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SUMMARY OF FINDINGS AND SUGGESTIONS

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6.1 INTRODUCTION

This study is an attempt to analyse and assess the various processes and problems connected with the production of fishnets in Kanniyakumari district, and also to study the marketing techniques followed by the entrepreneurs of the fishnet factories. This study also makes a sincere effort to suggest ways and means to overcome the inadequacies and inefficiencies found in the field of production and marketing of fishnets. It also suggests some creative ideas to improve the wage structure, welfare measures and employment opportunities to the people of the district, with a view to help the policy and decision makers both in the government and the public. This study will definitely induce a creative brain-storm in the minds of the readers of this thesis and the entrepreneurs to understand the real importance and potentiality of the fishnet industry.

This study wants to open the minds of the management of the banks and other financial institutions to the fishnet industry, and to change the wrong stand taken by the financial institutions towards it. It is hoped that this study will help significantly to understand the factors which influence the attitude of the workers towards the welfare measures followed in the fishnet industry. The approach in this study is analytical and descriptive. The
researcher has mainly used primary data for writing this thesis, in the absence of previous study and related literature. For collecting the primary data, the researcher has used a structured interview schedule and personal interview with the managers and workers of the fishnet industry, and also with persons related with the fishnet industry in some way or other.

In this chapter, the researcher presents a summary of the findings of the study, suggestions, interpretations, ideas, and solutions for the betterment of the fishnet industry in Kanniyakumari district.

6.2 SUMMARY OF FINDINGS

The second chapter is captioned "A Profile of the fishnet industry in Kanniyakumari district". Kanniyakumari district is the southernmost district of Tamil Nadu, and it covers 1684 Sq.km, that is 1.29% of the total area of Tamil Nadu. It consists of two revenue divisions, seven taluks and nine panchayat unions. There are seven Legislative Assembly Constituencies, and one Lok Sabha constituency.

The district can be divided into three natural divisions. This district enjoys a warm and humid climate with no severe hot or cold seasons. But the summer season is oppressive. This district
gets rainfall both by the northeast and by the southeast monsoons. The average annual rainfall in the district is 1469.7mm. The soil of the district can be divided into two main soil groups, viz. laterite type of soil and mixed types of red soil suitable for agriculture.

This district is rich in its mineral wealth. The district can be floristically divided into three main regions. The forests in the district cover an area of 48,423 hectares of land. The Tamparaparani, the Kothaiyar, the Paraliayar, the Chittar I and II and the Pazhayar are the important rivers of the district. According to the Census of 2001, the population of the district is 18,60,885. The density of the population is very high. The district has a good net work of roadways. There are two small harbours but the district does not have an airport. The nearest airport is at Trivandrum. The important towns of the district are connected by rail routes and the total length of rail road in the district is 72 Km.

Even though the district is highly literate and blessed with good climate and rich natural resources, paradoxically it remains industrially one of the most backward districts of the country.

Wood carving, temple jewellery making, costume jewellery making and bell making industry are some of the ancient
industries of the district. Agriculture is the main occupation followed by weaving and fishing. The number of small scale industrial units registered with the District Industries Centre during 2001-2002 is 1,996. There are 7,718 cottage industrial units, registered upto March 2001. The Nagammal Textile Mills at Nagercoil, and the Kanyakumari District Co-operative Spinning Mills Limited at Aralvoymozhi are the two important textile mills in the district. The Kanyaspin, the Nagammal Spinning Mill, the Indian Rare Earths Ltd., the TAC Floor Company, M/s. Prabha Beverages Ltd., the Borax Morarji Ltd., and the Vasanatham Monofil (P) Ltd. are the main industries in the district. As per the current definition, there is no large scale industry in the district. Khadi Industries, coconut waste industries, rubber based industries, readymade garment industry, cashew nut industry and fishnet industry are the main thriving industries in the district.

Marine fishery is one of the most important economic activities in Kanyakumari district. The district has a coastal line measuring about 71.5 kms. There are about 42 fishing villages in the district and about 43,000 fishermen are actively engaged in fishing in the district. There are 3,339 Vallams, 8,068 Kattamarams and 1,512 mechanised boats available in the district as on March 2001. There are 45 landing centres in the district.
Kanniyakumari district fishermen use both mechanised and non-mechanised crafts.

There are 109 active fishnet factories in the district. The fishnet industry has much employment potentiality to solve the unemployment problem of the district to a considerable extent. Nearly 75% of the workers in the fishnet factories are women, in the age group of 14-24 years. Most of these woman workers are unmarried, and generally give up their employment after marriage. These women generally live near the factories in the nearby villages. Almost 90% of the women have studied upto Std. XII and below. They are engaged in machine operating work, bobin winding work, and mending work. They get an average monthly salary of Rs. 750 to 1200, depending on their experience. There are 2 shifts of work in the fishnet industry per day. Only a very few fishnet factories pay bonus regularly. A good number of fishnet factories provide the minimum welfare measures like conveyance, sitting, canteen, and lavatory facilities. Only a very few factories extend medical facility to their workers. This study shows that the management keeps more than 75% of the employees on temporary basis and there is no job security for a majority of the workers.

The second chapter shows, that the district has not industrially developed due to the following reasons.
i) In Kanniyakumari district, almost all the plain grounds have been converted into paddy fields. The hilly area is not suitable to start industries. So there is no large plain ground available for starting big industries.

ii) From the study it is understood that the investors are generally ignorant about the prospects of fishnet industry, and so they are unwilling to invest in it.

iii) Lack of major sea port and airport is also one more reason.

In the third chapter an attempt is made to analyse the various aspects of fishnet production, and the marketing of fishnets by applying the compound growth rate techniques to find the growth rate of fishnet industries with the following objectives:

i) To study the growth and development of fishnet industry in Kanniyakumari district.

ii) To study the production and marketing problems faced by fishnet industry in Kanniyakumari district.

iii) To lay down the results and explanations of the factor analysis.

Fishnet industry is one of the ancient cottage industries of the district. It is directly connected with the fishing industry and the two are mutually dependent. The invention of synthetic fibre (Nylon) during the twentieth century, has completely revolutionised and transformed the fishnet industry, from a
cottage industry into a mechanised industry. Mr. Abdul Majeed started the first nylon fishnet industry in the district in the year 1975. During the period of ten years between 1990-91 and 1999-2000, the fishnet industry has recorded unprecedented growth in the district. One hundred and five fishnet factories were started in this district during this decade.

In Tamilnadu, Kanniyakumari district has the highest number of fishermen. As the district is covered by sea on three sides, it enjoys good sea breeze throughout the year. Conducive climate, moderate temperature due to rainfall, cheap land and labour, the availability of sensible businessmen, government support through subsidy and exemption from sales tax for fishnet are the main reasons for the concentration of fishnet factories in the district.

As nylon fishnets have many comparative advantages over cotton yarn fishnets, the entrepreneurs started to manufacture nylon fishnets with the help of fishnet-making machinery. Mr. M.C. Balan, Mr. Stalin, Mr. Kumaresan, Mr. Nanjil Vincent, Mr. Vallinayagam and Mr. Palaventher are the leading entrepreneurs of the fishnet industry. The Baliga machine, the Goa machine, the Nirmala Machine, the Korea Machine, and the Amita Machine (Japan) are the important machines used in the
fishnet factories to manufacture nylon fishnets. The entrepreneurs generally prefer the Japanese machine (Amita) because of its durability and production capacity. Next to it the Amita Machine, the Nirmala Machine is preferred because of its low price and high production capacity. A single-knot machine produces 8-11kgs of fishnets per day, while a double knot machine manufactures 32-45kgs of fishnets per day. It is estimated that about 10,000 kgs of fishnets of different yarn and websize are produced per day in the district.

Nylon yarn is the raw material for fishnets. Only five fishnet units of this district manufacture nylon yarn. So the non-nylon yarn making factories buy the required quantity of nylon yarn both from the local producers and also from outside manufacturers. Approximately 96 per cent of the fishnet factories buy nylon yarn at a high price, and this increases the cost of production. Since a most of the fishnet factories do not have heat-stretching and colouring facilities in their factories, these activities are carried out in other fishnet factories, at the cost of Rs. 15 per kg. This is one of the main reasons affecting the profit.

Most of the entrepreneurs who are engaged in fishnet production do not have proper business training, business skill and education. So they do not know how to control the cost of
production of the fishnet, which consequently affects the profit of such fishnet factories. In this chapter, an effort is made to study the marketing strategies used by the entrepreneurs to sell the fishnets.

This study shows that the fishnet industry is generally weak on the marketing side when compared to the production side. It is found that a majority of the entrepreneurs follow only the traditional ways of marketing. Except a few, most of the entrepreneurs are ignorant of the market availability of fishnets outside the district. So they generally sell their fishnets through intermediaries. The intermediaries who purchase them from the producers sell them at a higher price in markets that exist at different places outside the district. Nearly 56% of the fishnets produced in this district are sold in the national market through the intermediaries. The fruits of profit are enjoyed by them because of the market ignorance of the producers. In this district the owners of the big five fishnet units, are functioning as intermediaries. Only 9% of the fishnet produced in the district is sold in the global market. More than 90% of the fishnets are sold on credit basis. Many customers fail to pay within the stipulated time. This affects the flow of funds which in turn affects the industry in many ways. Most of the fishnet factories do not have a
marketing department to do marketing research at the national and global levels. No effort is made to boost the sale through advertisements in the media like newspapers, radio and television. The Association of the fishnet industrialists does not function for the benefit of all fishnet factories. There is lack of communication regarding market availability and government schemes among them. The State and the Central Governments do not give adequate guidance to the industry to market the product.

On analysing the growth rate of the production and marketing of fishnets, the following results were obtained. As per the compound growth rate analysis, the average use of raw materials, the average quantity of production of fishnets, the average sale of fishnets, the average consumption of electricity, the average amount of fixed capital, the average amount of working capital and the average number of workers employed in the sample fishnet units in the district, during the study period, recorded an increasing growth rate, whereas the percentage of profit earned by the sample fishnet units was steadily declining year by year during the study period.

The fourth chapter deals with the problems faced by the owners of the sample fishnet units, and brings to light the
correlation between the variables and the perceptions of these entrepreneurs.

These entrepreneurs face many problems connected with production and marketing. The problems faced vary from person to person. In this connection, 25 perception variables have been identified and quantified by using Likert's five-point scale.

The tool adopted to analyse the perception of the owners towards various problems faced by the industry is factor analysis. Factor analysis is the multivariable statistical technique that explains the interrelationship among the total set of observed variables. One of the final outcomes of factor analysis is called the Rotated Factor Matrix. The sum of the squares of the factor loadings of a variable is called Communalities ($h^2$). The factors with the factor loadings of 0.50 or greater are considered significant factors. The factors with the factor loadings below 0.50 are considered insignificant factors.

This chapter deals also with the results and the explanations of factor analysis. While analysing the perception variables, the following factors were found to affect the fishnet industry according to the owners of the sample units.
The fifth chapter analyses the various important factors which influence the attitude of the workers towards the welfare measures provided by the fishnet factories. The study shows that factors like the age of workers, their educational status, working experience, and income do not influence their level of attitude towards the welfare measures provided. But factors like the social status of the workers and their expenditure do have a significant influence on their level of attitude towards the welfare measures provided in the fishnet factories in Kanniyakumari district.

6.3 SUGGESTIONS

The following suggestions are made on the basis of the findings of this study.

6.3.1 Production

i) Two or three small sized fishnet factories should join together and start a nylon yarn making factory to meet their raw material (nylon yarn) demand. This step will
definitely reduce the expenditure incurred on raw material. This in turn will reduce the cost of production of fishnets.

ii) Necessary initiatives and steps are to be taken to solve the power cut problem. A few companies may join together and install a powerhouse to generate electricity. Otherwise some companies can jointly install a Wind Farm to generate electricity, to meet power demand.

iii) If the government directs the commercial banks to provide loans to the fishnet industry, then many people might come forward to start fishnet producing units, and also the existing fishnet units can be improved and their the production capacity could be increased.

iv) Fishnet companies, which do not at present have heat stretching and colouring facilities, should try to install heat stretching and colouring machines to avoid the extra expenditure incurred on such processes. By doing so, the production cost of fishnets can be reduced.

v) Fishnet factories have to make sincere attempts to employ professionally qualified people in the management team.

vi) Efforts have to be taken to form an association of entrepreneurs of fishnet industry in Kanniyakumari district. Such association should have a permanent office building of their own, so that the entrepreneurs can meet at regular intervals and solve the problems facing the fishnet industry, and also can chart out plans for the betterment of the industry.
6.3.2 Marketing

i) Necessary steps are to be taken by the fishnet industries to market fishnets without the help of agents or intermediaries, so as to increase the profit margin.

ii) Every fishnet factory must have a marketing department to study the availability of market in the national and international levels and also to chalk out suitable marketing strategies. All the fishnet factories should employ a qualified marketing manager to boost the sale of fishnets.

iii) Fishnet factories need to allot sufficient funds to do marketing research on modern lines, with the help of computers.

iv) Fishnet factories have to take necessary steps to promote the sales of fishnets by giving advertisement, through various media, like newspapers, radio and television.

v) The government has to conduct seminars to teach the entrepreneurs of the fishnet industries the export and import trade regulations and procedures of the government, so that every company can export its products directly and can tap the international markets.

vi) The government has to take all necessary steps to improve and convert Colachel port into a full fledged harbour of international standard, so that fishnets can be exported directly from there and fishnet machinery can be imported directly. The proposed Colachel Harbour has to be interlinked with the main places of the district and the nation by railroad.
vii) As there is a strong global marketing competition due to globalisation, all efforts have to be made to produce quality fishnet at competitive price level.

6.3.3 Employment

i) The government has to take necessary steps through its Labour Department, to safeguard the job security of the workers.

ii) The entrepreneurs of the fishnet industry should give annual bonus to the workers regularly, besides providing all the welfare measures guaranteed by various Government legislations, to boost the working morale of the employees.

iii) The district administration needs to take all necessary steps to eradicate child labour in the fishnet industry, as per the Abolition of Child Labour Act.

iv) The government needs to take the initiative to form a separate department for the development of fishnet industry, like the Fisheries Department.

v) The government needs to take necessary efforts to educate the fishermen about the comparative advantages of nylon fishnets over cotton fishnets. It is necessary to take steps to solve the on-going feud between the traditional manual boatmen and the power engine boatmen.
6.4 PROSPECTS FOR FURTHER RESEARCH

In the light of the experience of this study, a few promising areas that are to be probed are identified. The financing side of the fishnet industry, its impact on the socio-economic development of the district, the foreign exchange earning potentiality of the fishnet industry and an exclusive study on the impact of globalisation on the fishnet industry of the district are some of the important issues suggested for future research.

6.5 CONCLUSION

This study helps to understand the various aspects, problems, and prospects of the fishnet industry. If the suggestions given in this thesis are implemented sincerely, the industry can really solve the unemployment problem of the district to a great extent and also can help the people to improve their per capita income and standard of living. If this study helps the future researchers to pursue research in fishnet industry and helps the planners to frame policies for the betterment of the industry, the researcher of the present study will be richly rewarded.