%</td>
</tr>
<tr>
<td>Arabicas of other Region</td>
<td>Kenya, Angola, India, Uganda, Ethiopia, Tanzania</td>
<td>28%</td>
</tr>
<tr>
<td>Brazilian Arabica</td>
<td>Brazil</td>
<td>26%</td>
</tr>
</tbody>
</table>

Source: Coffee Board, Bangalore

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62 The world of specialty coffee has developed with a level of sophistication with fine coffee is synonymous with refined taste. The three best examples are the Monsooned Malabar, Mysore Nuggets Extra Bold and Robusta Kaapi Royale.
On the contrary, world trends tend to affect domestic coffee prices. This was witnessed during 1996-97 when domestic prices rose phenomenally due to the overall decline in coffee production in several coffee-producing countries. Brazil continued as the unchallenged leader in World coffees production. In 2003 it produced close to 30% of global coffee. Vietnam displaced Columbia for the second position, producing 11.5%. Columbia stood third, producing 10.5%. India ranked seventh after Guatemala, Indonesia and Uganda. Latin America produced 60% of world coffee, followed by Asia that produced close to 25%, and the rest came from Africa. Coffee is a third world crop like Asia, Africa, and Latin America. None of the Capitalist countries grows coffee. At the same time up to 80% of world coffees are consumed imperialist countries. Western Europe guzzles 40%, USA drinks 24% and Japan consume 10% of World Coffee. India produces about 3 lakhs metric tones of coffee which 80% is exported and 20% is consumed domestically. Kamataka produces 70% of India’s production the procurement prices by export and domestic traders are fixed on the basis of the London Terminal market for Robusta Coffee and New York terminal market for Arabica coffee.

The downward trend in prices began in 2000 and intensified over 2001 and 2002. The price of Arabica, which averaged Rs.90 a kg in 1999, dropped to Rs.63 a kg in the last quarter of 2001. Over the same period Robusta fell from Rs.68 a kg to Rs.33 a kg. India exports 80 per cent of its coffee produce, and there has been a sharp fall in both export quantities and values in the last two years. While the volume of exports has fallen by from 2, 53,524 tones in 2000 to 2, 23,782 tones in 2001, the value has fallen from Rs.1, 685.24 crores to Rs.1, 136.93 crores in the same period.63

The other reasons for this crisis were due to drought which resulted in drastic drop in production. Pests and diseases are virtually destroying plantations in an epidemic pattern and this has resulted in retrenching of labour by 50%.64 Coffee growers who have availed various types of loans from past four years to withstand the financial crises and sustain themselves are reeling under heavy debt burden, unable to

64 Minutes of the meeting held under the chairmanship of Ministry of Commerce and Industry, Department of Commerce, to consider the progress of implementation of SCTL package for coffee growers and other financial problems of coffee sector, July 7th, 2003, New Delhi.
repay out of their produce, since the sale realization has gone below the cost of production. Due to the low prices the growers are incurring a loss of Rs.12-15 thousand per acre where they can neither sustain themselves nor they can switch over to alternate crops.

The Board has been seized down and the big companies have carved up its active business operations. The food industry has undergone its own process of consolidation, resulting in the emergence of a group of super-large international firms such as Proctor & Gamble, Philips Morris, Sara Lee, Nestle and Chabby control 50% of the market that is produced by 2.5 crore growers and workers in 5 lakh farms world over.65 These MNCs purchase 40 percent of the coffee beans process and blend coffee powder and market the same world over. In this process they grab huge share of the profit extorted from millions of growers and consumers.66

In the sphere of exports, few huge companies handle most of the coffee cargo that goes outside the country. Ramesh Exports Limited of Ramesh P Rajah, Madhu Jayanthi International of Ashwin Shah, Allana and Sons Ltd of Nallamuthu, ABCL of V.G.Siddharth and Karnataka Coffee Brokers Private limited of B. Arun Biddappa have a total control of all coffee that is exported from India. According to V.G. Siddhartha the coffee king of Karnataka has 2,500 acres of plantations in Chikmagalur, the heart of the coffee growing region of Karnataka. He exports about 28,000 tonne of coffee annually, sells another 2,000 locally for about 350 million each year and his coffee growing and trading company Amalgamated Bean Company has an annual turnover of Rs.25 Billion.67

Tata ventured into the domestic marketing of coffee from 1993 under the big brand names. The company made the biggest strides during the coffee crisis that set in from 1998. The Tata coffee along with the multinational company like Turner Morrison, purchased equity worth Rs 50 crore in the Mauritius based Barista Coffee


International. Barista International is in fact the subsidiary of the New Delhi based Barista Coffee Company in which Tata coffee obtained a 34.3% stake. The Indian coffee brand Café coffee Day was among the first coffee café to start operations in India in 1996 but was the last to go national (end of 2001). It has 27 outlets in Bangalore was viewed as an Internet Café as IT was the password to the future of cyber city. Today with 153 café in 37 cities, café coffee day is the largest chain in the country, while Barista its closest competitor has 120 outlets.

Response of Karnataka Planters Association and Trade Unions

The bigger organizations like KPA affiliated to UPASI have opposed militant mass protest by coffee growers. The KPA for instance was on its toes to condemn a spontaneous gherao of the chairperson of the coffee Board when she was in Sakleshpur last year. The state associations namely the KPA, the Association of Planters of Kerala (APK) and planters Association of Tamil Nadu (PAT) all affiliated to UPASI had regular meeting with the union Commerce Minister, the Finance Minister and Prime Minister. The delegations of growers association along with the MPs and Ministers from Karnataka met the Union Finance Minister and the Union Commerce to express their anxiety with respect to the coffee price situation and other related aspects. For example, the foreign exchange income to the Union Government on an average from the export of coffee from this region alone amounts to Rs 1,600 crore per year.

68 Barista Coffees around the world are popular because of espresso machine (originated from the Italian word meaning both quick and expressly for a special purpose. It lends to a wide range of varieties like hot coffee- cappuccino, Americana, Macchiato and Espresso remain the selling point, the cold stuff Tropical Iceberg in particular are favorites among the youth. These drinks gained popularity around the world in 1990s but we see them all over India as well.


70 D.C. Srikantappa (2002) Crisis in Coffee and relief sought by Growers, Letter to Sri. Jaswanth Singh, the then Honorable Minister for Finance by Coffee Growers and Employees Convention, 16th October. Also See Memorandum of crisis in coffee and relief sought, submitted to Honorable Minister, Mr. Vidyag Sagar Rao, the then Minister of State for Commerce and Industry, on behalf of Coffee Growers of Karnataka, Kerala and Tamil Nadu, Government of India, 2nd July 2003.
Each association compartmentalized responsibility in tackling problems of different nature.\textsuperscript{71} The more balanced approach of these associations has been respected by the respective State Governments and Centre. In addition to these different committees, deliberate issues and the \textit{Karnataka Planters Association} held a press conference in November 2002 were the Chairman, A.S. Muthanna said that between 1998 and 2002 the coffee industry had lost up to Rs 2,000 crore. He warned that the coffee industry was “on the verge of collapse”.\textsuperscript{72} In the total amount of coffee produced in our country, Karnataka farmers contribute 74 per cent while Kerala farmers contribute 24 per cent. The foreign exchange earnings through the export of tea, pepper, cardamom, areca nut, ginger, vanilla and other spices from the region amount to thousands of crores of rupees. In view of this crucial contribution, the government should protect and promote the cash crop growers of this region as its responsibility. The small growers pleaded that Indian State should not leave these cash crop growers to the cruel exploitation of the foreign and domestic monopoly houses that run big agro industries like Tata Tea, Brooke Bond and Nestle India. This sort of severe crash of prices has drained the farmers of their earnings and the steep hike in the input costs due to withdrawal of subsidies, hike in the price of fertilisers, electricity, water, diesel, seeds and plants etc. has made agriculture too expensive. The farmers are unable to get even the production expenditure from selling their produce.\textsuperscript{73}

\textbf{Small Growers}

Despite the crisis, plantation labour in southern India was not properly or adequately mobilized. During the crisis the small coffee growers which is fragmented and led by

\textsuperscript{71} Lakshmi, Venkatachalm (2004): Opening Remarks of Chairperson, Coffee Board at the 174\textsuperscript{th} meeting of the Coffee Board on 6\textsuperscript{th} December.


\textsuperscript{73} Till 1983 representation was given for 5 large and five small growers were defined to be those owning 50 acres. In 1984 the definition of large growers was changed to above 25 acres and their representation was reduced only to only 3. UPASI has stressed that half of the finances of the coffee Board comes through the large grower’s crop. Taking into account the contribution and stake of the large growers in the cultivation, production, marketing and exports of coffee, it is suggested that their representation in the Board should be retained at the level of five.
many associations did not come together to discuss the crisis led by global crisis instead the issue was to bring various cuts in salaries of the labourers. The response of the trade unions and peasant organizations to the crisis has been sedate as different organizations came together to form a Joint Action Committee and submitted a memorandum to Government of India. It organized a strike by workers on 11th December 2000 demanding various tax concessions to “Save plantation Industry and its workmen”.

Earlier there were around 44 unions which have been reduced to 12 union and the major unions are AITUC, INTUC, and CITU working in the plantation sector. The biggest union working in the plantation sector is All India Trade Union Congress having a member ship of around 7,000 members. The small growers have their own association and as the younger generation does not want to work in estates have moved towards cities for work in hotels and other arenas. The small growers pay labourers around Rs 55 and the work is divided among the contractors and there are no statutory benefits. Coffee is a major source of supplementary income for the poor and middle peasants of the semi-arid plains in the Western Ghats are mainly from the lowest strata of the society comprising of schedule caste, schedule Tribe, Backward Communities. They work from December to March in the plantations under unhygienic conditions and manage to save up to Rs 5,000 during this time. The total number of casual labour that works on these lands is estimated at 5.35 lakhs. This

74 Plantation Workers may strike on December 11, Financial Express.

75 Interview with Gunashekar, General Secretary of United Planters Association affiliated to AITUC, on 19/10/07, Chikmagalur.

76 The question of primitive accumulation addressed by Lenin as a historical phase in Russia, while Rosa Luxemburg assertion has a relevance even today that primitive accumulation as inherent and continuous element derives from the contradictory logic of capitalist accumulation which needs the value extraction from workers in the way of profits. See Dikmen, Ahmet Apay (2007): “Primitive Accumulation via Global Production: The Case only of Underdeveloped Countries?” Social Scientist, Vol.35, No-7-8, July-August, p-45.

77 Casual day labourer means a person who enters into an agreement or contract with a particular employee for a single day at a time.
estimate made by the coffee board does not include the contribution of family labour, which comes around 10 lakhs worker families are depending on the industry.\textsuperscript{78}

The majority of the labourers belonging to the big companies comprise fully attached labourers\textsuperscript{79} from Tamil Nadu and Kerala who is tied to his employer usually for a duration of one year, although sometimes employed for more than one-year contract are known for their hard labour work and are paid around wages of around Rs 74 to 78, and are subjected to various statutory benefits like education to their children's, medical care and other benefits which leads to around Rs 120-128. The leadership of the labour unions in general and coffee labour unions in particular continued to represent the political interests of the ruling classes among the workers.

**Relief Packages Announced by the Government of India**

The Ministry of Commerce concerned with the problems of the coffee growers implemented a special package in 2002 called Special Coffee Term Loan (SCTL) for the coffee growers announced by the Reserve Bank of India, providing for restructuring/reschedulement of the term loans as well as crop loans taken by coffee growers from commercial banks, providing 5% interest relief to small growers and 3% interest relief to larger growers for export of coffee and innovative marketing strategies in the international as well as domestic markets to arrest the decline in exports and also to increase domestic consumption etc. The government has decided to set up a price stabilization fund with a corpus of Rs.500 crores to provide relief to the growers of coffee, tea, natural rubber and tobacco.\textsuperscript{80}

The government measures to coffee producers such as debt rescheduling and temporary downscaling of interest are not as helpful to the peasantry as they are to the big landlords who draw all their loans from banks. In the recently announced 'Relief

\textsuperscript{78} The labourers are the poor peasant who is left with excess labour power, which it either sells or it leases in land from a landlord or a rich peasant. A poor peasant can also be a landless tenant cultivator-cum agricultural labour.


\textsuperscript{80} Karnataka Growers Association (2006): Letter written to Shri Kamal Nath regarding Relief package for coffee grower, dated 27\textsuperscript{th} May, *Sakleshpur*, Karnataka.
package to coffee Growers’ by Reserve Bank of India, 75% of crop loans should be dropped as growers are not in a position to repay the amount because due to extremely low prices and delay in announcement of the scheme. Added to this the realization from sale proceeds have been used for estate maintenance for the past 5 months as well as to repay the private debts. SCTL also includes Non Performing Assets like estate purchase loans, vehicle and house loans since all these loan are to be included in the rescheduling package.\textsuperscript{81}

The shift from the production of food crops to commodities for exports like cotton, horticulture, sunflower and eucalyptus has been noticeable in southern states of Andhra Pradesh,\textsuperscript{82} Karnataka, Tamil Nadu and Kerala. These crop failures in Karnataka have resulted in suicide deaths which emerged as an annual trend in the rural districts like Bidar, Gulbarga and Dharwad.\textsuperscript{83} Suicides have generally haunted the dry rain-fed plains areas of Karnataka, but the coffee distress have not led to peasant suicide in Karnataka,\textsuperscript{84} but in contrast the Wayanad district of Kerala with a population of 8 lakhs have drawn the attention were 130 farmers and agricultural workers have committed suicides in the year 2004 due to price crash of the coffee prices. Varkala Radhakrishnan, MP from Vayanar told parliament that this would lead multinational companies to “dictate terms” and the “entire produce will have to be

\begin{footnotesize}
\begin{enumerate}
\item See Rajya Sabha: Unstarred Question No.1107, answered on 3rd March 2003, by Minister of Commerce and Industry Shri Rajiv Pratap Rudy.
\item In the district of Warangal the shift in the cropping pattern from food grains to cash crops like cotton may fetch higher prices, but they also demand a higher level of expenditure. The use of pesticides has increased because the hybrids are very vulnerable to pest attack. Expenditure on pesticide in the district went up to 2.5 million dollar for the entire decade of 1980s to 50 million dollars in 1997. The financial stress is blamed for an epidemic of suicides in Wargagal district.
\item The agrarian crisis has spurred by agrarian distress of one kind or the other has been a recurrent theme in the state agrarian sector since 1998. Rural indebtedness appears to be the consequence of inequalities and pressures resulting from specific state-directed strategies in the agricultural sector. This has created the conditions that drive the more vulnerable into hopelessness and suicide. See A.R. Vasavi (1999): “Agrarian Distress in Bidar”, http://www.iisc.ernet.in/niab/bidar.htm”, Menon, Parvathi (2003): “Death and Distress”, \textit{Frontline}, Vol.20, Issue 24, November-December.
\item The social investigation teams of CPI (ML) (Peoples War) undertook rural survey in some of the coffee growing villages of Chikmagalur district in late 2001. The Coffee crisis had its impact through rural indebtedness stood at an average of Rs 14,687 for each peasant household. Only 30 of these institutional sources and the rest were from the landlords.
\end{enumerate}
\end{footnotesize}
sold according to the whims and fancies”. He said it would have “an adverse interest in the case of poor coffee growers of South India, especially Karnataka and Kerala”.85

In Chikmagalur CPI has contested elections regularly and mobilizing most of the labourers belonging to casual labourers rather than permanent labourers.86 The CPI (Marxist) had organized the All India plantation workers Federation, and held its conference in Chikmagalur87 has failed to make headway in broadening or improving working class political activity.

The spaces left over by the left parties and the coffee labourers comprising of dalits and the tribal people constitute the major force from the plantation labour force; have joined the Sangh Parivar when it came to religious mobilization for building its electoral base among dalits88 and have been carefully drafted for election campaigns by the Hindutva forces through its agencies like Bajrang Dal and Vishwa Hindu Parishad against Muslims by raking up the Baba Budangiri darga89 in Chikmagalur district since 1999.90 The phenomenon gained ascendancy after the NDA came to power in Delhi in 1999 and the conscious search for an Ayodhya – like flashpoint also saw the Sangh Pariwar in Guru Dattatreya Baba Budangiri Swamy Dargah near


88 The emergence of Dalit Movement in Karnataka in late 1970s was marked by three significant developments. 1) Dalits breaking away from the alliance and stronghold of the congress based politics. 2) The different political streams coming together namely from Marxism, Ambedkarism and Lohiaism to form a United Dalit Sangharsh Samiti (D.S.S). 3) The emergence of ‘bandaya’ or protest literature, which both challenged the mainstream Kannada literature in Brahmanical literature and curve out a distinctive identity and character of its own. The lack of homogeneity, unity and integrity among the various Dalit communities prevented them forming an alternative political force of their own in the state. See Manohar, Yadav (1998): “Carrier of Dalit Movement in Karnataka”, Journal of Social and Economic Development, Vol.I, January-June, pp.111-16.

89 Bababudangiri – a hill named after Baba Budan, a sufi saint known ‘Sri Gurudattatreya Baba Budangiri Swamy Dargah’ the cave shrine on the hill is revered by both Hindus and Muslims. The Hindus worship the place as Datta Peeta and the Muslims revere it as the holy abode of Bababudangiri, as a Fakir.

90 The economic inequalities between individuals, households and communities as identity politics underscores disparities between communities has prevailed and structured and projected in the political arena between communities and obscures those with each one of them. See Andre, Betellie (2007): “Classes and Communities”, Economic and Political Weekly, Vol.XLII, No.11, p-958.
Chikmagalur were leaders like H. N. Ananth Kumar State president of the Bharitya Janta Party and Praveen Togaida of VHP openly called for Bababudangiri to be fashioned into another ‘Ayodhya of the south’.\(^{91}\) From then on, each December the entire town is swathed in saffron and communal hate speeches reach their crescendo on the pretext of celebrating Datta Jayanti, a totally non-existent practice at the Dargah until then.\(^{92}\)

As a curtain raiser to this communal initiative, the Sangh Parivar organizes two more programmes: Datta Mala and Shobha Yatra. They exist only as creations of the sangh parivar aimed solely at creating a dispute that is, in turn, exploited for political mileage.\(^{93}\) Their declared objective is to install an idol of Dattatreya and appoint a Hindu – read Brahmin – priest to conduct Vedic rituals at the shrine.\(^{94}\) In recent years the party is building its base over the years through network of associational politics and focused on regional issues like rights to Kaveri waters, the problem faced by farmers, poor urban administration in the cities, although in the larger context supports the new Hindutva forces.

**Conclusion**

The relationship between land and politicians have changed in due course of time were earlier land was a source of traditional political power. At one time when the economy was agrarian, land reforms were used as political instruments and in turn

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\(^{92}\) The annual Urs festival held in March attracts thousands of devotees from both communities. Both Baba and Datta represent the common people’s tradition that rebelled against narrow religious boundaries and orthodox dogma. The sangh parivar is trying to confine it to a narrow and sectarian religious institution by Hinduising it and cleansing it of Islamic ‘contamination’.


\(^{94}\) The construction of histories or lineages by the Sangh Parivar as a moral boaster for legitimacy is to link up the present aspirations with the past has been a standard feature of modern political mobilizations. The ‘specific kind of history’ that goes back to medieval discourse by mythical struggle of Hindus against the Muslims with Mahmud of Ghazni and coming of the Muslims. Savarkar begins with the claim that ‘Hindutva is not a word but a history- a history in full’. The linkage between pitribhumi and punyabhumi (fatherland and holy land) is equated with the land of the origin of one’s religion and culture and the major argument is clearly directed against the Indian Muslims, Christians who might not like to be termed as Hindu. See Sumit Sarkar 2002: *Beyond Nationalist Frames; Relocating Post modernism, Hindutva, History*, Permanent Black, New Delhi, pp. 242-262.
creating vote banks for the party that initiated them.\textsuperscript{95} The liberalization of the economy has affected the balance of power affecting land reforms has made any kind of pro-poor policy yet more difficult by scrapping land ceilings and tenancy laws to facilitate land reform amendments to facilitate speculators in land, both urban and rural, housing companies, the education industry and farmers.\textsuperscript{96}

The largest concentration of land in the plantation sector was completely exempted from ceilings, in the interests of economies of scale. The concessions given by the government has been accelerated the drive to more profits through market forces has penetrated deep into the social, personal, or cultural space that had previously managed to escape subordination. The main problems in organizing anti-capitalist struggles has always been that capital presents no single visible target that go under the name as natural, inevitable instead of historically specific capitalist processes which is aided and abetted by the direct collaboration between the state and capital. The state in relation to the formal separation of "economic" and "political" spheres which is characteristic of capitalism where exploitation takes place between capital and labour and where the relationship between them is mediated by "market" has been created which looks like a "neutral state".\textsuperscript{97} The struggles against accumulation by dispossession are local, but it is connected from local to national and International actors. The struggles against the coffee crisis in the Chikmagalur district is also parallel those in the Vietnam, Nicaragua that have universal aspects to both.

The conflict between commercial plantations like coffee and the bulk of the mineral resources are located in the tribal areas. The opening up of these remote regions for a variety of developmental projects like the establishment of Kudremukh Iron Ore Company for a 30 year lease from 1969-99 for the export of Iron ore as a important source of foreign exchange earnings. The first phase of industrialization focused on large public sector units, dam like hirakud, heavy industries, roads, and


mines are depended on foreign aids, loans and technical knowledge for its establishment. The second phase of industrialization after liberalization ensured that private capital was no longer constrained by bureaucratic controls. Privatization meant that big industries could acquire public sector units and enter into sectors like mining, gave private capital, international mobility and access to additional funds from foreign sources. The reductions in quantities restrictions on imports and exports and the movement towards free trade have led to boom in iron prices and domestic markets and resources available to foreign capital.