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## BOOK REVIEW

### **The Genesis, Evolution, and Success of the Uralungal Labour Contract Cooperative Society**

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Isaac, T. M. Thomas, and Williams, Michelle (2018), *Building Alternatives: The Story of India's Oldest Construction Workers' Cooperative*, LeftWord Books, New Delhi, 320 pages, Rs 450.

In recent times, following the declaration of 2012 as International Year of Cooperatives by the United Nations General Assembly, cooperatives have attracted renewed global attention. A Global Census on Cooperatives was undertaken by the United Nations Department of Economic and Social Affairs (UN DESA) in 2014 to assess the size and scope of the cooperative economy. According to the census, 12.6 million persons were employed by cooperatives across the world in a wide range of sectors. Thus, on average, one out of every six persons in the world was a member or client of a cooperative. Given the size and complexity of cooperative systems in India and China, the UN DESA decided to conduct additional field research on cooperatives in these two countries (Dave Grace and Associates 2014). In this context, the study conducted by T. M. Thomas Isaac and Michelle Williams in the book under review assumes special relevance.

The State of Kerala, situated in southern India, is known for its unique development experience (Ramachandran 1996). The widespread presence of cooperatives in the State, across different sectors of its economy, has played a significant role in fostering this development experience. Cooperatives have played a major role in the social and economic transformation of Kerala (Ramakumar 2005). The book under review, *Building Alternatives: The Story of India's Oldest Construction Workers' Cooperative*, describes the story of one such cooperative – the Uralungal Labour Contract Cooperative Society (ULCCS), located in Vadakara in Kozhikode district of northern Kerala.

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## THE IDEA OF “GENUINE” COOPERATIVES

Chapter 1 of the book maps the theoretical debates around the core vision and emergence of cooperatives. This chapter forms the theoretical base of the arguments presented in the rest of the book. The authors categorise cooperatives according to two criteria: the nature of their origin, and their core vision or mandate. These are further subdivided into two broad categories. Under the first criterion, a cooperative may either “invent” itself through member-initiated, bottom-up processes, or workers may be “invited” to form cooperatives through state-initiated, top-down processes. The authors observe that of the two, “invented” cooperatives are likely to be more successful because of greater commitment from their members, and their experience in practising democracy, collective deliberation, and self-management. Under the second criterion, cooperatives may be considered either as efficient business models within capitalism, or as organisations based on alternative values, principles, and visions that challenge capitalism. The authors conclude their discussion on theoretical positions by defining their idea of “genuine” cooperatives as those that have a transformative vision that can challenge capitalism through a democratic, pluralist process of workers’ control of the means of production, distribution, and consumption. Further:

Implicit in this vision is an understanding of class struggle that requires shifting power to workers and popular forces such that they increasingly make decisions about the way goods are produced, what goods need to be produced (e.g., what do people *want and need* to consume), as well as how the surplus should be distributed. (p. 34)

## EARLY YEARS OF THE ULCCS

The early years of the ULCCS and the challenges it encountered in its initial phase, when its activities were focused on road construction, are presented in chapters 2 and 3 of the book. The origins of the Cooperative are deeply embedded in the social, economic, and political milieu of the Malabar region of Kerala, which was at the time characterised by social, economic, and political oppression of the underprivileged. These details are clearly brought out by the authors through the use of archival data and reference to other studies. They begin their narration as follows: “In the village of Karakkad . . . a small group of people sat around in a teashop, sipping tea and listening to the speech . . . [of Ambattu Sivarama Menon] . . . being read out from the newspaper” (p. 49).

While it was this speech that provided the inspiration to start the Labour Cooperative, the values that guided its formation were rooted in the teachings of Vagbhatananda, a leading social reformer of north Malabar. The contributions of Vagbhatananda and his Atmavidya Sangham, the Basel Mission, the Tharammel family, and the Indian national movement in transforming the social, economic, and political landscape of traditional Malabar society are narrated in detail. The founding members of the Cooperative belonged to the Thiyya community, and were ardent

followers of Vagbhatananda and the Atmavidya Sangham. The radical episodes reproduced from some of their lives bear testimony to their commitment to social reform.

Chapter 3 outlines the major challenges the ULCCS faced in its initial years and how these were addressed. The biggest challenge was breaking the monopoly of private contractors, which was achieved through a deliberate strategy of underquoting tenders. Over the years, the efficiency and quality of work of the ULCCS not only helped fetch it more contracts (despite cheaper bids by private contractors), but also improved its bargaining power vis-à-vis private contractors. Financial challenges in the first two decades of its functioning were met by relying on short-term loans from relatively better-off members of the Cooperative Society, non-members, or popular traditional microfinance systems in the region such as “*panampayattu*” (money-gathering game) and “*kurikalyanam*” (notice for marriage). However, after the 1940s, fixed deposits from the public and credit from the Malabar Central Cooperative Bank (MCCB) became more reliable sources of funding. The organisational challenge of ensuring discipline and internal democracy within the Cooperative Society was addressed by taking strict disciplinary action, on the one hand, and establishing a participatory labour process, on the other. Data collated from year-end audit reports, minutes of meetings of the board of directors, and minutes of general body meetings of different years are extensively used by the authors to shed light on various aspects mentioned above.

#### *GROWTH, EXPANSION, AND DIVERSIFICATION OF THE ULCCS*

Chapters 4 to 6 of the book discuss in detail the post-Independence expansion of the ULCCS, and two important turning points in its history. These chapters also present the growth of the Cooperative Society in terms of its membership, turnover, and diversification into new areas. Over the last seven decades, membership of the ULCCS has increased substantially. Membership was initially restricted to workers and residents of Vadakara, but gradually expanded to include temporary workers, owing to various market pressures. In recent years, the Cooperative Society has also registered substantial growth in the number of migrant workers. It has four classes of membership at present, A, B, C, and D, of which only class A and class C members constitute worker members. Government departments such as the Public Works Department (PWD), the Local Self Government Department (LSGD), and government programmes such as the Pradhan Mantri Gram Sadak Yojana (PMGSY) have been sources of contracts for the Cooperative Society, and have contributed to expansion of its turnover. The growth in turnover, in turn, has led to a growth of assets, incentivising the ULCCS to invest in modernisation of its plant and machinery. This process, however, has also increased its debt burden and adversely affected its profitability.

Chapter 5 shows how the People's Plan Campaign (PPC) for democratic decentralisation became a turning point for the ULCCS. The PPC recognised the Cooperative Society as a model that could be emulated across the State, and its rich experience was used to formulate a model by-law for labour contract societies in Kerala. This paved the way for further expansion and modernisation. Though emulation of the ULCCS as a model was not a complete success, the chapter recounts the success stories of three labour societies that were inspired by it. This shows that the ULCCS is a Cooperative Society that is willing to share its expertise for the development of the State.

Chapter 6 explains a “fundamentally new phase” of the ULCCS, when it entered the information technology (IT) sector by establishing the Uralungal Labour Cyber Park, the first IT Park in the Malabar region. The primary reason for this diversification was the changing nature of the labour market in Kerala. This change was characterised by a reduction in the domestic supply of skilled and unskilled construction workers, coupled with a change in the attitudes of the youth and their parents, and a preference for jobs in consonance with educational qualifications rather than traditional occupations. It was to keep pace with these changing dynamics and growing aspirations of the youth that the ULCCS decided to diversify into sectors such as IT. This was also in accordance with the primary objective of the Cooperative Society to provide employment to its members. The ULCCS recognised the need for introducing new management methods into IT company subsidiaries, and the authors of the book too acknowledge this when they write that the “ULCCS will continue to operate in its traditional manner, but the subsidiary IT company will operate under new management methods” (p. 211).

In addition to the Cyber Park, other ventures initiated by the ULCCS in recent years include the Uralungal Labour Technology Solutions, the Sargalaya Craft Village, and a charitable foundation. Indeed, amendments that have been made to the by-laws of the Cooperative Society indicate its changing vision. One significant amendment recognises the need to create new subsidiaries, not only as cooperatives but also as private limited company subsidiaries. The ULCCS considers this an important strategy to survive in complex market conditions. Despite such amendments in its by-laws, it is noteworthy that the core objectives of the Society remain intact, and that its commitment to its members and principles lies at the heart of any diversification project. The growth, expansion, and diversification of the ULCCS show how ideological motivation from below can continue to inspire a cooperative to not deviate from its core principles.

#### *LABOUR PROCESSES, REGULATION, AND THE DEGENERATION HYPOTHESIS*

Democratic and participatory labour processes and labour regulation sans capitalistic techniques of threat and eviction have played a significant role in the success of the ULCCS. The book brings this out in vivid detail. In the authors' words:

At the end of every working day the workers would review the day's work and collectively decide on the next day's tasks and division of labour. Every night, the site leaders (who were members of the board of directors) returned to the head office from the worksites and would collectively review the work at all the sites. (p. 100)

The extent to which the workers identify with the Cooperative Society is captured in their reply to trade union activists who alleged labour exploitation: "There is no boss here, we work for ourselves, it is our Cooperative" (p. 217).

Chapter 7 explains how changes in technology brought about changes in the labour process. The development of road construction technology in the early stages was labour-intensive. Later years witnessed the introduction of labour-saving and productivity-enhancing machinery, resulting in a lower demand for manual workers and a change in the volume of their work. The ULCCS, however, managed to grow its workforce through an increase in the number of projects undertaken by it. As a result, the workers fully support modernisation.

The Cooperative Society saw diversification into the IT sector as an opportunity to enhance the skill capacity of its workers. Modernisation and diversification, however, reduced the autonomy of the workers, and enhanced the position of engineers and supervisors. These also widened the income differences between workers with different skills, posing the threat of degenerating into a capitalist firm. The ULCCS managed to avert this, however, by deepening democracy, ensuring greater transparency, creating possibilities of occupational mobility through skill enhancement, and spreading greater awareness of various projects among its members.

Non-discriminatory disciplinary action that is rehabilitative in character is another feature of the ULCCS. In the event of suspension from work, members are immediately assigned to low-paying tasks such as breaking metal, which helps them earn at least a subsistence amount during the period of suspension. Discipline and communication are considered a two-way process. Communication at all levels is used to deepen awareness of the Cooperative Society's principles and its projects among worker members. The mechanisms of communication include an annual general body meeting, monthly meetings, half-day weekly meetings, daily meetings, and daily worksite meetings. Members may participate in these meetings, air their grievances, and also put forth suggestions for the improved functioning of the Society. These meetings are indicative of an unusually high level of sustained participation.

The results of a sample survey presented in chapter 8 of the book reveal that better wages, improved working conditions, and security of employment are predominant reasons cited by workers for joining the Cooperative Society. Pointing to the wage discrimination against women, the authors comment, "The Cooperative has not

been able to overcome the customary social prejudice against equal wages for men and women, especially in the low-skilled jobs” (p. 269). Wages account for 90 per cent of the income of workers’ families and 96 per cent of the income of migrant worker families. The per capita income of worker members is about three to four times above the poverty line. Non-wage benefits constitute extra forms of support that allow workers to use their wages for other purposes, and hence play a significant role in improving living standards. This is true even for migrant workers who identify themselves with the Cooperative Society and wish to become its members. The Society also encourages migrant workers to become members. In order to integrate migrant workers, the Society organises celebrations of north Indian festivals. Night schools are arranged at the worksites to promote literacy and to make them more responsible members of the Society. Wage and non-wage benefits, a high degree of participation, management practices, and the organisational environment contribute to high levels of worker satisfaction. Peaceful industrial relations with no incidence of industrial dispute recorded till date also bear testimony to worker satisfaction.

Interestingly, deepening democracy through a commitment to transparent deliberations, strengthening the mechanism of weekly and daily meetings, and offering skill development programmes to facilitate occupational mobility have been ways through which the Cooperative Society has averted potential threats to its degeneration. The authors argue that the experience of the ULCCS refutes the degeneration hypothesis put forth by standard economic theory.

#### CONCLUDING OBSERVATIONS

Cooperatives are certainly an improvement over the capitalist method of organisation of production. They offer important lessons in self-management and participatory democracy, and help achieve the goals of social justice and welfare. However, they are bound by the pressures of competitive markets, and their ability to survive such tendencies depends on the nature and strength of their foundational goals. As rightly pointed out by Marx, cooperatives are the first “sprouts” of the new within the old and thus naturally reproduce the shortcomings of the existing system (Marx 2010). Hence, their capacity to bring about fundamental transformation of society as a whole should not be exaggerated or romanticised (Marcuse 2015). The book under review brings out this fact through the experience of the ULCCS. The authors have been successful in presenting the ULCCS as an alternative *within* capitalism. The book offers important lessons in the formulation of a democratic and participatory labour process as an alternative to market-driven, profit-seeking activities, and shows that a contented workforce contributes to higher productivity and hence ensures greater market competitiveness. It drives home the importance of converting challenging episodes into learning experiences, as in the case of the Uralungal Labour Cyber Park.

One of the most striking aspects of the study is its identification of the ULCCS as embedded in the social, economic, and political landscape of the State of Kerala. The success of the Cooperative Society, withstanding the possibility of being overtaken by the logic of capitalist production, is highlighted, and the lessons learnt from practical experience are put forth as guidelines for the global cooperative movement. However, the experience of the ULCCS is not without its shortcomings. An erosion of the spirit of commitment among new members and the declining quality of deliberations at meetings loom as threats over its survival. Hence, the authors point out, “the survival of ULCCS as a genuine Cooperative is political” (p. 310).

The book is a rigorous study, well narrated. The language used is accessible to all readers. It is a product of excellent research that makes judicious use of quantitative and qualitative research methods. Rich archival resources, in-depth interviews with workers and leaders of the ULCCS, a sample survey among existing workers, and detailed analyses of the minutes of board meetings, general body meetings, and other official documents of the ULCCS are used with proficiency to narrate the story of India’s oldest construction workers’ cooperative. The book is, undoubtedly, a meaningful addition to the existing literature on cooperatives.

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