5.1 Introduction

Micro, small and medium enterprises (MSME) sector has been recognized as an engine of growth all over the world. The sector is characterized by low investment requirement, operational flexibility, location wise mobility, and import substitution. In India, the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 is the first single comprehensive legislation covering all the three segments. Their significance in terms of fostering new entrepreneurship is well-recognized. This is because, most entrepreneurs start their business from a small unit which provides them an opportunity to harness their skills and talents, to experiment, to innovate and transform their ideas into goods and services and finally nurture it into a larger unit. Over the years, the small scale sector in India has progressed from the production of simple consumer goods to the manufacture of many sophisticated and precision products like electronics control systems, micro wave components, electro medical equipments, etc. The process of economic liberalisation and market reforms has further exposed these enterprises to increasing levels of domestic and global competition. The formidable challenges so generated for them have led to a novel
approach of cluster development for the sector. As a result, private and public sector institutions, both at the Central and State levels are increasingly undertaking cluster development initiatives.

The Government has been encouraging and supporting the sector through policies for infrastructural support, technology upgradation, preferential access to credit, reservation of products for exclusive manufacture in the sector, preferential purchase policy, etc. It has been offering packages of schemes and incentives through its specialized institutions in the form of assistance in obtaining finance; help in marketing; technical guidance; training and technology upgradation, etc. Micro, Small and Medium Enterprises (MSMEs), including khadi and village/rural enterprises credited with generating the highest rates of employment growth, account for a major share of industrial production and exports. They also play a key role in the development of economies with their effective, efficient, flexible and innovative entrepreneurial spirit.

Tamil Nadu has carved a niche for itself amongst the industrial leaders in the country. In the era of liberalization and intensive competitive environment, Tamil Nadu is resolutely addressing the challenge of moving to higher trajectory of growth in the industry. Tamil Nadu positioned to continue to be most preferred destination for new investment. The State continues to witness a boom in attracting investment in the Information Technology and related industries, automobiles, electronics, consumer durables, garments, real estates and so on. Realising the importance of manufacturing sector for its unlimited potential to accommodate ever increasing non-agriculture labour force, the State is heading for industrialization. The vision of the government is to make the State
a manufacturing hub of the country. Along with adequate care for the sustainable existence of traditional industries such as textile, garment, leather, sugar etc. the State has emerged as a major hub for manufacturing and sunrise industries viz. automobile, auto component, electronic hardware and software which are the major focus areas for attracting investment through Foreign Institutional Investment and Foreign Direct Investment. The southern districts of the State are contributing more than 25 per cent to Gross State Domestic Product. In order to achieve equitable distribution of income between the districts for social maximization, the State realised that the spread of industrialisation is more imperative. With a view to achieve balanced development and growth across the districts so as to create healthy socio economic region, the Government is focusing to establish more number of manufacturing industries across the State and taking efforts to attract investment for accelerating industrialisation in southern and western districts by providing special industrial package measures.

5.2 Profile of Small and Medium Enterprises in India

The micro, small and medium enterprises (MSME) sector contributes significantly to the manufacturing output, employment and exports of the country. It is estimated that in terms of value, the sector accounts for about 45 per cent of the manufacturing output and 40 per cent of the total exports of the country. The sector is estimated to employ about 59 million persons in over 26 million units throughout the country. As per the Annual report of MSMEs 2009-10, out of the total enterprises, 70 percent are Number of working Enterprises, 22 percent Number of Enterprises found permanently closed, 8 percent Number of Enterprises found non traceable at all, 95.05 percent are Micro
units, 4.74 percent are Small units and only 0.21 percent is Medium sized units, 66.67 percent involved in Manufacturing activities and 33.33 percent in Services activities. Regarding the employment status, 69.11 percent have been employed in Micro Enterprises, 24.01 percent in Small Enterprises and 6.88 percent in Medium Enterprises. Manufacturing Enterprises give the employment opportunities for 86.75 percent of the total workers while Services Enterprises 13.25 percent of the total workers. In the per unit employment also Manufacturing sector dominates the service sector. The investment in plant and machinery is more for the manufacturing enterprises to the tune of 76.56 percent in total value and 90.94 in per unit value whereas the same for Services enterprises is 23.44 and 9.06 respectively for total value and per unit value of plant and machinery. The value of Net Worth is more for the manufacturing enterprises than Services enterprises both in total value and per unit value. In the Gross output the manufacturing enterprises occupies 94.29 percent while the Services enterprises occupies 5.71 percent. Out of 185378 units which have availed loan from Institutional Sources, 58.39 percent couldn’t repay the loan promptly and out of 66125.47 crores taken as loan, 65.94 percent is outstanding. This is the scenario of MSMEs in India. Lack of demand ranks first which is followed by Shortage of working capital, Marketing problems, Power shortage, Non availability of raw material, Equipment problems, Labour problems and Management problems were noted to be the basic reasons for industrial sickness in the country. Therefore the demand can be boosted up by producing products which meet the customers’ needs directly.
5.3 Credit Facilities to MSMEs

The extension of credit facilities extended by all types of banks are appreciable, at the same time there is considerable amount of Non Performing Assets created by the small scale sectors in banks is also noteworthy. Public Sector Banks grants 24.64 percent of the loans to MSE out of the Priority Sector lending whereas the same in case of Private Sector Banks is 20.45 percent. MSMEs are coming under the category of priority sector lending and it has got the amount granted progressing well as it has a growth rate of 205 percent with an average growth of 97 percent. The average Proportion of lending to MSE in the priority sector is 30.97 percent. Non Performing Assets occupies a major portion in Nationalized Banks which finds an increase of 5.5 percent in 2010 when compared to 2009.

5.4 Profile of Small and Medium Enterprises in Tamil Nadu

In Tamil Nadu, the development of micro, small and medium enterprises is indispensable for the economy from their largest share of 95 per cent in total industrial units, 40 per cent in terms of manufacturing output, 30 per cent in value of export. As of 2007-08, the total number of MSMEs in the State increased to 5.58 lakh from 5.39 lakhs in 2006-07 registering a growth of 3.34 per cent, whereas the number of persons employed had increased from 37.03 lakh persons in 2006-07 to 40 lakh persons in 2007-08 registering a growth of 8.02 per cent. The investment in terms of fixed capital also increased from Rs.16817 crore to Rs.19364.06 crore and recorded the growth of 15.15 per cent. The output increased from Rs.105980 crore in 2006-07 to Rs.114719 crore in 2007-08 which showed a growth of 8.25 per cent. At the national level, during the year 2006-07,
the State’s share was 4.20 per cent in terms of number of registered MSMEs, 22.45 per cent in output and 11.85 per cent in providing employment.

Out of the total enterprises, 73.55 percent are Number of working Enterprises, 25.08 percent Number of Enterprises found permanently closed, 1.37 percent Number of Enterprises found non traceable at all. As per the Number of units by type of Enterprises, 96.69 percent are Micro units, 3.14 percent are Small units and only 0.17 percent is Medium sized units. From among the Number of working Enterprises, 51.43 percent involved in Manufacturing activities and 48.57 percent in Services activities. Manufacturing Enterprises give the employment opportunities for 85.78 percent of the total workers while Services Enterprises 14.22 percent of the total workers. In the per unit employment also Manufacturing sector dominates the service sector. The investment in plant and machinery is more for the manufacturing enterprises to the tune of 96.88 percent in total value and 13.89 in per unit value whereas the same for Services enterprises is 3.12 and 0.47 respectively for total value and per unit value of plant and machinery. The value of Net Worth is more for the manufacturing enterprises than Services enterprises both in total value and per unit value. In the Gross output the manufacturing enterprises occupies 92.16 percent while the Services enterprises occupies 7.84 percent. Out of 11060 units which have availed loan from Institutional Sources, 6289 units couldn’t repay the loan promptly and out of 5701.79 crores taken as loan, 658.62 crores are outstanding. Hence, it is inferred that the performance of Micro, Small and Medium Enterprises both in the State and the Nation are progressing well and if efforts are taken to boost up
the marketing facilities, days are not far away to make the MSMEs as the backbone in the economy of the Nation.

5.5 Demographic Profile of the Sample Respondents

The sample group of the Small Scale Industries consists of 77 percent males, 57 percent middle aged between 31 and 50, 78 percent married and having small families, and 72 percent fully engaged in industrial work. It is known from the survey that the source of industrial income dominates others which form 51.73 percent out of total income which is followed by the business income, both have the close connection with the small scale sector. The other income constitutes 26.17 percent altogether. However, 74 percent of the income has come from industrial operations. By running small scale industries, 56 percent of the sample respondents were able to earn an income of upto Rs.5000, 21 percent to the extent between Rs.5000 and Rs.10000, 15 percent between Rs. 10000 and Rs.15000 and 7 percent between Rs. 15000 and Rs.20000. Hence, it is inferred that the earning capacity of the sample respondents were reasonably good.

5.6 Industrial Location and the Nature of Units of the Sample Respondents

The survey shows that out of the sample, 27 percent have Agro based Industries like rice mills, flour mills, oil mills, cashew factories and the like, 22 percent have Textile Industries which includes tailoring units, readymade garments, cotton hosieries and the like, 20 percent have Wood Industries consist of saw mills, furniture marts and so on, 13 percent have Rubber based Industries like the production of rubber bands, gloves and so on, 5 percent each have Leather based Industries like the manufacture of bags, suitcases, purses and so
on, Mineral based Industries like metallic and non metallic products, and other common industries, and 3 percent have Chemical based Industries. Among them, 78 percent were running Sole Proprietorship and 22 percent were running their units by having Partnership with others, 77 percent of the industrial units have been located at the rural areas and 23 percent in the urban areas. Among them, 18 percent of the units have been situated at the developed area of the district, 63 percent at the backward area and the remaining 19 percent in the Most Backward area.

5.7 Motivators for the Commencement of Industry

The main reason for the preference of starting the industry is the unemployment which leads to self employment. The correlation analysis shows that the variable Self employment has close association with previous experience and Favourable climate, Unemployment has significant relationship with profit motive and to keep the traditional business in action. The traditional business is the root cause of previous experience too. Hence, it is inferred that the traditional business is the major reason for starting Small Scale Industries in Kanniyakumari District. The Factor analysis applied in this respect gives Forced Factor, Voluntary Factor, Support Factor, Profit Motive and Challenge outlook were the basic motives for starting up of industrial units in the district.

5.8 Locational Advantages of Starting the Industry

The major variables which act as the reasons for starting the industries are availability of raw materials and hereditary. As most of the small scale industries are agro based and resource oriented, availability of raw materials and the hereditary were the major reasons which induce the sample respondents
to start the small scale industries. It is noted from the correlation analysis for the reason for starting the Industry that availability of raw materials coupled with the technical knowledge availed by the sample respondents and the Adequate infrastructure available due to the Hereditary business play a major role in starting small scale industrial units by the sample respondents.

5.9 Problems in Raw Materials Purchase

The major problems faced by the respondents in purchasing the raw materials for the small scale industries are High transport cost, Low allotment of quota, Price fluctuations, Non availability of raw materials for seasonal products, Irregular supply, Lack of storage facilities, Heavy tax, Low quality, high cost and Government restrictions. The average score is 50. Therefore high cost of transportation and the allotment of small quantity of raw material will affect the fluctuation in price level.

5.10 Labour Problems and the Purchase of Raw materials

Among the sample respondents, 32.67 percent suffer out of the Non availability of skilled labour, 27.33 percent due to Labour turnover, 24 percent High wages and the rest 16 percent because of labour Union problem. Nearly 40.67 percent of the sample respondents made their purchases in their Local village itself, 12.67 percent in their Local town, 6.67 percent within the block, 14 percent within the taluk, 11.33 percent within the district, 5.33 percent in the nearby district, and 9.33 percent from other states. Therefore it is concluded that domestic purchases dominates outside purchases.
5.11 Debt and Repayment Position of Entrepreneurs

The sample respondents have the practice of getting financial assistance from various sources to run their business like 18.04 percent from Commercial Banks, 13.09 percent from Co-operative Banks, 2.36 percent from Co-operative Societies, 39.70 percent from Self Help Groups, 3.52 percent from Private Banks, 7.25 percent from financial institutions and 2.12 percent from Friends and Relatives. Out of the total investment, only 13.92 percent is contributed by the entrepreneurs from their own fund. With regards to the Time lag in getting loan from the financial institutions, 31.33 percent of the respondents were able to get it within a week, 14 percent within a fortnight, 26 percent within a month and the rest 28.67 percent more than one month. Out of the sample respondents, 58 percent were the defaulters and the rest 42 percent were the regular payers. Among them, 24.67 percent were able to settle their dues on due date, 17.33 percent before due date, 24 percent after due date, 20.67 percent after getting notice from the bank and 13.33 percent after filing case. Through correlation analysis, it is noted that the variable Willful default has high significant relationship with the Family problems of the sample respondents. Low investment has negative relationship with inadequate repayment period and Poor income. Similarly, the variable Personal problems have negative relationship with inadequate repayment period and the variable Poor income has positive association with Personal problems. From the Factor analysis, it is clear that Family Constraints forms 55.16 and Personal Constraints 44.84 percent.
5.12 Employment in SSI Sectors

The majority of the position like Managerial staff, skilled workers and unskilled workers were filled by male members to the extent of 82 percent whereas the workers like casuals and others occupy only 18 percent. With regards to the female employment, they were not given the opportunity of taking part in the managerial level but were involved in the working activities like Skilled workers to the tune of 31.3 percent, Unskilled workers 22.2 percent, Semi-skilled workers 26.5 percent, Casuals 12.0 percent and the rest 8.0 percent fall under the category of other unspecified common workers.

5.13 Fund Utilization

The study has brought out the fact that 7.53 percent has been spent on Raw materials, 4.48 percent on Equipments, 1.00 percent on Electricity, 48.58 percent on Labour Cost, 0.47 percent on Water, 19.17 percent on Transportation, 14.59 percent on Packing and 4.18 percent on Miscellaneous items. It could be seen from the survey that the Labour Cost dominates other expenses.

5.14 Type of Training Inputs

From among the sample respondents, 61 percent of them have undergone training of varied nature whereas the remaining 39 percent have not at all undergone any training. Out of them, 53 percent have taken skilled training, 18 percent Chemical related training and the remaining 18 percent in Coir products making. The training period vary according to the needs of training. As such, 46 percent undergone training which lasted for a week, 40 percent a fortnight and 14 percent for a month long training.
5.15 Awareness and Utilization of Various Development Schemes

Out of the total respondents, 11 percent has availed the loan under Industrial sector, 44 percent subsidy loan scheme, 11 percent Raw material supply with subsidy, 28 percent got it for purchasing machines and 6 percent under common unspecified schemes. Almost 55 percent have got assistants from Government and the rest 45 percent have availed it which includes 7 percent Loan with subsidy, 81 percent Current supply with subsidy and 12 percent for Raw materials subsidy. They got awareness of the schemes through various means. Among them, 62 percent have utilized the amount for industrial purpose, 5 percent for family expenditure, 21 percent for business and 12 percent for purchasing tools. Therefore, it is inferred that 95 percent of the amount is invested for business purpose and the remaining 5 percent is used for family expenditure.

5.16 Pattern of Savings

The change in the saving pattern of the sample respondents has been studied and it is noted that they could able to increase their savings tremendously to the tune of 199 percent. There is paradigm change in the pattern of savings too as they could able to save more in the organized sectors like Banks, Post offices, LICs, SHGs and the like to the extent of 77 percent and in unorganized sectors like Chit funds, Indigenous bankers and Others to the extent of 23 percent. The same was 74 and 23 percent respectively for organized sectors and unorganized sectors before starting small scale industries.
5.17 Reasons for Low Production


5.18 Marketing Practices and Problems of Marketing

Among the study group, 58 percent have sold their products in the Local market, 60 percent involved direct sales, 43 percent have the practice of selling their products only for cash, 25 percent only for credit and 32 percent for both cash and credit. Among them, only 28 percent have satisfied about the adequacy of marketing facilities and 72 percent have dissatisfied about the same. The period of getting credit facilities are normal that they could able to get it within a short period of a month. Out of them, 87 percent have positive opinion with regards to the marketing of the products. Therefore it is strongly recommended that the marketing facilities in the district should be improved.

The Garrett Ranking applied to locate the problems of marketing which the small scale entrepreneurs encountered in marketing their products reveal that they face the problems of High labour cost, high transport cost, Low
demand, Lack of grading facilities, Low marketing facilities, Low price and Poor quality of products. As per the correlation analysis it is noted that the variable High transport cost has close significant association with the Lack of grading facilities. If the grading facilities are available domestically in the production site itself, there won’t be a problem of transportation of goods from one place to another. Hence, it is suggested that grading and storing facilities can be improved in the district to protect the interest of the small scale traders of the district.

5.19 Determinants of Price for the Products

As per the correlation analysis, it is noted that the variable demand has negative relationship with Export, Supply has negative relationship with Market trend, and the use of by –product has positive relationship with Supply. The result shows that no variables have got significant relationship with each other and therefore it can be concluded that the determination of prices is not under the purview of the selected variables and is something beyond control and is vested in the hands of the policy makers. The components Market Constraints and Export Constraints play a crucial role in determining the price as per Factor Analysis.

5.20 Expectations of Small Scale Entrepreneurs

The expectations of the small scale entrepreneurs vary with regards to the nature and extension of business. The weighted average score which has been constructed in this regard reveals the fact that they need More Marketing Support which is followed by More Financial Support, Good and Viable Training, Support from the Government, Modern Technical Knowhow,
Less Formalities, Less Risk, Proper Guidance, Proper Awareness and the exploitation of Export Opportunities. As per ANOVA technique, it is revealed that the variable More Financial Support is highly projected by the sample respondents as it has more significance than other variables.

5.21 Determinants of Income Generation in Small Scale Industries

The Yule’s Coefficient of Association has been applied to determine the association between the variables and the income generation of the sample respondents. The factors taken for consideration in this regard are Personal factors, Production and Marketing Practices, Training and Support and Location of Industries and Fund Utilization. Under personal variables age has no association with the earning capacity, whereas qualification and occupation are the deciding factors of income. Under Production and Marketing Practices, except Market Facilities, all other variables have contributed towards the earning capacity of the respondents. Among them, the variables Market Extension, Type of Production, Type of Organization and the Purchase of Raw materials have high association with the income parameter. Under Training and Support, except Support from Government, Period of Training, Training undertaken and Type of Training have positive association with the income. With regards to the Location of Industries and Fund Utilization, the variables Nature of Fund Application, Location of Industries have negatively associated with income and the variables like Repayment Performance, Fund Utilization and the Area of Operation have positive relationship with income. However, the sample respondents have not satisfied with the earning capacity through the small scale industries. Hence, it can be concluded that proper qualification, good market extension activities along
with need based targeted production and good repayment performance will help the small scale entrepreneurs to grow further to reach the height of business endeavors.

5.22 Test of Hypotheses

The hypotheses result with the help of Man Whitney test reveals that the difference is significant in all the cases known as Problems of Production and Raw Materials purchase, Problems of Production and the Motivators of starting the Industry, Problems of Raw Materials purchase and the Motivators of starting the Industry, Preference of Small Scale Industries and Expectations of Small Scale Entrepreneurs, Problems of Marketing and the Motivators of starting the Industry except Problems of Marketing and Production.

5.23 Suggestions

1. Industrial Infrastructure

   Intervention by various agencies like the government, government undertakings, financial institutions, both public and private sector, and marketing agencies might endeavour to provide the necessary support in capacity utilization, volume production, value addition, and sustainable marketing facilities, but all these will bear fruit only when industrial infrastructure which includes physical infrastructure is adequately provided through government or private initiatives. Even the horticulture products are thrown into waste in the district as there is no proper refrigeration and the like basic facilities for the entrepreneurs. Such type of facilities should be improved in the district to make it as a industrially developed district.
2. Industrial Estates

When the infrastructure for putting up an industrial unit is provided with government initiative, financial institutions, central and state public sector undertakings are willing to provide the necessary financial support. Many allottees however have put up their units in the allotted sites for various reasons. In Kanyakumari District only two industrial units are available and so steps should be taken to open more industrial estates nearby the area where the natural resources are amply available.

3. Tailor made Package

For a first generation entrepreneur who after completing a certificate course or a degree in technical or non technical subject, who wants to venture into manufacturing activity or an investor who wants to start up a manufacturing activity, there is no facility available on a turnkey basis for handholding to establish and sustain the activity. However, the government has not so far made any concrete effort to provide a similar tailor made package for starting micro and small industries around the major industry. Unless attractive incentives coupled with handholding provided by competent agencies are available, industrialization will remain a dream. Many of the educated unemployed in the district have not taken any effort to start a new enterprise as they are discouraged by the cumbersome procedures which prevail in the field of entrepreneurship.

4. Accessibility of Concessions

Even with a law to protect the interests of micro and small scale enterprises, an exclusive policy for micro, small and medium sector offering a
host of concession and allotment of adequate funds to meet the financial commitments, the plight of existing and new small scale units has not improved and the benefits have not accrued to all beneficiaries due to stumbling blocks and pitfalls which are yet to be addressed by the government. While the government claims that numerous concessions are available to micro and small scale units they are not accessible by all units. Therefore, it should be the duty of the concerned authorities to ensure that all new units which have commences production must be extended the concessions earmarked for them. For this, the guidelines must be so amended that all practical difficulties are critically reviewed at short intervals by the field level functionaries and a system must be in place to evaluate the efficacy of the implementation of the policy. As per the study, there are many who are unaware of the various schemes which are in practice, awareness should be imparted by various means.

5. Identification of Gaps

In respect of the micro, small and medium sector units, an agenda must be set up to identify the gaps in respect of energy efficiency, skill upgradation, technology upgradation, procurement of raw-material in a cluster mode, creating infrastructure to store raw materials and finished products and goods and in identifying the right market within the State or upcountry or if possible overseas markets so that competitive selling rates are availed by the manufacturers. To achieve best results, identified gaps should be bridged through intervention by the Resource persons from Consultancy agencies who are committed to uplift the micro and small scale sector. This package of support
could be made available to the needy on payment of reasonable charges so that the ignorance of the people in the district can be completely eradicated.

6. Consultancy Agencies

In respect of new units, the Consultancy agency will motivate the allottees to go for any activity of their choice preferably on a cluster mode by entering any of the potential sectors for sustainability. There is an opportunity for the micro, small and medium sector units to supply the required products conforming to their specifications which may be a sustainable activity. The Consultancy agencies may help the units to avail of such opportunities, further, these may help the new units in preparing detailed project reports, approaching finance institutions for credit support, purchasing plant and machinery with appropriate technology, providing necessary training to the skilled manpower so as to make them employable in these units, procuring and storing raw materials on a cluster mode, creating a common facilities centre for storage of raw materials and finished goods, establishing quality testing labs, setting up common tool room facilities and marketing the production at competitive rates. These type of agencies can be commenced by the people of the district by investing more in their own district than outside.

7. Sustainable Financing

Technology would be leveraged to introduce new and innovative financial products which would be user friendly, competitively priced and meeting varied credit needs, besides, newer credit delivery channels will be tapped and arrangements like sourcing, referral and co-branding should continue with established NBFCs or private banks and in association with public sector
banks. Further, the credit dispensation is being aligned with the objectives of environment protection, energy efficacy and social standards. In view of a limited branch network, cluster focused business development strategies are being adopted to meet the credit requirements of specific MSME clusters. As one of the major problems reported by the same entrepreneurs in the district is inadequate financing, steps should be taken to ensure easy and equitable financing to the needy entrepreneurs who will naturally help them to enrich and to excel in their entrepreneurship.

8. Viable Projects

Kanniyakumari District is more a horticultural rather than agricultural economy and it would be ideal to promote horticulture and the Government should start a small canning sand bottling industry as a pilot project by utilizing the locally available fruits. Horticultural products like fruits, spices and the like can be grown extensively in the district to make use of the surplus into viable products.

9. Medical Tourism

Commerce, which has already put edible mushrooms in shop shelves, capsule unique mushroom derivatives for direct marketing, popularized rare herbs as cosmetics and medicines, successfully sold even remote hilly sites as health resorts and holiday homes. Pilgrimage, sightseeing and space reaching tour packages, bottled even the once – ubiquitous drinking water, should be naturally and logically allowed to work the constructive miracles through the right entrepreneurship, sincere marketing and sustainable industrialization.
10. Rubber based Industries

Since the district produces substantial quantity of natural rubber, both latex based and dry rubber based industrial units could be promoted by establishing common facilities like mixing mills, vulcanizes, steam boilers and dryers. Many small units could operate to produce a variety of rubber goods with the help of these common facilities, the setting up of which may prove to be too costly and risky to the small scale industrialists. There are few minor rubber factories producing rubber band, rubber chapels and the like are functioning in the district. this type of industries can be emerged and encouraged to promote small scale industries in the district.

11. Food Processing Industries

Food processing can offer good scope in Banana products, Mango products, fish products, jackfruit products, pineapple products, honey products and the like for which the help of research institutions can be sought. This is to convert the raw materials into value added products, which will generate entrepreneurship and employment. As this industry will attract more women to work, this industry can be improved and modernized for the benefit of the society as a whole.

5.24 Conclusion

The progress and benefit of Micro, Small and Medium Enterprises both at the National level and State level shows positive trend and yielding good result. Though Kanniyakumari District has reasonably good infrastructure, natural resources and educated human resource, there are few medium and no large scale industry is available in the district. A large number of tiny and small
scale industries exist without bringing in newer methods and techniques. Exports are few. Entrepreneurship, innovative technologies, improved financing and governmental supports are needed to strengthen the existing tiny and small scale industries. Government should also take efforts to propagate the schemes, incentives, and support services available for industries including certain subsidies. Environment friendly industrial methods and conservation of natural resources are to be strictly adhered to in all future ventures. Being located at the right place can be advantageous for the promotion of the industry. Availability of raw materials, plenty of cheap labour, proximity to the market, highways, ports, being situated nearer to the industrial hinterland are some of the locational advantages. However, the district has not reaped any of these advantages, rather has suffered for want of all the said factors. Industrial development of the district is possible only when both the government and the people of the district join together. The study which has been conducted in the district with regards to the performance of small scale industries in the district resulted with both positive and negative aspects. The study group consists of 77 percent male members 65 percent middle aged, 78 percent married, 67 percent with low literacy levels, 66 percent with small family size, and 82 percent exclusively involved in business activities. The Garrett ranks assigned to the variables reveal the fact that the major reasons for choosing small scale business as their profession are due to be self employed, to support the Family, to overcome the problem of unemployment, availability of raw material and previous experience in the industrial skill. Further, the availability of raw materials goes hand in hand with the technical knowledge for starting up the business enterprises. Hereditary
business paves the way for the sample group in using the existing infrastructure facilities for the improvement of the business. The factors Infrastructure support, Traditional business and Natural Resources help the tiny entrepreneurs to establish their business well. High transportation cost and the tax burden are the main problems felt by the sample group in procuring the raw materials for production. High transportation cost, Price fluctuations, Irregular supply, Lack of storage facilities and High cost of raw materials and Non Availability of raw materials were identified as the major problems of marketing the products produced.

Most of the respondents have the practice of selling their products in the local market and only a few have the dealings at national level. It is pity to not that no one have the practice of exporting their products. Nearly 60 percent have direct selling practices while others have depend on others like agents for selling the products. They do feel that the marketing facilities can be improved. As per the opinion of the sample respondents export potentiality, demand pattern, market trend, supply of the products and the usage of by products are the determinants which is the base for the fixation of price of the products. The major factors which influence the earning capacity of the small scale entrepreneurs are experience, skill, infrastructure and the demand potentiality of the products. At times, the entrepreneurs find it difficult to coup up with the production process due to the shortage of raw materials in case of seasonal products. Further they could avail the loan facilities under various schemes from the banks of various nature.
The highlight of the study is marketing problems, infrastructural problems and financial problems. If these problems are rectified for a permanent solution, the small scale entrepreneurs can find a viable solution for the problems in hand. Moreover, imparting technically viable training programmes and awareness building on various necessary aspects coupled with proper guidance and follow up will make the entrepreneurs more powerful and successful in their venture which will yield much benefit to the entrepreneurs and to the nation as a whole. Among the sample group, nobody has either attempted or involved in the export of their products. This should be eradicated and necessary steps should be taken to introduce and to improve the export market as there is wider scope through many products in the district. Academicians instead of going out the district just in search of white collar jobs try to settle in the district to utilize the natural resources properly and every individual of the district must have the knowledge of the natural resources available in the district. The will on the part of the people of the district and the leaders can make the dream of making Kanniyakumari District industrially and economically viable will come true. As the natural resources in the district favours and supports the small entrepreneurs to grow well, more entrepreneurs can be encouraged to take up the venture of becoming good entrepreneurs to enrich and empower themselves for the betterment of the society. It is in the hands of the policy holders to device suitable remedial measures to overcome the hurdles which hamper their way to success.

5.25 Scope for Future Study

1. As the scope for horticultural products are more in the district, a study can be conducted to explore the possibilities of such industries.
2. Medical tourism is an emerging area which naturally attracts many tourists in the district and so entrepreneurship in such area can be improved by conducting a feasibility survey in this regard.

3. As Kanniyakumari District is blessed with the natural resources of all types, a study in connection with agro based entrepreneurs prosperity can be studies

4. Kanniyakumari District has the possibility of running many types of industries like rubber based, honey based, fishing, forest based and the like. A comparative study can be conducted to highlight the best and worst part of individual industries.

5. Labour is the major problem in the district both in the form of skilled and unskilled. This is mainly due to the turnover of employees from one place to another and so a study can be conducted to know their exact problems and to retain them in the district itself for the betterment of the district.

6. A study can be conducted among the existing entrepreneurs and first generation entrepreneurs with regards to their problems and prospective in the district.

7. A separate study can be conducted among the educated youth to know the entrepreneurial traits in them.

8. As the district is having enough marine resources, studies and researches can be undertaken to improve the marine resources export oriented.
9. As wind energy is the need of the hour and enough potentiality of wind power is available in the district, studies can be narrowed to analyse the cost benefit of the same to attract more investors to invest in wind energy schemes.

10. As the district is the international Tourism centre, entrepreneurship from the point of view of the tourists can be explored by proper survey.