CHAPTER VIII

SUMMARY OF FINDINGS, SUGGESTIONS AND CONCLUSION

Kanyakumari district is one of the industrially growing districts in Tamil Nadu. Industrial product like fish nets, cashewnuts, coir products, surgical products, rubber and rubber based products, tinned fish processing units, textiles products, milk products and honey based products of international standards are produced and exported on a large scale from the district. This has an inducement for new entrepreneurs to start village and cottage industry in the district. In this context, a concerted effort is being made to study the extent to which the coir industry in Kanyakumari has been promoting the economic progress of the district.

The following objectives have been fulfilled through this study,

i. To study the overview of coir industry.

ii. To analyse the socio-economic background of the sample coir unit owners and their growth performance in the study area.

iii. To examine the production practices and marketing strategies of coir industry in Kanyakumari district.

iv. To discuss the problems encountered by the sample respondents and units in the process of production and marketing of coir and coir products.

v. To analyse the level of attitude and the factors influencing the level of attitude of the workers towards the performance of coir industry.
vi. To offer suitable suggestions and recommendations to improve the coir industries.

A stratified random sample of the coir industrial units was chosen from the “universe” consisted of all the working coir units registered and unregistered. The units in the universe were divided into three categories on the basis of location of the industry, namely, urban, semi-urban and rural industries. A sample of 150 units was selected out of 1055 functioning coir units on the basis of proportionate stratified random sampling method. As far workers are concerned a sample of 600 workers are selected from 150 units on the basis of simple random sampling method.

The present study is based both on primary and secondary data. The primary data was collected from both the selected coir units and workers working in these units through the personal interview method by using a pre-tested and well-designed interview schedule.

In the foregoing chapters, introduction to this subject, statement of the problem, objectives, review of earlier studies, profile of the study area, theoretical frame work of the study, concepts used, methodology adopted and the sample coir units and their growth performance of coir units in Kanyakumari district, attitude of workers towards the performance of the units, problems faced by the selected coir units and brief summary of findings and conclusion are presented.
8.2 Findings

8.2.1 Coir Industry and their Growth Performance

The performance of coir industry and their growth in relation to their objectives was evaluated and the result shows that,

It is found that 39.34 percent of the respondents are in the age group of 41 to 50 years and it is followed by the age group 31 – 40 years, 51 and above and below 30 years which constitute 25.33 percent, 18.00 percent and 17.33 percent respectively.

It is revealed that out of the 150 owners of coir industry chosen for the study 119 (79.33 percent) are male and 31 (20.67 percent) are female.

The study shows that out of the 150 owners, 120 (80.00) are Hindus, 19 (12.67 percent) are Christians and 11 (7.33 percent) are Muslims.

It is understood from study that out of the 150 coir industry owners 89 (59.33 percent) have attained college level education and exhibit the maximum degree of entrepreneurial drive. It is followed by 32 (21.33 percent) who have educated up to the school level and 29 (19.34 percent) have had technical education.

It is understood from the study that 36.67 percent of the respondents did not have any work or business experience and just came into this line after the completion of their education, the respondents came from other business is
34.67 per cent followed by respondents who came from private service, agriculture and government service which constitute 20.00 percent, 4.67 percent and 4.00 percent respectively.

The study found that two major reasons which influenced the respondents to start a unit are, ‘Subsidies available’ and ‘desire to make more money’. Some respondents wanted to be independent, and to be achievers. There are some essential qualities required for a successful entrepreneur. A high reward in terms of more money is the motivation for many people far starting for coir units.

It is inferred that out of the 150 owners units 74 (49.33 percent) are located in rural areas, 36 units (24.00 percent) in semi-urban and 40 units (26.67 percent) in urban areas.

It is observed from the study that 110 units (73.33 percent) are owned by individuals, while 40 units (26.67 percent) are partnership firms.

It could be found that the average score in respect of fixed assets was the highest of 10.06 in industries located in semi-urban area. This was followed by coir industries located in urban area and rural area which constitute 9.11 and 8.10 respectively.

The study indicates the total growth score value of units based on their owned funds. The highest growth was achieved with the average score value of
8.24 by the industries located in the rural area followed by semi – urban and urban industries with the average score value of 6.22 and 6.00 respectively. Overall analysis indicates an average score value of 6.22 and 6.00 respectively.

It is seen from the study maximum growth was attained by units located in rural areas of the district with the average score value of 8.19, this was followed by the units located in semi – urban and urban areas with the average score values of 7.00 and 6.60 respectively.

It could be seen that the industry located in the rural areas recorded the highest growth with the average score value of 8.81 from the working capital point of view. This was closely followed by the industries located in urban and semi – urban areas with the average score values of 7.10 and 6.72 respectively.

The study describes that the combined scores of the selected units for raw materials consumed during 2011 – 2012. Accordingly the maximum growth was recorded by the industries located in rural area with the average score value of 8.32, this was followed by the industries located in urban and semi-urban areas with the average score values of 7.85 and 5.89 respectively.

The study illustrated that the coir industry located in rural areas among the sample units achieved the highest growth from the view of number of customers with average score value of 7.83 during the period under review.
The industry located in urban and semi-urban area respectively with the average score value of 6.45 and 5.94 achieved second and third positions.

It is observed that the coir industry located in rural area top the list with the highest average score value of 7.64 as far as employment oriented growth of sample units is concerned. The industries located in semi-urban and urban areas with the average score value of 7.22 and 6.55 respectively come next in order.

It is found that with the average score value of 10.11, the industries located in semi-urban area stood first among various category of industries as far growth in respect of volume of production is concerned. The industries located in rural and urban areas of the district respectively stood in second and third positions with the average score value of 8.36 and 7.95.

It is inferred that the coir industry located in rural areas recorded the highest growth with the average score value of 8.42, followed by the industries located in urban and semi-urban area with the average score value of 7.30 and 7.28.

It is observed that the coir industry located in rural areas stood first with average mean score value of 8.38 based on net profit earned during the study period. The industries located in semi – urban and urban areas with the average score value of 7.31 and 6.25 respectively come next in order.
It indicates that the coir units located in rural areas had the highest growth with the overall average score value of 83.31. Second in order was the industries located in semi-urban area with the overall average score value of 73.75 followed by the industries located in urban area with overall average score value of 70.15. The net average growth value of all sample units put together was 77.51.

It described that out of the 150 sample selected units, 29 of them (19.33 percent) had recorded a high level of growth, 75 units (50.00 percent) had achieved a medium level of growth and the remaining 46 units (30.67 percent) had performed at a low level of growth. It is evident from the analysis that nearly 104 units (69 percent) out of the 150 units had achieved a satisfactory level of growth; that is medium and high levels of growth in the study area.

The co-efficient of variation were 6.66 percent for the units of high level growth, 4.41 percent for the units of medium level growth and 5.72 percent for the units with a low level growth. It shows that the coir industries with a high level growth has more variations in the growth scores compared to the units with other two levels of growth. It could be safety conclude that the units of the medium level growth are very consistent in their growth, followed by the high level growth units.
It could be inferred from the study that the co-efficient of multiple determination $R^2$ was 0.5212 indicating that 52.12 percent of the variations in the growth of the coir industry of high level growth, was associated with the independent variables included in the regression model. Four out of seven variables, namely capacity utilization, fixed investments, working capital and the sales turnover were found to be statistically significant at 5 percent level and they were found to be positively related to the growth of the units in the high level category. It reveals that a one percent increase in these four variables could increase the growth scale by 0.2819 percent, 0.1047 percent, 0.2714 percent and 0.2014 percent respectively. Among the significant variables, capacity utilization had a greater influence on the growth scale followed by the variable, working capital. As per the ‘F’ value given in table 4.25, the fitness of the regression model was found to be significant at 5 percent level. In the case of the medium level of growth units, the value $R^2$ had indicated a 54.67 percent of the variation in the growth scale. The regression co-efficient of capacity utilization, fixed investment, working capital and the volume of production were found to be significant at 5 percent level and were found to be positively related. It means that an additional one percent of each of these variables is capable of increasing the growth scale to the extent of 0.2748 percent, 0.2048 percent, 0.1945 percent and 0.3027 percent respectively. The variable, value of production, had a greater influence on the growth scale in the case of the medium level growth category of the units, followed by the variable of capacity
utilization. The ‘F’ value indicates that the model fitted was statistically significant at 5 percent level. All the seven variables included in the regression model for the low level growth category of the coir industry were jointly responsible for about 50.76 percent of the variations in the growth scale. Out of the seven variables, three variables namely, capacity utilization, working capital and the value of production were found to be statistically significant at 5 percent level and they were positively related to the growth scale. One percent increase in these variables might lead to 0.1926 percent, 0.3014 percent and 0.2017 percent increase respectively on the growth scale of the units of the low growth level category of the units. The working capital had a greater influence on the growth scale followed by the value of production. The ‘F’ value shows that the regression model fitted is statistically significant at 5 percent level.

8.2.2 Production Practices and Marketing Strategies

Regarding the production practices and marketing strategies of coir units, it is found that the significant difference among three categories of coir units is identified for product strategy, price strategy and place strategy.

It is observed from the study that the number of coir units had risen from 840 units in 2000-2001 to 1005 units by the year 2012-2013. During the period from 2000-2001 to 2012-2013, the total investments made grew from Rs.1,257 lakhs to Rs.20,845 lakhs. The employment offered by the units of the coir industry had increased from the level of 8667 persons in 2000-2001 to the level
of 9632 persons by the year 2012-2013. The production which was 99.83 tonnes in the year 2000-2001 had increased to 180.54 tonnes by the year 2012-2013. The following figures clearly explain the trend values of the various growth parameters.

It could be identified from the trend co-efficient for all the parameters selected for the study to measure the growth rate are statistically significant and positive. The highest growth rate 14.46 per cent is found in the case of the number of units registered. This was followed by the investment made, production and employment which constitute 5.10 per cent, 3.48 per cent and 1.69 per cent.

It is found that the mean score of the variables in pricing strategy and its respective ‘F’ statistics. The important variables in pricing strategy of the urban based coir industry are reasonable price. The respective mean score for the above mentioned industry are 4.3902 and 4.3361 respectively. In case of semi-urban based coir industry, the variables such as easy payment and reasonable price which constitute a mean score of 4.5556, 4.3254 and 4.2553 respectively. In case the rural based coir industry, the variables such as reasonable price and payment in installment are highly related to price strategy in the study area which constitutes 4.4576 and 4.3511 respectively. Regarding the importance given by the respondents, the significant difference among the three categories of coir industry is identified in importance given on reasonable price, easy
payment, and less advance amount since the respective ‘F’ statistics are significant at 5 per cent level.

It is observed that the important promotional variables considered in urban based coir industry are prompt delivery, co-operation of workers, and advertisement. The respective mean scores are 4.6882, 4.1765, 4.1158 and 4.0737 respectively. In the semi-urban based coir industry, the variables such as better service, co-operation of workers, advertisement are highly related to promotional strategy in the study area. In case of rural based coir industries, only two variables such as better service, flexibility in payment and advertisement are highly considered related variables which constitute a mean score of 4.7889, 4.4667 and 4.0034 respectively. Since the respective ‘F’ statistics are significant at five per cent level.

8.2.3 Socio-economic Status of Coir workers

The analysis of socio-economic status of coir workers revealed the following.

It is revealed from the study that the important age groups of the coir workers are 31 to 40 years and 21 to 30 years. They constitute 23.33 and 22.00 percent respectively to the total workers. The workers who are below 21 years are 21.33 percent. It is followed by the age group of 41-50 years and above 50 years.
The level of education of the coir workers show that higher secondary and graduation which has constitute 22.33 percent. It is followed by secondary, primary and post-graduation/professional education which constitute 19.67 percent, 19.00 percent and 16.67 percent respectively.

The study shows that 41.67 percent coir workers previously engaged in agriculture, while 33.00 percent engaged in business and 25.33 percent workers engaged in other activities.

It is revealed from the study majority of coir workers in the present study come under the income group of Rs. 25,001 to 50,000 and Rs. 50,001 to Rs. 75,000, which constitute 26.67 and 24.33 percent respectively to the total. The workers who belong to the annual income group of Rs.75,001 to 1,00,000 constitute 23.33 percent. It is followed by the annual income group of above Rs. 1,00,001 and below Rs.25,000 which constitute 13.00 and 12.67 percent respectively.

It is understood from the study that out of the 600 workers, 124 (20.67 percent) prefer the coir works due to desire to earn more money. They are followed by nearer to home, motivated by the friends and relatives, unemployment, easy to work and traditional employment which constitute 19.33 percent, 18.33 percent, 15.00 percent, 14.33 percent and 12.34 percent respectively.
It is revealed from the study that 85 percent of the workers had expressed their attitude about the prevailing working condition in the study units though dissatisfaction. Further 15 percent of the workers on their work environment are satisfied.

The study pointed out that the coir workers feelings in the form of their opinions about their work environment. In the opinion of the workers in the urban area, light and ventilation, drinking water and cleanliness are the most important components of work environment, with mean scores of 2.94, 2.88 and 2.88 respectively. Drinking water, light and ventilation, and safety arrangements are to be the most important components by workers who worked in semi-urban area with their respective mean scores of 2.85, 2.78 and 2.76 respectively. Drinking water, safety arrangements and light and ventilation were found to be the most important factors and in that of importance with mean scores of 2.86, 2.81 and 2.72 respectively by workers who worked in rural area. The significant difference among these groups of workers were identified as regards their opinions on work environment such as light, ventilation, cleanliness and rest-room facilities as revealed by the computed ‘F’ statistics and ‘P’ values presented in the table. So the study noted that 90 percent of the respondents (that is, 540 out of 600) had not been taking part in the activities of the trade unions regularly. But 10 percent of the workers found to be regularly taking part in trade union activities.
8.2.4 Problems of Coir Industry

Analysis with respect to problems faced by coir units and coir workers brought to the light the following highlights,

Regarding the problems faced by the sample coir units, it is shown that out of 150 sample units, 42 (28.00 per cent) are facing finance problem. It is followed by the problem due to shortage of raw material, power supply, labour, technical and managerial guidance and marketing which constitute 22.00 per cent, 20.67 per cent 8.67 per cent and 6 per cent respectively.

It is observed that the different marketing problems encountered by coir units, the first two major factors that affected the progress of the unit were competition from large units and competition from small units ranked first and second. Slackness in demand, price control, transport and others were ranked third, fourth, fifth and sixth respectively.

It is found that the shortage of working capital appeared to be the dominant problem as it was ranked first, followed by hostile attitude of financial agencies, inadequate assistance from commercial banks, inadequate assistance from the financial institutions and delay in the sanction of loans.

It is found that among labour-related problems, low income, delay in wage payment, long duration of working hours, lack of co-operation, less job satisfaction, poor social security measures and others in that order. Further,
Majority of these workers are unskilled and illiterate. Hence, they have less opportunity to seek alternative employment with their own effort. Inadequate employment, low earnings, high work hours, delays in wage payment and lack of co-ordination between employer and workers. These workers have limited or no formal social security and social welfare coverage which increases their vulnerability during times of illness, old age and unemployment. The absence of social security mechanisms is a critical factor in downturns in the living conditions of these workers in the coir sector.

8.3 Suggestions

Having identified the problems confronting the coir industry in the study area, the following suggestions are made for the considerations of policy makers and planners for the development of this sector.

i. The rural masses are unaware of the developments happening in the country. They do not have any other similar coir unit in their vicinity to clarify their doubts. Hence, the district authorities should take necessary steps to develop an industrial estate and a training centre to give details regarding stability of industrial units particularly in coir units.

ii. The projects prepared by the DIC officials were often found to be not suited to the local environment and local requirements. Therefore, the DIC should identify schemes that are most suited to the local requirements and offer them to the coir units. The local coir units should be made responsible for
utilizing the local potential resources in the area for the successful implementation of the various schemes.

iii. Despite the steady growth of the coir units from 2000-2001 to 2012-2013 in the study area, there had been several obstacles faced by them such as the non-availability of manpower, insufficient infrastructure and inadequate capital which had hindered and hence a collaborative and integrated approach among the central government, the state government, the associations of the local industry and the small scale units is very essential.

iv. It is understood from the analysis that inadequate market demand is a major problem that was confronted by the coir units. Marketing problem includes in itself inadequate market demand, fluctuations in demand and competition from small and large scale industrial units. Hence, steps should be taken to create steady market for coir products.

v. There is lack of awareness about various schemes of assistance available with bank; hence any programmes introduced must be published periodically through grass root level functionaries. The working of the coir units in India and in Tamil Nadu had progressively been generating fresh employment opportunities and is contributing much to the economic growth of the country. In this regard, the government should safeguard this sector from the units falling sick as well as take steps to protect them unfair competition from the large scale units.
vi. The study reveals that the coir workers normally do long hours of work and receive low wages. Hence efforts must be taken to introduce the minimum wages Act in the industry.

vii. The government should enforce labour welfare measures such as provident fund and medical facilities at least for the workers of the coir units, which come under Factories Act. It will help the workers at their old age and during the unemployment period.
8.4 Conclusion

The above analysis leads us to the conclusion that the growth of coir units in the area under study in terms of the number of units registered, investment made, employment generated and the total production achieved had been spectacular. The role of the District Industries Centre had also been significant in promoting the coir units in this district. Self employment schemes and measures for the rehabilitation of the sick units implemented through the District Industries centre were found to be in progress. The main problem faced by the coir units was found to be in respect of marketing their products and in getting adequate working capital and on time. Proper training should be arranged for the development of entrepreneur through entrepreneurial development wings. Quality circles should be arranged at regular time intervals to develop the right aptitudes in order to promote their business in a profitable manner. The government and non government organization should be given incentives and subsidies in order to encourage and motivate the entrepreneurs in the study area. If the aforesaid suggestions are properly implemented by the authorities concerned, there would be significant growth in coir units, thereby leading to overall growth of the district.

8.5 Scope for future research

There is a plenty of scope for doing further research on,
1. “A study on the problems and prospects of coir industry” can be undertaken to identify the various problems faced by coir units and to provide remedial measures.

2. “A comparative study can also be made on the government policies of coir industry in various states of India”.

3. “A study on economic conditions of women coir workers in Tamil Nadu” also helps the women workers in coir industry.

The researcher will feel amply rewarded, if the present study paves the way for the above and many more similar studies in future and those studies will definitely contribute a lot to improve the well being of coir industry in the country.