

# Worker Cooperatives and ‘Labour Centred Development’: An Indian Case Study

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## Abstract

At a time when working class across the globe is going through extreme turbulence, could there be models that give the worker dignity and good wages and also offer an overall vision of development? This article, by examining the largest labour cooperative in India, attempts to sketch out the possibility of a ‘labour centred development’. Based on the case study of Uralungal Labour Cooperative Society (*Uralungal* from here onwards), a construction cooperative based in Kerala, this article challenges the basic assumptions of ‘authoritarian’ economics and delineates some significant insights for an alternative future.

*Uralungal* became a thriving construction cooperative after almost seventy years of sacrifice and hardships by the labourers. It was led by collective effort. The cooperative functions as a moral and social economy giving its workers equal say in its operation and providing them a daily wage which is higher than that of the lowest grade government employee. The ‘moral economy’ is strengthened by the training they give their labourers in being ‘honest’ and ‘socially committed’. For the cooperative, this is what they call ‘discipline’. Interviews done with the labourers prove that they live with dignity, pride and satisfaction. Apart from good wages, the labourers are entitled to a slew of other benefits. While the cooperative pay their employees well and ensure work place democracy, there is no compromise in the quality of the work which they do. The interviews done with common people confirm that they enjoy high reputation as ‘standard and responsible’ builder.

The over nine decade existence of this cooperative contests the argument by the neo-classical economics that labour cooperatives will turn into capitalist firms in the long run. *Uralungal* is one of the best examples that prove that non-capitalist ways of economic organization is viable and could stand the test of time. In this way, the *Uralungal* experience effectively challenges the assumptions of mainstream economics such as rationality and profit maximization. It also shows that efficiency and competitiveness can be achieved without the ‘flexible labour regimes’ and resultant labour repression. *Uralungal* achieves efficiency by collective actions and responsibility. In many ways, the *Uralungal* experience completely upsets the rigid theoretical formulations of the mainstream economics and opens the ways for a new economic thinking. Apart from its critical offerings to the existing theories, the model espouses an alternative vision of development. The *Uralungal* way of development is what Benjamin Selwyn (2014; 2016) calls ‘labour centred development’. The argument is that that “collective actions by labouring classes can generate tangible developmental gains and therefore that, under certain

circumstances, they can be considered primary development actors” (Selwyn 2016). Going by its definition, *Uralungal* is also a strong case of labour centred development. In a world long reeling under the TINA syndrome, these experiences open up new possibilities and offer hope for a better future.