



Essay¹

Political Servitude Taking Ride on Corporate Social Responsibility Bandwagon

KP Sethunath

Executive Editor *The Malabar Journal*

Kizhakkambalam, the eastern suburb of the city of Kochi in the Ernakulam district of Kerala, has been synonymous with the Kitex Group, a local business conglomerate, for nearly five decades. But it came to heightened media glare in 2015 when the Twenty20 swept the elections to the local administration body called the Grama Panchayat (GP) in the Indian State of Kerala. The Twenty20, a Corporate Social Responsibility (CSR) initiative of the business conglomerate metamorphosed into a political entity and decimated the two mainstream coalitions that have dominated the political and electoral landscape in Kerala – the United Democratic Front led by the Indian National Congress (hereafter UDF) and the Left Democratic Front led by the Communist Party of India-Marxist (hereafter LDF). The newly formed outfit winning 17 out of the 19 seats of the Kizhakkambalam GP with 69 percent of the votes polled literally shocked the leadership of the established mainstream political parties at the local and state levels. The electoral verdict also came as a surprise to the civil society in the state. Notwithstanding the surprise and shock, the mainstream political leadership and civil society, in general, have identified the cause of the victory as an aberration caused by a combination of factors specific to the areas that constitute the Kizhakkambalam GP. Mainstream media narrative also contained cursory references to the increasing distrust felt by the people towards mainstream political parties contributing to the victory of Twenty20.

The media attention gained in 2015 galloped to further heights as Twenty20 enhanced its electoral performance by winning three more village *panchayats* (village councils) in addition to Kizhakkambalam in the local body polls held in 2020. The win in these local body elections has emboldened the corporate sponsors of the Twenty20 to contest elections to the Kerala state legislature held in May 2021. The party fielded eight candidates for the assembly polls from the

¹ Non-peer reviewed section of the journal.

Ernakulam district with great fanfare but failed to make much impact as its candidates ended in the third or fourth place in all the seats.

The electoral performance of Twenty20 in the local body elections has invoked interest from various quarters including activists of mainstream political parties and social scientists. The Twenty20 narrative, scaling great heights on the eve of the elections to the Kerala state legislative assembly in May 2021, has largely died down following the defeat of the party candidates in the polls. The present essay is an attempt to provide a descriptive account of the following points: (i) the significance of a large section of people rejecting mainstream political parties at the grass-root level and democratic institutions in favour of a corporate-sponsored CSR entity, (ii) the ways in which the matter assumes importance in Kerala, known for high levels of political affiliation and a reputation of voting a communist party into power way back in 1957, (iii) the popular appeal of an entity flaunted as a kind of personal property by Anna-Kitex Group Chairman and Managing director Sabu Jacob, (iv) the erosion of egalitarian political impulses in a state known for its welfare schemes, and finally, (v) the convergence between the right-wing political ideas and the corporate-sponsored political entities and its impact on future mainstream politics. The study will focus mainly on the literature connected with the emergence of the Twenty20 available in the mainstream media and the few academic papers on the subject.

Twenty20 in Media and Academic Literature

Reports and opinion pieces in the mainstream media² are the primary sources of literature connected with the emergence of the Twenty20. The majority of the content in the mainstream media broadly highlighted the emergence of the party in the run-up to the local body elections in 2015 and its election victory. Moreover, it also highlighted the freebies provided by the Kitex Group as part of its Corporate Social Responsibility (CSR) and the possibility of a corporate-led development agenda gaining popular acceptance amongst the people in the area. The grievances against the Kitex Group including charges of violating environmental and labour laws have largely failed to find any space in the media content except for media outlets run by activist groups with limited reach in terms of readership and viewership.

Academic papers on the other hand drew attention mainly to the mechanism of using statutory obligations under the corporate social responsibility (CSR) for making political capital by a corporate entity employing a carefully calibrated process. The three academic papers referred here also mention the circumstances that led to the emergence of the Twenty20 phenomena and the reasons

² Kerala is known for its very high media penetration. The two largest circulated Malayalam newspapers – Malayala Manorama and Mathrubhumi – command a combined readership of over 30 million according to the Indian Readership Survey. The state also has another half a dozen newspapers with a combined readership over 10 million and seven or eight television news channels with 24/7 coverage.

prompting its appearance at this particular juncture in Kizhakkambalam (Hari 2020, Rajeev & Thampi 2016, Gopal et al.).

The History of Twenty20

The emergence of Twenty20 as a political entity has to be understood in conjunction with the more than five-decade-old entrepreneurial history of the Anna-Kitex Group in conjunction with the macro-level changes in the socio-economic profile of the post-colonial Indian state. When Mr. MC Jacob set up the aluminium utensils making unit in 1968, Kizhakkambalam was predominantly an agricultural village as was the case with most other places in Kerala. Agriculture was the predominant vocation of the people and 85 percent of the Kerala population resided in rural areas. Kizhakkambalam, a village located in the periphery of the Aluva-Kalamasserry region, the most industrially advanced region in Kerala, might have prompted Mr. Jacob hailing from a relatively well-off agriculture family to venture into an enterprise manufacturing aluminium utensils. According to the official version of the Anna-Kitex Group, Mr. Jacob was prompted to set up the unit after seeing ‘the plight of the farmers who worked in his father’s fields’.³ The entrepreneurial talent of Mr. Jacob, however, took wings by the setting up of Kizhakkambalam Textiles better known as Kitex in the 1970s. The legacy of Kitex continues to remain an enigma even as the Anna-Kitex Group scaled the corporate ladder to emerge as one of the wealthiest private sector business conglomerates in the state. Eminent journalist K. Govindan Kutty, in a collection of essays on a few episodes of his professional life, recalled the report he had published in the Indian Express newspaper in the 1980s about the Kitex Company. The gist of the story was as follows: the promoter of the Kitex Group availed bank loans from the public sector State Bank of Travancore in the name of hearing and speech challenged persons of Kizhakkambalam village without them being properly intimated about the transactions (Kutty 2010: 159-165). The report was based on an internal report of the bank concerned. The report led to the Central Bureau of Investigation, the official Indian agency entrusted with probing the banking and financial fraud cases, filing a case against the company that ended up in long winding litigation. The history of that case is yet to be properly documented.

The Emergence of Kitex Garments Ltd

The Kitex Garments Ltd (KGL) established in 1992 has been projected as the flagship venture of the Anna-Kitex Group in the official literature of the Group. KGL hogged media attention in the second half of the 1990s and early 2000s mainly as an entity supplying children’s apparel to global retail chains such as Walmarts. According to the information on the official website of the KGL, ‘the company is currently the second-largest producer of children’s apparel in the world, and is now in the process of setting up operations in the United States of

³ Kitex Garments Ltd: Integrated Annual Report 2020-21: Page 1 http://www.kitexgarments.com/wp-content/uploads/2021/08/KGL_AR-2021_with_CL.pdf

America.⁴ The company was also very proud of its ‘unmatched global connections’ and its ability to cater ‘to prominent and renowned conglomerates in USA and Europe’.⁵

Signs of Trouble

The smooth sailing of the KGL hit the rough weather by the end of the first decade of the new millennium following a section of the local people in the Kizhakkambalam raising their voice against the company and accusing it of causing severe pollution of water resources in the area. Although KGL vehemently denied the charges, the people in the affected area refused to accept the company’s narrative. The charges of KGL causing pollution need to be viewed against the background of the developments in Tiruppur known as the garment town of India located in the neighbouring state of Tamil Nadu. In 2006, Madras High Court ordered the closure of the bleaching units associated with garment companies for dumping the toxic effluents of the bleaching units into a nearby river. The court verdict forced the KGL to relocate its bleaching unit to Kizhakkambalam from Tiruppur. The company set up the bleaching unit in 2008 and the protests had begun in Chelaukulam, Kavungaparambu, Choorakkode, and Vilangu wards close to the KGL premises by 2011.

In 2012, a local action council in the village approached the State Pollution Control Board and raised the issue of pollutants that were being discharged into water bodies by Kitex Garments Limited (*The Hindu*, 2012). The board tested water samples and confirmed that the discharge of pollutants was within the accepted levels. The action council pursued the issue further by petitioning the Southern Bench of the National Green Tribunal based in Chennai (Pulparampil, 2018). The key members of the action council were residents of panchayat wards close to manufacturing units of Kitex Garments Limited, a subsidiary of Anna-Kitex. These wards had a predominant population of Muslims. The issue took a communal turn following a clash between company workers and community members over the protest. (Hari P. 2020: 60)

The KGL dismissed the protest as politically motivated and vehemently denied charges of the company causing pollution to the water bodies. The company also displayed the garden in KGL premises as evidence of the safety of the water released from its effluent treatment plants. The opponents of the KGL refuted the version claiming that a secret pipeline dumped toxic effluents into nearby water bodies and rivulets. The Action Council spearheading the protest stated that the

⁴ Kitex Garments Ltd: Integrated Annual Report 2020-21 <http://www.kitexgarments.com/aboutus/>

⁵ Ibid.

people in the area became aware of the pollution hazards only when some villagers in the area were found suffering from skin ailments soon after the company set up the bleaching unit. The action council approached Kerala High Court before moving to the National Green Tribunal. Kerala High Court granted permission for the company subject to the condition that it would set up an effluent treatment facility as per the specification of the Pollution Control Board within three years.

Politics of Servitude

The protest against the toxic wastes dumped by the company snowballed into a law-and-order problem in 2012 when the protestors and the supporters of the company clashed at the main road junction near the company. The role of the GP then headed by the Indian National Congress-led UDF became crucial at this juncture. The GP refused to renew the license for some units of KGL on the grounds of pollution. Sabu Jacob of KGL then came out openly against the GP and stated that he is closing the unit in Kizhakkambalam and shifting his venture to some other states in the country due to the unbearable harassment by the government agencies. He also blamed the then Kerala Chief Minister Oommen Chandy for the failure to control his party colleagues in Kizhakkambalam and conniving with them to disrupt the functioning of the company.

The CMD Sabu Jacob of the KGL then has adopted a two-pronged strategy in protecting his business interests as well as expressing his grievances as an entrepreneur. On the one hand, he had latched on to the much-talked paucity of major industries in the manufacturing and services sectors in Kerala compared to other Indian states. On the other hand, he had launched a systematic effort in utilizing the CSR schemes to project himself as a model entrepreneur concerned with the overall progress of Kizhakkambalam. Blaming the political leadership in the state for the sorry plight of investments he said the lack of vision coupled with corrupt practices of the political class has made Kerala into an investor unfriendly place and entrepreneurs like him were penalized instead of being rewarded by the state. There was nothing original or new in the narrative peddled by Mr. Sabu Jacob on the development challenges facing Kerala. A rich literature on the development experience of the state under what is now commonly referred to as the Kerala Model is well-known globally. Critical evaluation of the achievements of the Kerala Model is also equally well-known (George 1999, Kannan 2005, Kannan and Pillai 2004, Rammohan 2000)

The Kerala Model refers to the high level of achievements in the areas of human and social developments without any matching achievements in economic development. The impressive achievements in areas such as infant mortality, maternal care, healthcare facilities, literacy, life expectancy, and many others make the experience of Kerala radically different from other parts of India. The success of Kerala has been lauded by many economists and social scientists including the Nobel Laureate Amartya Sen. Researchers have attributed many factors to the

unique status of Kerala. The key ingredients in the narratives of the Kerala Model comprise of the century-long struggle – beginning in the second half of the 19th and the first half of 20th centuries and culminating in the Communist Party of India voting to power in 1957 in the first democratic elections based on universal adult franchise. The militant struggles against caste oppression, landlordism, anti-colonialism, working-class struggles, reform movements within the traditional ruling castes/class are some of the major landmarks that led to the formation of the modern state of Kerala uniting the erstwhile Travancore, Cochin, and Malabar regions. The fortunes of Kerala within the Indian Union, particularly in terms of economic development, is a subject that still awaits scholarly attention.

The critique of the Kerala Model, in the meantime, gained currency especially after India embraced the neoliberal model popularly known as globalization, liberalization, and privatization. As the failure of Kerala to attain economic growth commensurate with its achievements in the social and human developments indices became widespread, the role of the political class administering the state machinery became subject to closer scrutiny. The tendency to project the political class as a whole and the bureaucracy as parasitic entities stifling the entrepreneurial spirit of the individuals came to dominate the media narratives including some of the popular films, such as *Sandesham* released in 1991.⁶

The attempt by Mr. Sabu Jacob to successfully worm into this narrative trope and skilfully project himself and his enterprise as victims of a political class lacking vision and entrepreneurial foresight has to be viewed against this background. The state regulatory agencies facing the charges of bureaucratic inefficiency and corruption were projected as part of the long history of investor unfriendly attitude prevailing in Kerala. Disgusted with such hostility and ingratitude, according to Mr. Sabu Jacob, he and other entrepreneurs were left with no option other than to look for more investor-friendly destinations in other parts of India. The Public Relations tools perfected by KGL as a corporate entity were employed with great success in spreading the image of a ‘victimhood’ for Mr. Sabu Jacob and his enterprises.

The idea of using Corporate Social Responsibility as a political tool to serve the corporate objective, on the part of the KGL, has to be viewed in tandem with the above developments. The amendments brought by the government in the CSR law in 2014 also hastened the process. As per these amendments, all listed companies were required to spend two percent of the net profit for CSR activities every year. According to the 2016-17 annual report of the KGL the Anna-Kitex Group had ‘spent Rs 60.09 million on CSR activities, whereas the required amount was only Rs 26.7 million. The CSR spending was mostly done through Twenty20’ (Hari P. 2020: 58).

⁶ Films scripted by actor-director Sreenivasan.

The Twenty20 was registered as a CSR initiative under the Travancore Cochin Charitable Societies Act in 2013. The major undertaking of the project was to provide food grains, groceries, and cooking oil at subsidized rates to the people residing in the GP. The initiative also involved the healthcare of the people in the region. Along with this, the company initiated steps to conduct surveys on the various aspects of the social life in the GP including the number of people lacking residential houses, drinking water facilities, and other civic amenities. According to some reports, Anna Kitex Group was not the only corporate entity to provide a helping hand with monetary and other assistance. A majority of them were distanced from it following the decision of the Twenty 20 to enter into the electoral politics. (Gopal, Backer, Vishnu, p. 2). “Twenty Nagar’, an evening market that supplies essential household goods at half-the-market price launched a year prior to the local body election is one of the most important projects undertaken by Twenty20 and the most praised CSR activity. Fixed quantities of groceries, vegetables, and oil are supplied to each Twenty20 card at subsidized rate at the market’ (Gopal, Backer, Vishnu, p. 2). The supplying of essential household commodities at a subsidized rate helped the entity to gain maximum popularity. Along with that, KGL also employed nearly two dozen persons with Master of Social Work (MSW) qualifications to undertake a socio-economic survey of the village to identify the basic needs of the residents.

We could see well-calibrated steps with precision planning on the part of Mr. Sabu Jacob in the promotion of the Twenty20 without inviting any hostile reactions from mainstream political parties in the area. The activities of the entity all under the hubris of the CSR have shown professional acumen compared with the lopsided methods of the state agencies. Members of the mainstream political parties were taken on board of the Twenty20 in their individual capacity after careful scrutiny with the promise of fast-tracking the overall development of the region. The first two years after the formation of Twenty20 witnessed two levels of operations on the part of the top brass of the KGL. The first focused on highlighting the investment deficit facing Kerala while the second has shown a path for development and prosperity at the grass-root level by implementing well-conceived projects.

Apart from a physical presence across the panchayat through multi-levels of contact points, Twenty20 also effectively utilized social media platforms, along with news media. Social media groups were used to share promotional and general information along with other audio-visual content. High-speed Wi-Fi internet provided free of charge by Twenty20 aided this process and at the same time acted as a publicity tool. The success of Twenty20 in emerging as a dominant player was not limited to services and commodities but also depended on

efficient monitoring and feedback network. Thus, Twenty20 emerged as the dominant player in the village. (Hari 2020: 62)

A closer examination of the above developments would be taken into consideration later. Here it is sufficient to state that a large section of the people in Kizhakkambalam has opted for an entity formed by a corporate conglomerate facing allegations of a dubious track record for many years. This brings us to the questions we have posed at the beginning of this exercise: why did an overwhelming section of people opt for a politics that has a striking resemblance to a feudal lord dispensing benefits to his chosen vassals with a firm knowledge that the existing balance of power and hierarchy would not be disturbed in any manner due to this largesse? It is not an easy task to find a single answer. A combination of factors has helped the corporate entity to become the final arbiter of the entire gamut of social life in Kizhakkambalam using the electoral mechanism. The CSR initiative played a facilitating role in the emergence of the politics of servitude. The rapid decline of the egalitarian impulses that shaped social and political imaginations in the first half of the previous century in Kerala, the increasing influences of neoliberal ideology in India and the rest of the world, the rapid changes in the habitat patterns in the region, a decline of agriculture as the mainstay of the livelihood, transformation of the land as a speculative asset are some of the factors that needed to be taken into consideration while examining the emergence of Twenty20. Unfortunately, we do not have comprehensive micro-level studies that would help us in establishing linkages of these changes to the emergence of new social and political formations. The areas surrounding the Kizhakkambalam and Pattimattom villages happened to be one of the regions where a sizeable chunk of the farmland was turned into real estate assets in Ernakulam, considered as the commercial capital of Kerala. Thrikkakkara municipality bordering Kizhakkambalam on the northern side has been one of the most rapidly gentrified regions in Ernakulam district with gated communities and service sector industries triggered by the information technology companies setting up operations in the region by the 1990s. Scholars working on the gentrification process that has taken place in Kerala and Ernakulam region in particular during the 1990s and early 2000s may be able to throw more light on the subject in coming years. The meltdown in the global financial markets in 2008, bringing the real estate market to a standstill, is clear from various indices including the decline in the income of the state government from property registration fees. The impact of these developments in the peripheral regions such as Kizhakkambalam deserves to be studied while analysing the reasons that led to the politics of servitude represented by Twenty20.

The authoritarian impulses inherent in the architecture of Twenty20 were evident in the refusal of GP as well as KGL to acknowledge the pollution issue despite the defeat of Twenty20 in Kavungaparambu and Chelakkulam wards in the 2015 elections.

‘They rule out the allegations as baseless and reason the religious demography of the wards where the majority of the population is from Muslim for their failure. They criticize the winning candidates for working out communalism in the Muslim populated areas pointing out the victory of an SDPI candidate in Kavungaparambu and that of a Muslim candidate in Chelakkulam who contested with the support of Congress. Alleging that Twenty20 was not able to carry out election campaigns and were not even allowed to enter the two wards, the corporate group has branded the region as a ‘mini Taliban’. (Gopal, Backer and Vishnu, p. 4)

Media reports also highlighted that people from these two wards were not given subsidized essential commodities as retribution for voting against the Twenty20 candidates. Media also reported that persons expressing critical opinions against the Twenty20 of Anna-Kitex Group are weeded out from the four-tier rationing system based on the financial status of the beneficiaries. ‘Red, Yellow, Green and Blue cards categorizing the families as very poor, below the poverty line, above the poverty line and financially well off respectively are issued to the residents as part of the system’ (Gopal, Backer and Vishnu, p. 5).

Loss of Egalitarian Politics

The egalitarian political impulses that have played a decisive role in the evolution of the Kerala Model in the first half of the previous century have lost their sheen with the neoliberal onslaught in the 1990s. The emergence of the neo-middle class with a new set of aspirations unleashed by the information, communication, and technology revolution has hastened the process of disillusionment with traditional left political parties. The failure of the left parties to offer a tangible alternative to the neoliberal model has further alienated the younger generation from these parties and blunted whatever little radical legacy in them. A political project couched in the corporate efficiency jargon appealed to the disillusioned neo-middle class and the aspiring youth even at the lower levels of the income stream.

In their paper, ‘When the State becomes a corporate: A case study on Kizhakkambalam – a corporate-run Government in power’, Sruthy Gopal, Anila Backer, Vishnu M S provide glimpses of the overwhelming acceptance of the development agenda put forward by the Twenty20. The promise to transform Kizhakkambalam into a model amongst 200,000 grama *pachayats* in India was a constant theme of the propaganda. The very name Twenty20 was to inculcate the minds of the local people with a future fully engrossed in splendour and prosperity. ‘Graphic representation of a well-maintained cityscape with neat wide roads and branded shops on either side was seen almost everywhere in Kizhakkambalam. The flex board of a highly developed aristocratic city which was titled “Naleyude Kizhakkambalam” (Tomorrow’s Kizhakkambalam) stood for the Twenty20’s vision and a major assurance to voters in their election manifesto:

Kizhakkambalam will be developed to a world-class village by 2020' (Gopal, Backer and Vishnu, p. 5). The failure of the LDF headed by the Communist Party of India (Marxist) to win even a single seat in the 19-member GP in 2015 and 2020 local body polls in Kizhakkambalam could be taken as a sign of the deep inroads made by the Twenty20 brand of politics in the area.

Personality Cult

The Twenty20 was fully under the personal control of Mr. Sabu Jacob from the very beginning. The family control was explicit with Sabu Jacob assuming the role of Chief Coordinator and his brother Bobby Jacob the Chairman of the Twenty20. Mr. Sabu Jacob became the public face of Twenty20 as he was the contact point for the media for anything connected with the organization. The other leaders of the Twenty20 in the organizational hierarchy including the 17 elected representatives remained largely unknown except for one or two persons.

The decisions and activities of Anna-Kitex were controlled by two individuals. After the group's founder died in 2011, his two sons became the major promoters of the group whereby one took over the subsidiaries of 'Anna' and the other took over the subsidiaries of 'Kitex'. As in the parent group, the two brothers held key positions in the CSR unit as well. The brother who managed Kitex and its subsidiaries were considered to be the primary decision-maker of Twenty20. The major donor to Twenty20 is Kitex and its subsidiaries, which include Kitex Garments Limited, Kitex Children's wear Limited, and Kitex Limited (Hari 2020: 62-3).

Mr. Sabu Jacob controlled everything from the selection of the candidates contesting the elections, setting the development agenda for the GP, deciding the priority of projects, and so on. The attempt was always to project Mr. Sabu Jacob as an infallible leader even though he was not bound by any constitutional obligations or restraints.

Undercutting State Welfare

The decision of the Twenty20 to introduce a slew of welfare schemes including subsidized supply of essential commodities, construction of residential dwellings, digging wells for drinking water has also undermined the role of the government as the sole agency for welfare schemes. As mentioned earlier, the execution of welfare measures by the Twenty20 carried a professional competence and precision. The functioning of government agencies entrusted with welfare activities and civic duties was always saddled with inefficiency and delays. The people accustomed to the inefficiency of the government agencies in delivering the

various services and boorish behaviour of its officialdom could not be blamed if they felt the nimble-footed approach of Twenty20 a refreshing change.

Twenty20 and the Future

The impact of the Twenty20 on the future trajectory of politics in Kerala needed to be addressed by taking into consideration the immanence of authoritarian political tendencies in societies with increasing levels of income inequality coupled with many other unbearable deprivations and discriminations associated with feudal-caste oppression. The ascendancy of right-wing political groups with endless creation of victimhood provides the ideal ground for such forces to gain political legitimacy in a society. The authors of 'When State Becomes Corporate' describe Twenty20 as a 'Social Cyborg'. A Cyborg is part human and part machine. 'The panchayat governed by 'Twenty20', with its ideologies, is a machine which is homologous to its ancestor – the CSR arm of Anna Kitex group that uses replaceable human components to function'. The authors also feel that in Kizhakkambalam, 'democracy is seen with respect to resources and opportunity, whereas it takes away the political power from within the commons towards alpha males, with the power structure that it inherited from its corporate ancestor' (Gopal, Backer and Vishnu, p. 9).

The paper titled 'Social Grievances and Corporate Greed: Twenty20 and Conflicts in Kizhakkambalam' by Shyam Hari P also provides insight into developing a perspective based on a theoretical framework of greed and grievances 'for understanding conflicts in a social set-up that comprises competing interests' (Hari 2020: 1). Hari highlights the inherently fluidic nature of competing interests. 'The greed of a section of society to maximize its control over resources (social, political, and economic) is often combined with the grievances of sections that are deprived of their shares of the resources. Even within such considerations, the positions of greed and grievance are fluidic in any conflict and are a critical factor in the manufacturing and sustaining of conflicts' (Hari 2020: 1).

First Five Years

The experience of the first five years of governance by Twenty20 has not produced anything outstanding in terms of the economic development of the Kizhakkambalam GP. The much-publicized display boards of 'well-maintained cityscape with neat wide roads and branded shops on either side seen almost everywhere in Kizhakkambalam' by 2020 remains a distant dream even in 2022. The governing institutions in the world getting pre-occupied with the tackling of the COVID-19 pandemic in 2020 and 2021 might have delayed the acceleration of development in Kizhakkambalam. The promise of making Kizhakkambalam the number one GP amongst the more than 200,000 such institutions in the country also remain unfulfilled. The governance of the GP in terms of the utilization of funds and completion of the much-awaited development projects needed improvement according to the Local Funds Audit Department report for the financial year 2017-18 (Apr-Mar). The governance issue and the development

projects were relegated to the background soon after the elections to the state legislature as Sabu Jacob launched a blistering attack against the state administration for disrupting the functioning of the companies. The attack has to be viewed against the background of Mr. Jacob's efforts to downplay the defeat suffered by the Twenty20 candidates in the assembly poll. Although Mr. Jacob put brave front soon after polls by stating that Twenty20 made a credible performance in the eight seats it contested. 'The fact that Twenty20 candidates won 14% vote share in eight constituencies in Ernakulam where they were in the fray was a confidence booster', *The Hindu* mentioned in a report quoting Mr. Sabu M. Jacob, who also said that Twenty20 would contest in all the 140 seats in the next assembly elections in Kerala scheduled for 2026.

Shifting Investments to Telangana

Mr. Sabu Jacob and KGL hogged the media headlines soon after the assembly elections in May 2021 in Kerala with the former alleging harassment by government agencies. Mr. Sabu Jacob fired the opening salvo of a new battle by resurrecting the perennial theme of investor unfriendly actions by the government agencies. He was at his combative best while blasting a slew of government agencies for disrupting the smooth functioning of his enterprises in the name of inspections. The government agencies concerned responded by saying that they have undertaken inspections only as part of the mandatory regulatory requirements. Mr. Sabu Jacob pinned the blame primarily on PV Sreenijan, the newly elected member of the state legislature from the Kunnanthunadu assembly seat. Kizhakkambalam comes under this assembly segment and the candidate fielded by the Twenty20 for the assembly election in the seat was pushed to third place in the polls. Sreenijan contested the elections as an LDF candidate. The tirade against the ruling LDF surprised many as the Congress-led UDF had persistently raised the allegation that the KGL boss maintained a close rapport with the top brass of the CPI-M, leading the LDF. A number of Congress leaders including the late PT Thomas have openly accused Mr. Sabu Jacob and Twenty20 putting candidates acting as a proxy for the CPM and the LDF in Ernakulam district. The sole purpose of Twenty20 contesting eight seats in Ernakulam was the defeat of the UDF in the elections, Mr. Thomas said. Ernakulam district with 14 assembly seats was always a stronghold of Congress and the UDF.

The CPM-led LDF remained largely on the defensive despite Mr. Sabu Jacob raising a series of allegations against the government agencies. The state industries minister P Rajeev, who is also a top leader of the CPM in the state, was careful in his response despite the aggressive stance adopted by Mr. Sabu Jacob. The matter reached a flashpoint with Mr. Sabu Jacob announcing the cancellation of Rs 35-billion proposed investment plans in Kerala on June 29, 2021.

'The company has announced that it is scrapping the planned projects to open an apparel park in Kochi and establish industry parks at Thiruvananthapuram, Kochi, and Palakkad. The memorandum of understanding for the said project

was signed with the Kerala government at the ‘Ascend Global Investors Meet’ in Kochi in January 2020. The company was to invest Rs 3,500 in these projects’. Announcing the decision Mr. Jacob stated that ‘the decision to scrap the project has been taken as I am fed up with the continuous harassment at the hands of the authorities. Whoever invests in Kerala will lose peace of mind and will be driven to suicide.’⁷ He further stated that 11 teams of officers from various departments raided the company in the last month, including teams from the Department of Labour, factories, boilers, and even a team led by the district collector.

Mr. Sabu Jacob also stated that ‘the company has already acquired 30 acres of land for the apparel park at Kizhakkambalam in Kochi. If completed, the project would have provided jobs to over 20,000 people. The three industrial parks that were supposed to be established in the state would have promoted start-ups by providing them with all infrastructural facilities. Each of these parks would have had the potential to generate over 5,000 direct job opportunities’.⁸

The decision to scrap fresh investments in Kerala by the Anna-Kitex Group triggered another round of heated debates linked to the investor unfriendly nature of the government and the political leadership in Kerala. The Government of Telangana offering every facility for Mr. Sabu Jacob has further emboldened him in his attack against the government institutions in Kerala. The Government of Telangana sending an aircraft to Kochi to fetch Mr. Sabu Jacob soon after he announced the scrapping of investment projects in Kerala helped him gather national attention. Mr. Sabu Jacob received a hero’s welcome in Telangana and in September 2021 the Anna-Kitex Group and Telangana Government signed a memorandum of understanding for setting up two fibre-to-apparel manufacturing clusters with an investment of Rs 2,400 cr. The work on the two projects was scheduled to begin in three months.

A report in the online news portal thequint.com has stated that the stock price of the KGL has soared 44.26 percent after Sabu Jacob announced ‘his decision to invest in states other than Kerala’. The report quoted Mr. Sabu Jacob as saying that the rise in stock prices ‘reveal the crux of the problem that ails Kerala’s business climate’.⁹

Even before the heat and dust raised by the KGL scrapping its proposed investments in Kerala settled down, another controversy hit the company. A workers’ quarters within the KGL premises saw a violent clash on the night of December 25, 2021, in which two police vehicles were set afire while six police

⁷ <https://www.opindia.com/2021/06/kitex-group-cancels-3500-crore-investment-in-kerala-alleging-harassment/>

⁸ Ibid.

⁹ <https://www.thequint.com/news/business/kitex-group-managing-director-sabu-m-jacob-on-share-prices-soaring>



Workers seen attacking a police vehicle during the violence on the Christmas Night.¹⁰

officials sustained injuries needing hospital admission. According to the official version of the company and the police, an altercation took place between two groups of workers celebrating Christmas with carol singing. One group of workers wanted to end the celebrations while the other insisted on continuing the celebration. The security staff who tried to defuse the situation was assaulted and that forced the security officer on duty to call the police. Initially, a team of three police officials came to the scene but they could not control the agitated workers and that led to a bigger team of police officials into the KGL premises. The workers then smashed the police and set them on fire. As the situation turned worse special police from the armed reserve camp were summoned to bring the situation under control. According to Sajeev Koshy Security Manager of KGL, the workers were under influence of some drugs. After the situation was brought under control the police then took into custody 174 workers suspected to be involved in the violence. The arrested persons were later charged with various crimes including attempts to murder, destruction of public property, assaulting police officials, and so on. Mr. Sabu Jacob initially stated that the police had arrested a large number of innocent persons as only a handful of persons were involved in the violence. He also promised to identify the troublemakers with the help of CCTV cameras installed in the complex.

The violence in the residential quarters within the company premises has brought attention to the prevailing working conditions and the labour practices followed by the company. The critics of KGL have often raised the issue of unhealthy working conditions and labour practices prevailing in the company. The majority of the

¹⁰ All images are taken by local, author names unknown.



The remains of a charred police vehicle seen parked near the Kitex Garments premises the day after the violence.

workers in KGL belong to socially and economically underdeveloped states such as Jharkhand and the North-Eastern region of India and most of them cannot speak Malayalam, the mother tongue of Kerala.

A six-member fact-finding team comprising human rights activists visited the place on January 2, 2022, a week after the incident visited Kizhakkambalam including the KGL factory. The fact-finding team in its report stated the many discrepancies that exist in the official versions given by the company management and the police. The team has also mentioned the terrible plight of the workers based on the information gathered from the people residing in the area. The team has also made five recommendations:

- 1: Constitution of a high-level team to probe the unholy alliance that exists between KGL owners, GP members and officials, police, and labour department officials.
- 2: Transparent probe into the condition of the workers in Anna-Kitex companies and to ensure that wages and working conditions in the company adhere to the labour laws.

- 3: Ending environmental pollution to ensure the safety of the people living in the area.
- 4: Probe the alleged false case filed against the natives of Kizhakkamabalam by the police at the behest of the company and appropriate disciplinary action against the officials responsible for such acts
- 5: Probe the alleged illegal activities of Anna-Kitex Group and initiate action against the officials responsible for conniving with the illegal activities of the company.¹¹

George Bruno, Chairman of the Progressive Workers Organisation, engaged in the welfare activities of the working class in the region is of the opinion that working conditions prevailing in Kitex Group is something similar to bonded labour system. 'Most workers are given accommodation within the factory premises in camp-like structures guarded by security persons. The workers are not allowed to go out and are under surveillance always. The average salary varies from Rs 9,000 to Rs 12,000 per month based on experience. The company provides free food and accommodation for the workers,' Mr. George Bruno said.

The 174 workers arrested in connection with the violence on Christmas night are passing through a traumatic experience as they are not familiar with the Malayalam language. According to human rights activists around 124 persons arrested in the case managed to gain bail while others are still languishing in prison as they are unable to meet the conditions set for the bail. The KGL management has not taken any initiative in securing the bail for the incarcerated workers. The company has hired back the workers who managed came out of the jail after securing the bail apart from an emergency financial relief of Rs 12,000 to each one of them to tide over the immediate financial problems.

Conclusion

The violence on Christmas night could be viewed as emblematic of the larger problem prevailing in Kizhakkambalam. Although Mr. Sabu Jacob keeps on harping on the harassment faced by him from government agencies in the name of inspections the reality at the ground level presents a different picture. The people at large are sceptical of the functioning of the government regulatory agencies and are convinced that the regulatory agencies would help the corporate entities to cut corners in most cases. Ms. Suja Bharathy a member of the fact-finding team has cited the labour department and pollution control board as examples of the lack of transparency in the functioning of the regulatory

¹¹ Fact Finding Report on Happenings at Kitex Company in Kizhakkambalam (In Malayalam) The Fact Finding Team comprised of: Adv P Chandrasekharan, President Peoples Union for Civil Liberties, Kerala, Adv PK Ibrahim, Treasurer All India Lawyers Council, Adv Rajagopal Vakathanam Kerala Yukthivadi Sangham (Rationalist Association), Suja Bharathy, Janakeeya Manushyavakasa Prasthanam, Adv Manjari GB, Executive Member, Asha India, Protection of Civil Liberties, Adv Shaheer, Joint Secretary All India Protection of Civil Liberties.



A damaged police vehicle near the Kitex Garments premises the day after the Christmas night violence.

agencies. Anna-Kitex Group has been accused of treating the workers as bonded laborers and representatives of political parties such as INC, CPM, and many others have demanded a probe in the matter in the past many years. The demand was revived following the violence on Christmas night. The Ernakulam Joint Regional Labour Commissioner, however, categorically told the fact-finding team that no complaint has been received by the office against the Kitex. He also stated that the department has not conducted any raids or inspections on the premises of the company. The Ernakulam district Labour officer refused to talk to the Fact-Finding team on the ground that matters connected with violence in Kitex premises are handled by the office in Thiruvananthapuram. The State Pollution Control Board is another agency that needed to bring more transparency in its functioning as the perception of the people in places such as Kizhakkambalam differs completely from the pronouncements of the Board. The hazards of water pollution, a lived reality for the people, could not be dismissed with the permissible levels of toxic contamination. The perception of the people on the role of regulatory agencies is in stark contrast to the hullabaloo by Mr. Sabu Jacob about government agencies harassing him without respite. The conflicting claims on the plight of workers in the Anna-Kitex Group, the contamination of water resources in the region, call for a political imagination capable of placing wellness of the human beings and the environment above the balance sheet of the corporate profits. It would not be an exaggeration to say that politics of servitude riding on

the back of Corporate Social Responsibility would only result in nightmares as seen on the night of December 25.

Fact Sheet

Anna-Kitex Group: Kizhakkambalam, a sleepy little village in the South Indian state of Kerala became synonymous with Kizhakkambalam Textiles better known as Kitex for more than five decades. Meckamkunnel Chacko Jacob (M.C. Jacob) laid the foundation for Kitex Group by setting up aluminium utensils making unit at Kizhakkambalam in 1968. He later established Kizhakkambalam Textiles (Kitex) which has grown into a business conglomerate known as the Anna-Kitex Group. The Group now have diversified business interests in aluminium utensils, spices, textiles, and apparel with a combined business turnover of Indian Rupees 12-13 billion. Sabu Jacob and Bobby Jacob, sons of the late MC Jacob heads garments and aluminium verticals respectively. The Kitex Garments Ltd (KGL) formed in 1992 is known as the flagship company of the group. KGL, listed in the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India, claims to be the largest private-sector employer in the state of Kerala. In the 2020-21 financial year (Apr-Mar) the price of KGL share with a face value of Indian Rupees 1 per share hit a high of Rs 124.90 and low of Rs 84.15 in BSE and a high of Rs 120.60 and low of 84.20 in NSE.

Kizhakkambalam: Kizhakkambalam grama panchayat (GP) in the Kunnathunadu Taluk (sub-district) of Ernakulam district, spread over 31.57 sq km with 19 panchayat wards covering the Kizhakkambalam and Pattimattom villages. The population as per the socio-economic caste census of 2011 in the two villages totalled 43,296.

Twenty20: Twenty20 is a development initiative backed by the Anna-Kitex Group to bring about the holistic development of villages, according to the information in the official Facebook page of the outfit. Kizhakkambalam has been described as pilot model - which could "be eventually replicated and scaled up across any village, anywhere in the world. 'Twenty20 Kizhakkambalam' is registered as a charity under the Travancore Cochin Charitable Societies Act. Twenty20 launched in May 2013 was described as brainchild of Mr. Sabu M. Jacob, Chairman and Managing Director of Kitex. Jacob has envisioned transforming Kizhakkambalam into the smartest and the best governed village by the year 2020.

Author Bio

KP Sethunath is based in Cochin, Kerala; he has over 30 years of experience in journalism. He worked in Delhi, Bangalore, Cochin and published articles and commentaries in Malayalam and English on a variety of social, political and economic issues. Sethunath authored a book named *Khakki Kakkayam* in Malayalam tracing the authoritarian populism that led to the declaration of an

Internal Emergency in India in 1975 by the then Prime Minister Indira Gandhi belonging to Indian National Congress.

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