CHAPTER VI
SUMMARY OF FINDINGS AND SUGGESTIONS

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6.1 INTRODUCTION

One of the important objectives of the present study is to offer suggestions for making Kanniyakumari district an industrially developed district. This objective is fulfilled in this chapter by presenting suggestions emanating from the findings of the study as well as those offered by the respondents. These suggestions have been given after a brief summary of the findings of the study and the problems faced by the industrial entrepreneurs.

6.2 SUMMARY OF FINDINGS

The aim of the study is to find out the socio-economic setting of the Kanniyakumari district, industrial infrastructural facilities available in the district, extent of growth of industrial units and the attitude of the sample industrial entrepreneurs of the district. The summary of the findings of the study is presented below.

6.2.1 Socio-Economic Setting of the District

Kanniyakumari district is a tiny district in the state of Tamilnadu. By its location it occupies a unique place. It was governed by the Kerala Government till the year 1956 and hence the social setting of the people of the district is different from that of other parts of the state of Tamilnadu. Kanniyakumari district is a bilingual district, majority of the population speak Tamil language and a minority of the population speak Malayalam language. The density and literacy of the district is very high.
The people of the district are generally hardworking. They prefer only white collared jobs, hence they do not have risk-bearing capacity. So they do not enter the field of industry.

Nature has very much favoured this district. There are good monsoon and fertility and natural physical environment and they make the district suitable for agricultural activities. In addition to these, forest resources of mountainous belt, long sea coast with mineral resources and natural harbour have added additional fortunes to the people. Hence the people enjoy a life of leisure and ease.

The Malayalam speaking population had owned large areas of land in the river valleys and other fertile regions. The fertile Nanchilnadu was mainly owned by the Vellala community. The Chettiar are engaged mainly in money lending and land control through absentee landlordism. The Nadars have land control as peasant tillers. They are expanding in the business sector as well. The coastal population is engaged in fishing, the Muslims are mainly engaged in business and the rest of the population is associated with agricultural activities.

Nature has not favoured the district since 1983. This led to a steady occupational migration and labour migration from agricultural sector to industrial sector. The gradual effect of this change has promoted
an industrial environment in this district. It is a good symptom for industrial growth in this district.

6.2.2 Industrial Infrastructural Facilities

Kanniyakumari district has large extent of industrial infrastructural facilities, such as transport system including road, rail, water and air. All the villages of Kanniyakumari district are covered with all-weather roads. The National Highway (7A) Kashmir to Kanniyakumari ends with this district. The broad gauge railway link is available to Delhi, Mumbai, Chennai and other parts of India. The Colachel natural harbour is available but it is not yet fully equipped. The nearest airport is Thiruvananthapuram International Airport, which is at a distance of 70 K.M. Telephone, telegraph and postal network are available even in villages and hamlets of this district. All the 27 Telephone Exchanges have been included in the STD Map of Telephone department. Internet and E-mail facilities are very common in this district.

In Kanniyakumari district the natural sources for electric power generation are available. There are two units at Kodayar, generating hydro electric power. Aralvoimozhi is the natural windmill power generating belt. This district is an educationally advanced one. It has sufficient number of schools, colleges and technical educational institutions to generate skilled manpower. The sound net work of commercial bank branches, industrial co-operative banks, Tamilnadu
Industrial Investment Corporation and Non-banking financial companies are available to aid and provide the financial requirements of the people of the district.

In Kanniyakumari district, the District Industries Centre is functioning at Nagercoil and there are two industrial estates - one at Nagercoil and another at Kappucadu. Yet another new industrial estate is formed by the District Industries Centre as a Co-operative Industrial Estate at Aralvoimozhi. It is not yet completed for full operation. There are also 24 industrial co-operative societies functioning in this district.

Regarding general insurance, United India Insurance Company, New India Assurance Company, Oriental Insurance Company, and National Insurance Company are functioning in this district. In the case of life insurance there are three branches of Life Insurance Corporation functioning in this district. The nearest Coffee Board, Tea Board, Cardamom Board, offices are functioning at Thiruvananthapuram. The Rubber Board and Silk Board Offices are functioning at Nagercoil. They provide monetary and technical assistance to the people of this district.

Tourism Industry plays a pivotal role in the growth of national economy. This can be easily achieved in Kanniyakumari district, because Kanniyakumari is an important tourist destination in India. Movement of
people and growth of economy are helpful for industrial development of Kanniyakumari district. In addition to these, the role of service institutions like Vivekananda Kendra, Y.M.C.A., Kottar Social Service Society and Palmyrah Workers Development Society are giving assistance for industrial and social upliftment of this district.

In spite of the above infrastructural facilities the district faces certain inescapable challenges in the industrial development. The greatest challenge is the high cost of land. High cost of land is due to the fact that the total area in the district is limited. There is no vacant area anywhere in the district that is nowhere in the district one can not see even one kilometer stretch without residential houses. The land is uniformly fertile and cultivable due to the widely spread monsoon. Most of the area get at least one rainfall for a fortnight in a year. So the atmosphere is full of moisture and hence drying is a problem. This might be probably the reason for the non-development of oil mills, though this district has surplus of copra. The non-availability of technical persons might be due to the fact that the technical expertise is not available in the south since coconut husk and rubber are not available to this extent in other parts of the state and less risk bearing attitude of the people. Generally people of the district feel that industrialisation is risky. This might probably be the reason for industrial backwardness of the district.
6.2.3 Extent of Growth of Sample Industrial Units

The study on the whole reveals that people do not use their own funds for the development of their industries. They mostly rely on borrowed funds. They try to increase the domain in getting additional loans from different sources. Growth in fixed assets is comparatively less. This is achieved by using shift system that is the entrepreneurs made optimum use of fixed assets by scheduling. This is also due to the fact that the distance to be travelled by workers will always be one or two kilometers. Due to the labour problems the marginal productivity of the labour in Kanniyakumari district is at a disadvantage. The low growth in the consumption of raw-material, working capital, product line and number of persons employed are due to the fact that once they add labourers the unions become strong which, in turn, will affect the routine. This has affected the growth in the use of raw-materials, working capital and product lines. The study also reveals that principal component analysis can be used as a better tool in framing indices.

6.2.4 Attitude of Sample Industrial Entrepreneurs of the District

Regarding the attitude of the sample entrepreneurs, the study reveals that the attitude is normal. Most of the entrepreneurs are in the middle age group and they are optimistic. The educational level is average. Most of them have more of technical knowledge than vertical qualifications. Most of the entrepreneurs possess previous experience in
similar units. The experience changes their attitude in moving with the workers. Most of the entrepreneurs have other sources of income also. People with more secondary sources of income possess pessimistic attitude. The study also reveals that people take up this profession only if the ancestors had taken up this profession. Similarly entrepreneurs living in joint family system are mostly pessimistic. It is also observed that majority of entrepreneurs hail from families which are already involved in industrial activities. People with more of land holdings seem to be more optimistic, because heritage brings generosity. This is revealed in this study by the association between land holding and attitude, that is, people with more land holdings are optimistic.

6.3 PROBLEMS AND SUGGESTIONS

The researcher explored the various problems faced by different industrial units in Kanniyakumari district. Basing the problems as elicited by questionnaire, and from the information obtained directly from the entrepreneurs and studies made by the researcher through field study, the researcher makes many pertinent suggestions. The suggestions are made after careful synthesis and analysis of facts and problems at micro-level and macro-level. The suggestions will cover individual units as well as the district as a whole.
6.3.1 Paucity of Funds for working capital and fixed capital

The financial problem is the pivotal one, confronted by each and every sample industrial unit. The financial requirements of the industrial units are of dual character— one is fixed capital and the other is working capital.

In an age of steady increase in prices and increase in other costs, the maximum amount of loan sanctioned for each individual unit is far below the actual requirements. Hence the insufficiency of financial help through loans is a burning problem.

The procedure adopted for obtaining loans is cumbersome. There are several hurdles to encounter. In an age of falling work culture the entrepreneurs or their agents had to face procedural wrangles. Most of them are taxing and patience-testing. Undue delays are caused in government offices even in very simple matters.

There are isolated cases of sick industrial units, ready for sales in this district. They have all infrastructural facilities such as vast area of land mostly adjacent to urban belt and structural as well as equipment facilities. Though these eliminate several procedural problems encountered in starting an industrial unit, from the beginning the challenging problem is its abnormal cost. To purchase such unit by an
average investor without the assistance of loan, is normally an impossibility in this district. But loan facility is not at all available.

The following suggestions would help to solve the problems.

For purchasing sick units, hypothecation procedures are to be simplified and 75% of the cost of the units is to be advanced as loan on long term basis. It will help revive sick industrial units. It will also help induct new entrepreneurs in the area of industrial sector.

As very rich entrepreneurs are not available like northern and central districts of Tamilnadu, the governments at the centre and state should come forward to start industrial units in Kanniyakumari district and solve the problem of industrial backwardness investing large funds for fixed as well as working capital.

6.3.2 Scarcity of Labour

Labour problem in this district is very high in spite of the density of population. In this district there is a preference for white collared jobs. Since 1983 there has been the continuous challenge of drought and consequently the agricultural sector has failed to retain the labour population in the rural belt. There was steady migration of labour to growing urban centres of various parts of India. There is a steady flow of masons and helpers to the Gulf countries due to attractive wages. There is no possibility of return of labour from urban environment to rural
environment inspite of improvement in rain and climatic conditions. Those who return from the Gulf countries resettle in life in other vocations as most of them return with better financial stability.

The cashew factories, mostly in rural areas engage the womenfolk of the weaker sections of the population. In other industries both men and women are engaged.

Following are the suggestions to solve the scarcity of labour

In an age of computer and Internet communication net work, computerisation and automatic mechanisation of industrial units may solve 50% of labour. For technically qualified labour better wage facility may help in retaining the labour in rural areas.

This district has the tradition of giving preference to salary from government. There is security of service also. If the public sector launches industrial units in this district, more labour will be available. The labour problems in this district can be better solved by starting industrial units in the public sector.

6.3.3 High Cost of Land

As density of population and growth of population are high, settlement areas are fast expanding. The cost of the lands which was
formerly cheap in the South-West ie. oceanic belt of Kanyakumari district, has suddenly increased.

In this district where the cost of land is very high compared to that in other districts of the state, the average entrepreneurs are discouraged by it. A huge amount is required for the purchase of lands. Unfortunately no loan is available to buy the lands.

The government in recent years has set apart industrial areas in this district. It has made good progress in solving the problem of scarcity of land. These pegmarked areas are more in the oceanic belt of this district.

Though the government has peg-marked industrial areas in the industrially most backward areas where land is cheap, the problem is not fully solved. Since 1991 the rise in land value in the agricultural belt has shown a tendency to arrest the growth of land value as agriculture faced challenges. But there was an increase in the land value in the dry belt. From 1996, the new financial and taxation polices of the Government of India reversed the price of wet and dry land. Wet land experienced a sharp fall in prices and dry belt witnessed a sharp rise in prices on account of starting of new factories or building of houses.
The following suggestions are made to meet the crisis caused by non-availability of land for industrial development in Kanniyakumari district.

For purchasing land, loan facilities should be provided. It will encourage starting of industrial units in this district.

More dry areas on the hillock and foot hill regions of the mountain belt of Agasteeswaram, Kaikalam and Vilavankodu taluks are to be reserved as additional industrial areas with an effective ban to use them for non-industrial purposes. As there is a growing tendency for a sharp rise in the prices of land in dry belt, and the existing cost of land is very high even in the most backward areas, the government and the banks should make suitable amendments in the existing regulations relating to industrial loans and give financial assistance for the purchase of land. Finally the Government should earmark places and fix the rate of lands on the basis of the document values and give them to the proposed entrepreneurs.

6.3.4 Transport Problems

In 1957 the roads maintained by the highways department were classified as National Highways, N.H. 47 and N.H-7 Major district roads, other district roads and village roads. In course of time the finance for the maintenance of National Highways was met by the Government of
India. They are well maintained. The village roads are maintained by the village and town panchayats and the other roads are maintained by the highways department.

The undulating tendency of surface structure of Kanniyakumari district and the frequency of rains, have frequently caused soil erosions on roads up to or inclusive of tarcrested areas. The old maintenance system of having permanent staff is given up. In the recent past and at present the maintenance of eroded areas on roads are not promptly repaired and restored for smooth and safer traffic. This in conjunction with vehicular heaviness on roads, is not encouraging for industrial transport system. There is no bypass or ring road facility in this district.

The district had a water transport system in the past from Mondaikadu to Thiruvananthapuram. It is known as AVM (Ananda Victoria Marthandam) canal. Instead of extending the canal upto Cape Comorin, (Kanniyakumari) as recommended in the original proposal, the canal transport system is neglected as encroachments increased.

However, Kuzhithurai river is occasionally used as a medium for transport of timber and coconut husk round the year. During summer also it has gets water running up to Mankaudu causeway.
The district in the recent past was provided with the facility of rail transport system. It gives access to Chennai, Mumbai, Calcutta and New Delhi. Yet it is not yet fully developed for goods transport.

The district has no air transport facility. The communication net work in the district is insufficient for industrial growth. Cellular facility is also not available in the district. In the light of the above facts the following suggestions are offered.

The other district roads in Kanyakumari district should be upgraded into major district roads. The village roads having bus route facilities should be upgraded as other district roads. As there are too many ups and downs on roads and erosion of road sides is a recurring phenomenon due to frequency of rains, the government should exempt this district from the width of tarcrested regulations on roads. The major district roads should be tarcrested to a width of fifteen feet, other district roads be tarcrested to a width of 12 feet and the village roads tarcrested to a width of nine feet.

The Nagercoil town, the district headquarters should be provided with a by-pass and ring road without delay. The construction of national coastal road under proposal should be expedited constructing bridges over pazhayar at Manakkudi and Kuzhithurai river at Thenkappattanam to wider surface and water way transportation facility.
The peculiar topographical nature of the district and frequency of rain and erosion on roadsides make the restoration of road up keeping system through non muster roll workers which existed on November 1, 1956 and continued for a few years afterwards, necessitate the imperative need to improve road transport system. The Government should come forward to restore this effective maintenance system in Kanniyakumari district as a special case.

The Nagercoil railway station needs to be improved to promote good transportation service. The civil aviation department should take prompt steps to provide an airship landing station near Kanniyakumari to connect Kanniyakumar; with rest of India and the world through air transport facility. It will have an effective dual impact on Industry. It will help promoting tourism industry, as well as other industries in different ways.

The last phase of 20th century is witnessing a revolution in communication. All the new inventions in communications are implemented in this district and this will solve all the problems in communication network.

6.3.5 Geographical Isolation of the district

Kanniyakumari district is marked on the world map of tourism on account of its tourist importance. Still the district as a whole
had suffered from a kind of isolation. Till November 1, 1956, the Tamil speaking southern district of erstwhile Travancore - Cochin state formed a tail end as well as a socio-cultural island of that state. From November 1, 1956 it formed the tail end of Tamilnadu.

On the industrial map of India also it is isolated as it is the last tip of India. The isolations shut the population within the confines of agriculture and agricultural landlordism.

To break industrial isolation of the district surmounting geographical isolation caused by the distance from Chennai and New Delhi the following suggestions are made:

Modernisation of railway facility and promotion of air transportation facility as explained before can break the isolation caused by the geographical location as well as the isolation caused by the distance from Chennai and New Delhi.

For breaking the isolation from the industrial world as well as industrial backwardness three things have to be done. The crop pattern in agriculture should be changed to lay stress on commercial crops. Rubber plantations have well intruded upon tapioca and paddy fields in Kalkulam and northern Vilavancode taluks. In the other regions if sugarcane cultivation is introduced it will help to start a sugar factory in Kanniyakumari district.
Technical education for food processing to feed export trade and training in entrepreneurship should be effectively given to change the flow of stereotype and passive socio-economic life to an adventurous industrial life. In the absence of monied entrepreneurs in the district, the Government of Tamilnadu should start rubber factory and sugar factory to bring about an industrial revolution in this agrarian district.

6.3.6 Other common problems

The agrarian background of this district nurtured population having leisure-loving attitude. This attitude is predominant among the well-to-do section of the agrarian population. Hence time and money consuming adventurous attitude and life have to be generated.

There is less awareness of the profit yielding industrial investment. Marketing ideas are totally absent.

The joint family system disintegrates and individualist attitude surfaces. If joint family system is substituted by joint investment system it will be encouraging. This attitude is yet to grow.

The ancillary industries are training ground or incubators for industrial expansion. It is absent in this district.

There is non-availability of separate cell to give social education to the public to switch over to an industrial and commercial life.
and to give assistance to prospective entrepreneurs. It is not an encouraging sign.

The registration process for industries in theory is simple and easy. But in practice in this district it is complicated. For registration of companies under the Companies Act 1956, it consumes a lot of time to get certificate of incorporation.

Finally power shortage and power break-downs are challenging factors for industries. These two make average industries uneconomic.

Suggestions for solving the above mentioned problems are:

Registration processes should be made easy. A separate cell to assist entrepreneurs should be opened in this district. Creation of awareness in the minds of the people to start industries in order to meet challenges and high profit attainment is very much needed. For power generation, wind mill power generation and sea wave power generation should be expanded. The existing proposal for wave power generation in the Arabian Sea (western side of Kanniyakumari district) should be implemented early. In a rainprone district with high growth of trees, power failure becomes frequent. Proper manpower management in electricity department, precautionary and protective measures will help industrialists and others.
Consumer movement for consumer awareness and protection of buyers and manufacturers needs to be strengthened.

6.4 CONCLUSION

In this study the researcher has attempted to conceptualise the industrial backwardness of the district and identify the socio-economic setting, industrial infrastructure, facilities available, extent of growth of industrial development and attitude of entrepreneurs of the district.

If all the suggestions given in the study are implemented, the researcher feels that he will be amply rewarded. He is pleased to identify the following issues for an in-depth study.

1. Role of women entrepreneurs in the industrial development of Kanniyakumari district.

2. Operational efficiency and financial Management of the industrial units in Kanniyakumari district.

3. A study of subsidies and assistance extended by the Government to small scale Industries in Kanyakuamari district.

4. Utilisation of Government Schemes and programmes in the field of Industrial sector in Kanniyakumari district.
5. Management of labour in small scale industrial units in Kanniyakumari district.

6. Production and marketing of industrial goods in Kanniyakumari district.

7. A study of financing of small scale industry in Kanniyakumari district.

The researcher places with reverence this humble piece of work at the golden feet of the greatest social reformer of the district Ayya Vaikunda Swamy and St. Francis Xavier, who sacrificed everything he had for the good of India, the country he chose to serve.