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**PROPERTY RIGHTS THROUGH SOCIAL MOVEMENTS  
THE CASE OF PLANTATIONS IN KERALA, INDIA**

Deepa Kylasam Iyer <sup>†</sup>

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**Abstract**

Globally, increased investor interest in land is confronting various types of political mobilisations from communities at the grassroots level. This paper examines the case study of a land occupation movement called Chengara struggle in the largest corporate plantation in southern India. The movement is led by the historically dispossessed scheduled caste and scheduled tribe communities. The objective of the study is to understand the type of institutional transformation of property rights that the movement is calibrating. Institutional theory is used to determine the nature and direction of transformation using the framework of economic and political transaction costs. The paper concludes that the central demand of the struggle for individual title deed has higher private gains for right-holders, but overall negative gains for agricultural productivity. The paper concludes that productivity-oriented demands to restructure land-use rights within plantations might converge in the land struggles of the future.

Keywords: Land; Institutions; Transaction costs; Plantations; India

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## **1. Introduction**

A re-evaluation of land is globally underway after the confluence of crises around food prices, energy, climate change and finance (McMichael, 2012). Studies estimate that globally, 445 square hectares of land is available for agricultural, industrial and energy-based investment (Deininger, 2011). This heightened investor interest is eliciting a range of political mobilisations around the world which are influenced by social relationships, geography, ecology and institutional characteristics around land (Bernstein, 2010). Framing these political mobilisations merely as ‘struggles against dispossession by affected communities’ can be misleading because it overlooks the heterogeneous nature of the affected communities and their intersecting agrarian, labour and environmental justice concerns. There is a need for broader framing of their political contestation against a comprehensive institutional transformation of property rights.

In this context, land rights movements in plantations and large-scale farms in developing countries assume significance. Such movements have been examined in the coastal farms of Nicaragua (Gordon, Gurdíán & Hale, 2003), tree plantations in Ghana (Zhang & Owiredu, 2007), eucalyptus plantations in Brazil (Krüger, 2012) and oil palm plantations in Indonesia (Peluso, Affeff & Rachman, 2008). Land movements are also emerging in southern India where tropical export commodities such as tea, coffee, rubber and spices are under productivity crisis and increasingly integrated in a buyer-driven value chain (Neilson & Pritchard, 2011). Restructuring of large farm operations is leading to questions of viability of property rights and livelihood of communities that are excluded from current institutional arrangements (Ariza-Montobbio & Lele, 2010).

Kerala, situated in southern India, has been a site of struggles in large farms and plantations. In Kerala, between 2001 and 2007, three land occupation movements were organized by agricultural workers belonging to the indigenous communities (called scheduled tribes/ST) and lower castes

(scheduled castes/SC) in corporate and state-owned plantations. Three types of land ownership are contesting their claims in this process - large land holdings owned by planters, community-owned land and aspirations of individual land ownership by marginalized communities. Historically, the erstwhile communally owned land of scheduled tribes was consolidated as corporate and individual-based plantations during the British period in India and protected during land reform as exceptions in states like Kerala. The present claims for individual ownership led by the very communities whose land were commercialised, expose this historical appropriation and question the enduring economic marginalisation. This paper focuses on one of these movements called the Chengara struggle.

So far, the studies on land occupation movements in Kerala situate them in the region's historical context of land reform of the 1970s focusing on its failure to redistribute surplus land to agricultural labourers whilst securing tenancy rights to farmers (Rammohan, 2008; Sreerekha, 2012). Other studies point out the non-implementation of nationally designed scheduled tribe land rights including prohibition of sale of land to non-tribal individuals (Bijoy & Raman, 2003; Kappikkad, 2008). There are also academic analyses that place the immediate trigger of the land occupation movements in the neoliberal development priorities of the state that focusses on large monocrop plantations and agri-business farms (Devika, 2013; Yadu & Vijayasuryan, 2016). Whilst these historical and political economy approaches explore the dynamics of contestation from a macro-scale of systemic changes, they fail to capture the competing claims of different interests from the ground, which is crucial in understanding the nature and direction of institutional change. This study aims to fill this research gap by bringing an integrated institutional approach.

This paper examines Chengara struggle to understand institutional transformation of property rights. Examining this question has two parts. The first part of the question is about the nature of

institutional change. For example, the study is interested in who the claimants of land occupation movements are and how their claims are framed. Are they claims against land concentration addressing the issue of redistribution, expulsion addressing the issue of settlement or claims for incorporation demanding a form of partnership in agri-business enterprises? The second part of the question is regarding the direction of change from the perspective of four major stakeholders. Stakeholder impact depends on social norms governing ideas of property rights and organisational capacity of groups to demand appropriation of these rights. Impact analysis brings out the immediate results of the struggle whilst indicating latent frameworks for future struggles.

The research and its findings are presented in the ensuing sections as follows. Section 2 describes the analytical framework of institutional theory expanding on the concepts of economic and political transaction costs. The historical context of Kerala's land reform and the exceptional status given to plantations follows in section 3. In section 4, the facts of the case and analysis is presented. Section 5 concludes the arguments and delineates the broad impacts of the inferences for the study of social movements.

## **2. Theoretical Overview**

The question of institutional change that land occupation movements bring out can be analysed with the help of transaction cost framework in institutional economics. Institutions are defined as 'the humanly devised constraints that structure political, economic and social interaction' (North, 1991, p.97). These constraints can be informal limitations that are socio-cultural such as sanctions, taboos, traditions and customs, or formal rules that are contractual like constitutions, laws and property rights<sup>i</sup>. In this framework, organisations are players that utilise the rules set by institutions and entrepreneurs are the agents of change. Institutions are conceived as the fundamental factors that determine profitability and feasibility of an economic exchange<sup>ii</sup> by delineating constraints of

transaction, determining its costs, and indicating the choice set<sup>iii</sup> of decisions available to players. In this way, institutions are not only constraining forces, but also incentive-providers enabling economic exchange (North, 1992). In the following sub-sections, the concept of transaction costs and how it helps in institutional transformation is discussed.

### *i. Economic and Political Transaction Costs*

The concept of transaction cost is central in understanding institutional change. North (1992a, p.7) defines transaction costs as valuation of goods, services or performance of agents in an exchange. In other words, the cost of transaction involves search, monitoring and enforcement costs<sup>iv</sup>. Transaction costs can be reduced through competition in the market or judicial enforcement of contracts<sup>v</sup> (North, 1990, p.362). There are four variables that determine transaction costs (North, 1992, p.7-8). The first variable is that of measurement. This includes quantifiable physical attributes of goods and services, such as quantity and size, as well as property-rights dimensions such as defined rights, derived incomes and terms of alienation. In particular, the problem with measuring property-rights is that often, the costs of such rights are high, unforeseeable, imperfectly or incompletely specified.

The second variable that determines transaction costs is the size of the market that decides whether the exchange will be governed predominantly by formal or informal rules. Whilst informal limitations of voluntarist constraints and ostracism works in small groups of personal ties, interaction among large, differentiated groups require impersonal forms of organisation enforced through formal rules. The third variable that determines transaction costs is the act of enforcement that requires exogenous factors<sup>vi</sup> such as a well-developed state mechanism with legitimate polity and judiciary that offers credible commitment to secure property rights<sup>vii</sup>. The fourth variable that

determines transaction costs is ideology of the players that governs their subjective mental-models through which they interpret the political and economic choices they make.

The question of whether an exchange is feasible or not is evaluated with the help of an institutional matrix comprising economic and political transaction costs. Economic transaction costs are the costs of actual compensation distributed to the losing groups by the winning groups. North (1990, p. 364) argues that institutional framework is structured based on the idea of ‘increasing returns’ that is demonstrated by private returns available to different players. On the other hand, political transaction costs are the costs of negotiating compensation including the cost of creating coalitions, bargaining and enforcing the agreement (Khan, 2010, p. 14). Political transaction costs can be inflicted through acts ranging from strikes and demonstration to open violence. Both economic and political transaction costs play an important role in effecting institutional change.

## *ii. Institutional Change*

When transaction costs are significant, institutions are created to lower them by clearly delineating property rights, indicating costs of defection and encouraging cooperation. Lowering transaction costs effectively deals with three factors- information cost, economies of scale and organisational structures. For an economic exchange to increase both private returns and economic growth (see Table 1), the opportunity-set must be productivity raising, which involves investment in appropriate knowledge and skills. Furthermore, the resultant equilibrium should also be politically stable, i.e., there must be redistribution of resources to the losing group by the winning group and alignment of power between interest groups that matches actual power-relations in society. This is called a political settlement.

Table 1. Structure of Returns

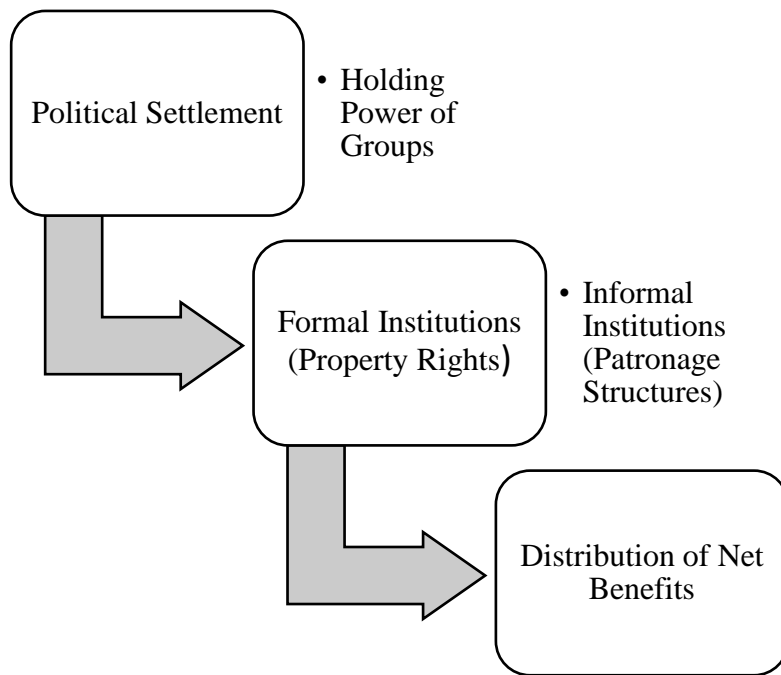
	Private Gains	Coalition Gains
Economic Returns	Increasing returns	Productivity raising
Political Returns	Alignment of socio-economic and political power	Alignment of resources with power

Source: Author compilation

Political settlement determines the stability and sustainability of the new institutional arrangement and is dependent on the holding power of organisations. Holding power is defined as the capability of an organisation to engage and survive in conflicts and depends on income, wealth and the historically-rooted ability of the organisations to organise and contest power (Khan, 2010, p. 7). Whilst political settlement strives to maintain social order by attaining sustainable level of economic performance and political stability on the one hand, it is also about a fundamental reorganisation of resources aligned with relative power of organisations. Figure 1 shows political settlement and its relation to formal and informal institutions as well as distributive power. In this context, it is important to note that informal institutions might aid in better enforcement of formal institutions resulting in partial or incomplete enforcement which is often found in developing economies.



Figure 1. Political Settlement and Institutions



Source: Adapted from Khan (2010)

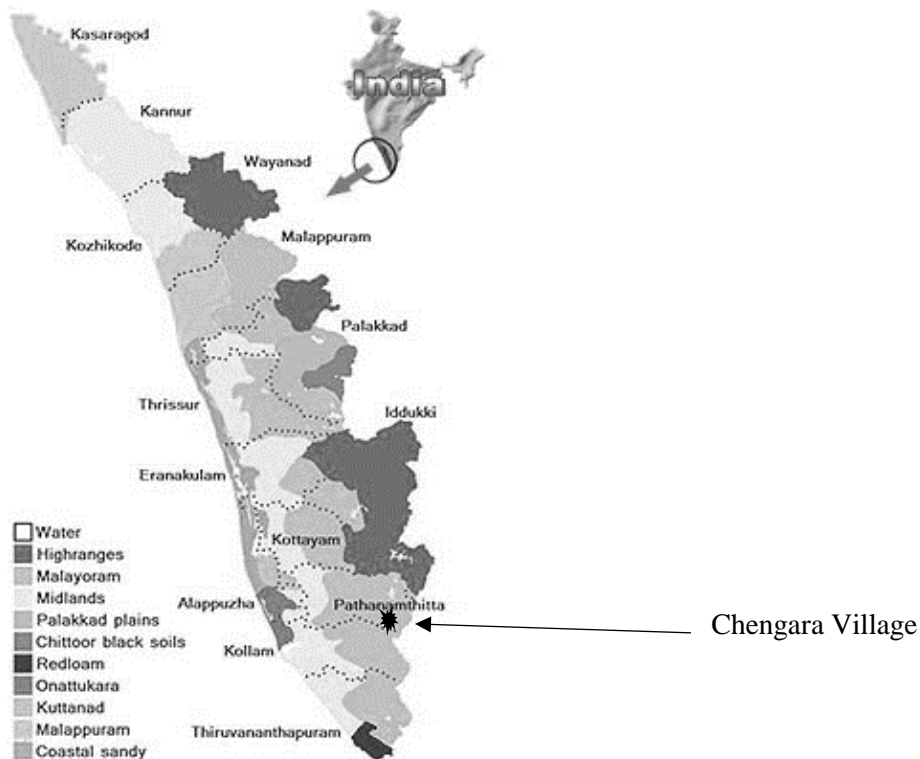
In this study, institutional theory is used to understand how the Chengara struggle sought to claim land ownership rights. The struggle attempted to bring out institutional transformation of existing property rights configuration by lowering the transaction costs. As the scheduled-caste and scheduled tribe alliance negotiated specific set of land rights, a unique set of historical circumstances around land reform and plantations embedded their struggle in the larger institutional landscape. It is to these historical circumstances that we turn to in the next section.

### 3. Historical Overview of Land Reform and Plantations in Kerala

The south-western coast of India, that includes present-day Kerala, has had an unbroken history of highland agro-pastoralism, co-existing with wetland cultivation in the low-lying plains for three thousand years (Chandran, 1997). In the pre-colonial period, especially from 9<sup>th</sup> to 15<sup>th</sup> centuries,

the ‘vertical economy’ of spice-trading highlands was integrated to the ‘horizontal economies’ of the plains and ports of trade (Barendse, 2000). British colonialism significantly affected these interactions in the pre-settler period (16<sup>th</sup> to 18<sup>th</sup> centuries) through monopoly trade and settler period (18<sup>th</sup> to mid-19<sup>th</sup> centuries) through legal ordering of property rights and scientific forestry (Rangarajan, 1994). The contemporary land institutions in Kerala are part of this ecological and political history. Figure 2 gives the current agro-ecological zones of altitude and soil types of Kerala. Plantations are present in the highland zones with tea, coffee, rubber and cardamom as the major crops.

Figure 2. Agro-Ecological Map of Kerala

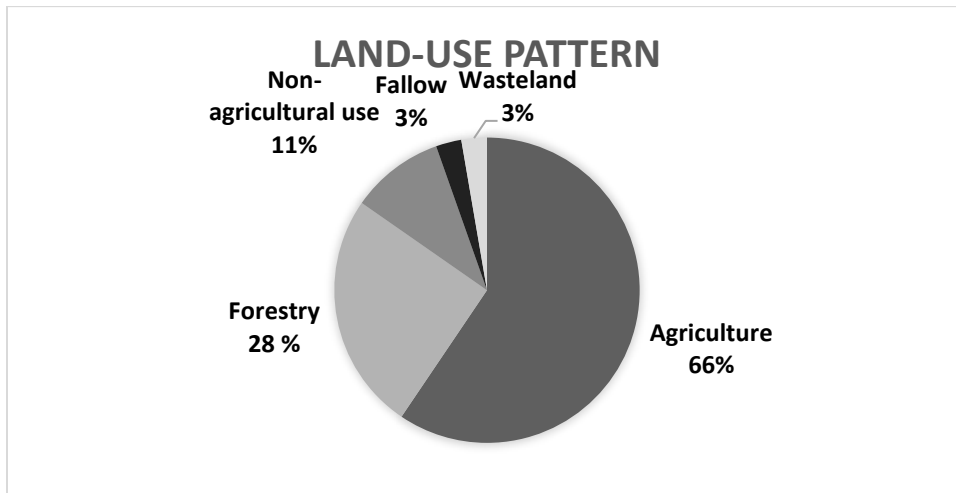


Source: Modified by the author from Kerala Agricultural University (2011)

Note: The fourteen districts, which are the administrative units of the state of Kerala are labelled in the figure. In the legend, the territories marked ‘Malayoram’ refers to mountain valleys that practice intensive agriculture with plantain and tapioca. The four zones Palakkad plains, Kuttanad, Onattukara and Malappuram constitute the wet-rice cultivation regions of Kerala. The soil type, black soil and red loam, have high water and nutrient retention capacity and is well-suited to agriculture.

Kerala has a diverse land use and cropping pattern that is presented through land utilization statistics as shown in Figure 3. Agriculture is the dominant land use type, followed by forestry and non-agricultural uses. According to Government of Kerala (2017), the state has experienced an annual decline of 2 per cent in the total cultivation area since 2000. Between 2000 and 2017, the net sown area declined by 8.64 per cent, and the area sown more than once has declined by 30.29 percent. The agricultural productivity decline has come after a state-based program of land reform that was initiated in 1970 and the exception status accorded to plantations. It is from both these historical residues that the Chengara struggle takes its roots.

Figure 3. Land-Use Pattern in Kerala (2016-2017)



Source: Government of Kerala (2017)

*i. The Failure of Land Reform*

The Chengara struggle was a response to the incompleteness of land reform that was initiated by the state in 1970. The Kerala Land Reform Act (1969) had three main provisions- (i) tenancy regulations (ii) homestead rights and (iii) ceiling limit on surplus land. According to the first provision, ownership rights were given to ‘tenant cultivators’ on payment of a nominal sum for

the purchase of the land, dissolving them from paying further rents to the landlords. Both by the total area of the land transferred and the number of households benefitting from them, the tenancy provision was the most successful part of the law that was implemented (Radhakrishnan, 1981). However, tenancy ownership was given based on ‘possession’ alone, ignoring agricultural workers who worked on the field. As a result, a new class of deemed-to-be tenants emerged who were non-cultivating supervisors of agriculture.

The second provision of giving homestead rights to the cultivators was inadequate to sustain households. Mencher (1980) who evaluated the early reform period concluded that this provision left agrarian labourers with ownership of home-plots but precarious in the agricultural market for livelihood. The third provision of ceiling limits was the most ill-implemented clause because it was long drawn out. As a result, plots were further divided and land owners indulged in gift-deed transfers to escape the law (Radhakrishnan, 1981). In effect, the Kerala land reform was described as a ‘redistribution of privilege’ (Herring, 1980, p.59).

More recently, land reform has also been critiqued from the caste-land inequality intersectionality. Empirical studies demonstrate the continuing alienation of lower caste groups from land ownership. For example, Rajasenan (2015) brings out the relationship among land alienation, housing segregation and socio-economic attributes of the indigenous people of Kerala despite policies specifically targeted for their welfare. Yadu and Vijayasuryan (2016) argue that SCs who have constitutional protection in India, have suffered ‘triple forms of exclusion’ with respect to land in Kerala by (i) historical process of exclusion due to feudal-agrarian institutional structure, (ii) incomplete implementation of land reform and (iii) their continuing exclusion from contemporary land markets.

This is held out by mean and median distribution of land-holding of social groups in Kerala. Table 2 reveals a stark contrast between land ownership among various caste groups. For example, the mean land ownership for Christian communities (who are largely private owners of plantations) is substantially higher (0.28), while that of scheduled castes is significantly lower (0.05) than the state average (0.15). Standard deviation, that measures the dispersion of land holdings within a community, is significantly higher for Christians (0.60) and lower for scheduled groups (0.08) indicating that the scheduled caste community in Kerala is relatively homogenous with respect to land-holding pattern and own landed assets uniformly lower than all the other groups.

Table 2. Land Ownership across Social Groups (in hectares)

Social Group		Mean	Median	Standard Deviation
Scheduled Tribes		0.13	0.07	0.18
Scheduled Castes		0.05	0.02	0.08
Hindu	Other	0.13	0.05	0.25
Backward Castes				
Muslims	(non-SC/ST)	0.11	0.04	0.25
Christians	(non-SC/ST)	0.28	0.08	0.60
Hindu (others)		0.21	0.08	0.41
Total		0.15	0.05	0.36

Source: Yadu & Vijayasuryan (2016)

Since the average landholding is not the best indicator of property ownership, index of land access (IA) defined as percentage of landholding to the percentage of proportional population is also calculated for social groups (Table 3). Christians and upper-caste Hindus have IA values more

than 1, indicating that their proportion of land-ownership is significantly higher than their proportion in the population. The scheduled castes once again have the lowest IA values both for land owned and cultivated. It is in this context of caste-land inequality nexus, that political mobilisation by scheduled castes and scheduled tribes for land ownership in Kerala is to be examined.

Table 3. Access to Land Index (IA) among Social Groups

Social Group	IA (land owned)	IA (land cultivated)
Scheduled Tribes	0.80	0.60
Scheduled Castes	0.34	0.22
Hindu Other Backward Castes	0.84	0.82
Muslims (non-SC/ST)	0.71	0.60
Christians (non-SC/ST)	0.82	2.19
Hindu (others)	0.32	1.22

Source: Yadu & Vijayasuryan (2016)

### *ii. The Case of Plantations*

Despite the presence of a large land corpus devoted to plantation crops in a land-scarce state, there are structural and operational factors explaining why plantations in Kerala have declining profits and require institutional restructuring (Hayami & Damodaran, 2004). Empirical examination identifies declining real wages after land reforms in Kerala and argues that the cost of inputs and taxes increased with stagnating real money wages of labour (George, 1984). Additionally, there is a widening gulf between wages of labour and that of the managerial staff.

The second problem is that of declining land productivity per unit area and productive capacity of plantations. For example, the tea plantations have 50 per cent area under cultivation with older tea bushes that require replanting (George, 1984). Furthermore, there is a positive correlation between yield and size of plantation up to the range 200-400 hectares, after which the relation reverses and turns negative (George, 1984).

The third reason for high costs is the presence of ‘management agency system’ to provide various services to the plantation enterprises, viz, the processing and storage of crops, shipping, insurance and the procurement of estate supplies. This centralized system intensifies concentration, integrates marketing, export, finance, banking, insurance and brokerage under its control and alienates labour concerns. The declaration of high dividends, reliance on external credit for expansion and additional remuneration to the management are a result of this structure (George & Joseph, 2005).

It was in this context that the Kerala Land Reform Act (1969) restricted the reserve area that could be maintained around the plantations. Second, the tax laws were amended to make the plantations pay a higher tax on their agricultural income. These changes led to two types of consequences. Many plantations that were predominantly owned by foreign capital moved to eastern Africa where political climate and policies were more favourable to them. The other response was to collaborate with Indian capital under Foreign Exchange Regulations Act 1973 (FERA) through which their foreign equity was inflated through enlarged capitalisation by issuing shares to new Indian subscribers. The internal profits were paid up as increased dividends to shareholders leading to dependence on external finance and high cost of production. Furthermore, the newly merged tea plantations received development allowances, tax benefits and subsidies.

In this context, the specific plantation that the Chengara struggle targeted, Harrisons Malayalam Ltd (HML), needs historical foregrounding. Harrisons & Crossfield was established as a tea trading company in Liverpool in 1857 and merged with the existing tea plantations in Kerala to form HML in 1907 (HML, 2017). Following FERA that limited foreign share of capital to 74 per cent, the company was brought by RPG enterprises and listed in the capital market. In 2017, HML was the largest integrated plantation company in southern India. HML produced tea, rubber and pineapple as its primary products and exotic horticultural produce as secondary products. In 2017, the corporation had a workforce of 10,000 across its 26 plantations, 12 tea factories and blending and processing units, as well as an annual turnover of \$ 83 million (HML, 2017). Presently, HML operates through eight independent divisions in tea, rubber, spices and horticulture crops, tissue culture, engineering and services, private labelling, trading and exports, clearing and shipping (Microsoft Dynamics, 2008). It is in one of the rubber plantations of HML that the Chengara struggle took place.

#### **4. The Chengara Struggle**

Chengara is a small village situated in Pathanamthitta district in Kerala (Figure 3). The Chengara land struggle was led by scheduled caste-scheduled tribe collaboration although the movement had a small number of Muslims, Christians and Hindus. The movement was formally centred on a group called Sadhu Jana Vimochana Samyuktha Vedi (SJVSV). The SJVSV was a registered non-governmental organisation that was focused on 'land alienation' as a cause of socio-economic immobility of lower castes (Manosmitha, Aruna & Libina, 2012). The movement also observed that 'land hoarding' by the state through lease to corporate plantations was unjust in a land-scarce state. Between 2001-2007, SJVSV demanded land to the landless scheduled caste groups from the state government through social movements.



The Chengara estate of HML is 6,000 acres of rubber plantation. In 2007, as a result of the struggle, government enquiry into the plantation showed that HML was occupying 10,000 acres of excess land (John, 2011). The report also demonstrated that the plantation had a backlog of revenue to the tune of 5000 million Indian rupees (INR) due to non-payment of lease rent since 1996. Furthermore, the HML lease expired in 2009. Since the government failed to act on the report findings, SJVSV led 300 Dalit families to occupy a portion of the Chengara estate in August 2008. Within a year, the community occupying the estate increased to more than 1,700 families comprising 7,000 people. Their demand was five acres of land and INR 50,000 to each household that occupied the estate. Consequently, the plantation workers led by trade unions protested with a blockade that cut-off the land occupiers from emergency medical supplies, food and access to media (Sreerekha, 2012). Men were intimidated with physical violence and women were overtly threatened with assault.

On 5 October 2009, after prolonged deliberation, the government reached an agreement with SJVSV (Suchitra, 2011). The Chengara Rehabilitation Package was announced (Table 4). The agreement stipulated that 1,495 of the 1,738 families who occupied the estate land in Chengara would be given land elsewhere in the state and assistance for building a house. Second, 27 landless scheduled tribe families were to be given one acre of land and INR 1.25 lakh each to build a house. Third, among the landless scheduled caste families, 832 were to be given 75 cents of land and INR 1 lakh each. The remaining 48 families were to be given 25 cents of land each, along with INR 75,000 for building a house. The same benefit was to be given to 525 families who owned less than five cents of land. The land was to be made available to the beneficiaries within three months.

Table 4. Chengara Rehabilitation Package

Category of Household	Number of Households	Compensation in Land (acres)	Compensation in Cash (INR)
ST landless	27	1.00	1,25,000
SC landless	832	0.75	1,00,000
SC who owned < 5 acres of land	48	0.25	75,000
Non-SC/ST who owned < 5 acres of land	525	0.25	75,000

Source: Suchitra (2011)

There were a number of problems with the implementation of the agreement (Sreerekha, 2012). First, only half of the occupants were given land and even then, it was in far-flung districts in the region. Second, many of the households did not get legitimate title deeds. Furthermore, those who received some form of property rights did not get accompanying social rights through voter identities and benefits such as state-supplies of water, electricity and public distribution system. Third, being agricultural labourers, the communities found that the land given to them was not suitable for cultivation and often, for human habitation as it was close to forest range. Meanwhile, the families that remained in the estate began cultivating seasonal agricultural crops in the land.

There was a consistent pattern of opposition from various stakeholders against the communities involved in the land movement (Sreerekha, 2012). For example, the local administration branded the land struggle a form of militant insurgency and justified the imprisonment of nearly 200 members (Menon, 2009). Second, the trade union movement attempted to play the rift between the leadership of scheduled castes led by SJVSV and scheduled tribe community led by Adivasi Gothra Maha Sabha (AGMS). Third, the state attempted to redefine 'landlessness' by introducing a new administrative category called 'nearly landless' for those households which had less than

five cents of land. In all, the Chengara land movement lasted nine years. The physical occupation of land went on for 795 days and formally ended on 6 October 2009 (Manosmita, Aruna & Libina, 2012). At the end of the movement, land and housing assistance were offered to 1,432 participant families whose applications were in the official records.

*i. Institutional Analysis of the Struggle*

Institutional theory helps in the analysis of outcomes of Chengara struggle by examining economic and political transaction costs. Changing property rights involve strengthening or creation of some rights while weakening or elimination of others, creating ‘winners’ and ‘losers’. Furthermore, the conflict between those who benefit and those who lose out from institutional reordering of property rights occurs, even when ‘losers’ are compensated by winners as compensation does not involve all future benefits. In the following sections, institutional theory is used to examine the two types of demands made by the struggle and the manner in which they imposed or reduced transaction costs to effect institutional change.

The first inference from analysing the case-study is that the demands of the SC/ST alliance for individual title deeds was to create clear, non-conflicting rights on property. This in turn would enable efficient asset transfer and improved productivity in agriculture for the individual farmer. These conditions depended on the type of land transferred (fertile/cultivable), the allocation of individual title deeds and allotment of land in collective unfragmented parcels. However, allocation of new rights weakened existing pre-capitalist collective rights enjoyed by the scheduled tribe communities. Furthermore, it also resulted in raising the transaction costs of land acquisition by providing significant legal holdout powers to non-viable subsistence farmers who have no compulsion to come to sale agreements. Finally, small and fragmented individual land-holdings

reduced the incentive and capacity to raise agricultural productivity in the absence of provision of public goods such as irrigation and farming technology. Thus, the demand for individual titles increased private gains of individual land-holder whilst discouraging productivity raising activities. Thus, economic transaction costs were high.

The impact of returns of potential policy options on property rights is illustrated in Table 5. For each of the individual policy demand in the column, ‘+’ and ‘-’ denote increase and decrease in returns respectively. Two scenarios of private and coalition returns are considered. The coalition includes the two major groups of SC/ST demanding land rights. The economic transaction costs are examined for the policy of extending individual title deed, pre-existing collective use rights and productivity raising agricultural activities.

Table 5. Impact of Returns on Property Rights

	Private Returns	Coalition Returns
Individual Ownership Rights	+	
Pre-Existing Collective Use Rights		-
Productivity Raising Agriculture	+	-

Source: Author compilation

The second analysis is that of political transaction cost (Table 6). Four stakeholders are considered for each of the policy demand and the increase or decrease of returns is indicated using ‘+’ or ‘-’. The direct demands of land rights and compensation impacted both the groups in the struggle positively whilst negatively affecting the livelihood of plantation workers. Similarly, the potential restructuring of plantation to involve more collective forms of agricultural use and ownership increases returns to each of the stakeholders indicating that such a measure might remain feasible in the medium term.

Table 6. Impact of Policy Options on Stakeholders

	Plantation Workers	Scheduled Tribes	Scheduled Castes	State
Loss of Livelihood	-			
Redistribution of Land		+	+	
Redistribution of Compensation		+	+	
Potential Restructuring of Plantation	+	+	+	+

Source: Author Compilation

## 5. Conclusion

The institutional analysis of Chengara struggle gives a historical-institutional explanation to changes in property rights proposed in the plantations of Kerala. This study argues that institutional change occurs through the way economic and political costs pay off to various stakeholders. The Chengara struggle provided a new opportunity set with increased information and organisational capability for interest groups to negotiate rights and facilitate the opening for a new round of institutional change.

The central demand of the land struggle was individual title deeds with cash compensation for SC/ST groups. The impact of demands on property rights (Table 5) reveals that whilst the demand increases private gains to individual farm-holder, it does not increase returns for productivity raising agricultural activities. Furthermore, the demand also decreases returns for pre-existing collective rights enjoyed by the communities. The impact of demands on stakeholders (Table 6) analyses the struggle with respect to each of the four major players. The central demand increases return to SC/ST groups whilst raising threat of livelihood loss for plantation workers. It is the consequence of these impacts that leads to marginal improvement in institutions.

To conclude, what type of institutional change did the Chengara land struggle lead to? The first part of the analysis is regarding the nature of institutional change proposed by the struggle. This study argues that Chengara struggle was the source of two master frames of rights given by competing interest groups. The first claim was against land concentration of the large farms that calls for redistribution of property rights by envisaging a central role for the state. The second claim called for incorporation of agricultural labourers and small cultivators in the global value chain of plantation by demanding contractual rights in agriculture. The claimants of this frame demanded restructuring of land-use rights within plantations, extension facilities and working capital from the state in addition to land-use rights in the plantation sites.

The second part of the analysis examined the direction of institutional change. Based on positionality, the movement can be seen as competing claim-making processes between SC, ST, plantation labourers and the state. The struggle resulted in immediate policy demands such as individual title deed and compensation for two specific groups which were largely successful. However, the demand for individual title deeds also paved way for downstream policy demands such as restructuring the land-use rights within plantations. These latent frameworks remain active for later struggles once a new opportunity presents to players of future social movements.

## End Notes

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<sup>i</sup> In the tradition of New Institutional Economics of which North was a scholar, institutional factors were formal and informal rules whereas non-institutional factors were behavioural and organisational variables.

<sup>ii</sup> The assumptions of institutional constraints are that of costly information, subjective models of players and enforcement costs. Information and behavioural economics deal specifically with the first two factors.

<sup>iii</sup> Choice-set of actions available to individuals become important in the context of cooperation and non-cooperation in decision making. Choice-set under neoclassical assumptions can be analysed in game theory if the number of players is small, the game is repeated and the players have complete information of and processing ability regarding the other players' past performances.

<sup>iv</sup> Note that in the narrowest sense, transaction cost implies only the cost of exchange of ownership rights as given by Eggertsson (1990, p. 14). Mathews (1986) gave a broader interpretation of transaction costs to mean arranging a contract ex ante and monitoring it ex post. North (1991) uses the broader interpretation of transaction cost as do other scholars in the New Institutional Economics tradition.

<sup>v</sup> It is important to differentiate aggregate transaction cost and transaction cost per unit transaction. In developed economies where formal institutions enforce transactions, aggregate transaction costs may be high for enforcing through rule of law while subsidizing the transaction cost per unit transaction at the organizational/individual level. For more on this, see Khan (2010).

<sup>vi</sup> North (1991) differentiates knowledge and skills of innovation as endogenous in systems which have an effective legal structure made through political institutions because efficient methods of production and sharing of information is profitable. In other types of exchange structures where political systems and legal structures are absent, innovation is seen as deviance and technology has to be introduced as an exogenous factor of institutional change.

<sup>vii</sup> Note that the state also determines the type of technology that reduces production costs.

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