ABSTRACT

Industrial growth and development have a vital role in the economic development of the country, especially the developing country like India. The salt industry is one of the oldest industries in the country and provides livelihoods for millions of poor people throughout the country. The Government of India has made significant efforts on the overall development of the industry since independence as it is central subject to the constitution. This article attempts to examine the current state of Salt Industry in Tamil Nadu. Despite the remarkable growth of the country’s salt industry, it has been found that the current position of the salt industry of the state is critical because both salt producers and workers face various problems even after many schemes implemented for the overall development of the industry. A detailed study needs to be done for the state’s salt industry, and effectiveness of schemes.

Keywords: Tamil Nadu, Salt Industry

INTRODUCTION

The industrial sector plays a central role in economic development of any country. For developing countries like India, labour intensive industry plays an important role in economic and social development as it provides livelihoods to large numbers of poor people through direct economic benefits in the form of wages and salary or other monetary benefits. The salt industry in India is one of the oldest unorganized labour intensive industries in the Indian economy. Since the time of immemorial, salt production exists in India. India is the third largest salt producers in the world with annual production of 267.64 lakh tonnes next to China and the United States. The growth and achievement of the salt industry in India are exceptional as salt production in the country is now thirteen times higher than in 1947. While India was attaining independent salt was imported from the United Kingdom and Aden to meet domestic requirement. Since then salt production has increased. In 1953, salt production in India reached self-sufficiency and is now in a position to export surplus salt to other countries (Kumari, 1991). The main importing countries are China, Japan, South Korea, North Korea, Bangladesh, Qatar, Vietnam, Thailand, and Malaysia. However, India still imports rock salt to meet the domestic industrial requirement from neighboring countries. In India, Gujarat, Maharashtra and Tamil Nadu together account for 96.31% of total salt production in the country. Gujarat alone accounts for 76.32% followed by Rajasthan 8.31% and Tamil Nadu 6.0%. And rest of total salt production comes from Andhra Pradesh, Maharashtra, Goa, Karnataka, Odisha, West Bengal and Himachal Pradesh.

SALT PRODUCTION: AN OVERVIEW

At present, India has an abundant production of salt both edible and industrial salt including common salt, powder salt, rock salt etc. There are many uses salt rather than consuming as an ingredient in foods. A large quantity of salt is used for chemical industry as raw material. There are about 6.1 lakh acres of land used for salt production in the country where 11,794 salt producers are engaged in salt
production in the country (Annual Report, 2016). Public sector producers also play an important role in salt production, but private sector producers hold the maximum production share. The Salt Commissioner’s Organization (SCO) classified salt producers into four categories viz. Category-I (Large) holding exceeding 100 acres of land, Category-II (Medium) holding exceeding 10 acres but up to 100 acres of land, Category-III Co-operative society and Category-IV (Small) holding up to 10 acres of land. According to Annual Report published by Salt Department for the year 2015-16, 88.11% of salt producers are small producers followed by 5.72%, 4.82%, and 1.33% are large producers, medium producers, and Co-operative society respectively.

Table1: Total Production, Export, and Import of Salt in India (in ‘000 tonnes)

<table>
<thead>
<tr>
<th>Year</th>
<th>Quantity Production</th>
<th>Export</th>
<th>Import</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011-12</td>
<td>22179.1</td>
<td>3771.80</td>
<td>17.24</td>
</tr>
<tr>
<td>2012-13</td>
<td>24546.9</td>
<td>5003.66</td>
<td>18.10</td>
</tr>
<tr>
<td>2013-14</td>
<td>23019.3</td>
<td>5960.98</td>
<td>17.27</td>
</tr>
<tr>
<td>2014-15</td>
<td>26887.1</td>
<td>5675.94</td>
<td>8.95</td>
</tr>
<tr>
<td>2015-16</td>
<td>27643.7</td>
<td>6567.48</td>
<td>8.74</td>
</tr>
</tbody>
</table>

Source: Annual Reports, Salt Commissioner India

Tamil Nadu is the third largest salt producing state in India next to Gujarat and Rajasthan with annual production of 19.82 lakh tonnes. The state was in the position of the second largest salt producer in India but Rajasthan took second place in 2015-16 as salt production was surpassed by Rajasthan. There are 4,123 salt producers engaging in Tamil Nadu including Puducherry (UT), of which 95.70% are small salt producers who hold less than equal to 10 acres of land for production. The major producing districts of Tamil Nadu are Thoothukudi, Nagapatinam, Ramanthapuram, Cuddalore, Thanjavur, Kancheepuram, Villupuram, Pudukotai and Kanyakumari. The state of Tamil Nadu has enough product to export to other states or countries. Despite a remarkable growth in overall salt production in the country, the salt production in the state of Tamil Nadu has declined over the past five years. Indeed, actual production of salt continues failing to meet its production target even after revising the target. The correlation between meteorological data and production of the state is negative (i.e. -0.93843), indicating that salt production has declined due to higher rainfall over the past five years. Beside producers were faced the shortage of manpower. According to Dillikumar (2017), Tamil Nadu Salt Corporation was unable to produce enough salt due to the shortage of working staff or workers and automated packing units. Simultaneously, the corporation could not recruit staff immediately as it faced financial constraints. Normally, when production declines, the price of the salt increase for the same period, but by the end of 2017, both demand and price of Thoothukudi district in Tamil Nadu has dropped into worst over the past 42 years. The higher cost of production caused the low demand for the product in the state. The electricity bill and labour cost are the main components of cost of production and are comparatively higher than those in Gujarat. For reduction of production cost, it essential to adopt possibility of mechanization for production like Gujarat but to adopt such mechanization for production at least 500 acres of land is necessary in a particular place of production (Joseph, 2017).
The government of India has introduced three Model Salt Firms including one in Marrakanam, Tamil Nadu to demonstrate production of better quality salt with higher yield per acre of land used for the salt production. However, improving the quality of the salt product in the state remains a challenge as most of the salt producers in the state are following the traditional method of solar evaporation process for the production from saltpan and they are incapable to make good quality products in a cost-effective manner. Modernization of salt production in the state is crucial because more than 95% of the salt producers are small producers, who have low productivity and thousands of poor people depend on the salt industry for their livelihood.

**SALT MARKETING**

Marketing is an essential part of the production industries as it acts as a medium of exchange between producers and customers. However, the concept of marketing is broader. According to the American Marketing Association, “marketing is the activity, set of institutions, and processes for creating, communicating, delivering and exchanging offerings that have value for the customers, clients, partners, and society at large.” Hence marketing plays a vital role in industrial growth and development. An appropriate marketing strategy must be practiced by the industries to compete in emerging market. Salt producers in the state of Tamil Nadu faced marketing problems due to inadequate demand for salt, resulting in a price crisis occupy in the state. However, large producers are capable to resist in the market smoothly since they have control over the cost of production and bigger market shares (Banumathi & Nadarajan, 2015). The large producers are capable to produce relatively better quality at a lower cost and spend a huge amount on advertising and other promotional activities to create the company’s goodwill that is impossible to act by the small producers. It is crucial that the salt market crisis has an adverse impact on both salt workers and producers and it also has a significant impact on the country’s economic growth in the long-run. In particular, small salt producers are discouraged by the market crisis to continue their operation due to very low margin or no margin of the product. Since there is no primary mechanism to decide salt price in Tamil Nadu, and for that matter, no dedicated department is in place to support the salt producers (Karthik, 2017). By the end of 2017, salt production has dropped by 20% and it hit more particularly to small salt producers in the state where the cost of production was Rs.600 and Rs.750 per tonne for those who produce on their own land and lease land respectively. But the market price plunged to Rs. 500 per tonne. At least 15 small producers are shut down as they are unable to withstand the crisis (Joseph, 2017). The penetration of the Gujarat salt industry market at the lower price has resulted in a gradual decline in the market share of states and its potential market in Andhra Pradesh, Karnataka, Kerala, and Kolkata (Ponraj, 2017).
SOCIO-ECONOMY OF SALT WORKERS

The salt industry is one of the unorganized labour intensive industries in India and provides the livelihood for more than a million of poor people across the country. The salt industry in the state of Tamil Nadu also provides the livelihood for a large number of poor people along the coast. The workers working in saltpan of Tamil Nadu salt industry mostly belong to BPL group who are economically and socially disadvantaged and living extremely critical and vulnerable situation. According to Vrutti reports (2007) salt workers working in different clusters live not only in extremely serious working and living conditions but also high level of violation of human and labour rights of these people who suffers from occupational-related health problems like eye-related problems, skin diseases, urinary infection and even abortion of fetus due to extreme heat and standing continuously in salt water. As salt production is seasonal and most of the salt workers have little or no alternative option to engage in work during the offseason, therefore the annual household income of salt workers is extremely low. As a result, they are in debt trap that needs to borrow money from private money lenders with a high-interest rate being in the range of 60% per annum. Thus, salt workers remain in a cycle of poverty and vulnerability. Moreover, the salt workers left their children behind without care or support very early morning to get into the work. Due to lack of care or support, children are suffered from skin infections, runny nose, and symptoms of malnutrition. Lack of other opportunities, low education, and poor accessibility and exposure among the salt workers, most continue the salt work. In fact, the governments’ schemes and civil initiatives towards the wellfares of salt workers including free training for workers do not reach to them due to political influences and lack proper information pass through the tenants or producers. Salt workers are therefore inevitably victims of the irrevocable cycle of debt and remain economically poor and socially backward.

The Government of India has implemented various schemes for salt workers and producers through Salt Commissioner’s Organization (SCO) under the Ministry of Commerce and Industry. Schemes for Salt Worker- Training for Technology Up gradation, Namak Majdoor Awas Yojna, and Scheme for grant of rewards to the children of laborers working in the Salt Industry, Financial Assistance to Salt Works Damaged Due to Natural Calamity, Schemes Benefitting Laborers and Industry under Code of Principle, and Loan Agreement. The SCO facilitates State Governments to conduct free training programmes for salt workers and certain others facilities viz. construction of school rooms, jetty, labour rest sheds, protective bunds and roads to salt works; supply of safety kits and bicycles, capacity building for transporting and storage of potable water, laying pipelines for supplying drinking water; augmentation of medical facilities in hospitals situated in salt producing areas viz. providing ambulance van, X-ray machines, constructions of rooms in the hospitals and conducting general Health-Cum-Eye camps for the salt workers in salt producing States. In addition, SCO also grants rewards to meritorious children of the salt workers every year and organizes annual sports meets for the salt workers. However, the recent study on health hazard of salt industry in three district of the State namely Thoothukudi, Ramanathapuram and Nagapattinam, shows that salt workers suffer from occupational health problems due to inadequate modern equipment, unfavorable working conditions, and lack of awareness among salt workers regarding workplace’s different hazards and safe working, and low medical surveillance. The study suggested that need for modernization of salt industry is crucial and pre mechanization and personal protective equipment for the salt worker is essential to overcome the health problems of the workers (Durairaj & Murugan, 2016).

Table 3: Welfare Schemes Implemented in Tamil Nadu

<table>
<thead>
<tr>
<th>Year</th>
<th>Non-Plan (Rs.)</th>
<th>Plan (Rs.)</th>
<th>Total (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011-12</td>
<td>10,36,935</td>
<td>-</td>
<td>10,36,935</td>
</tr>
<tr>
<td>2012-13</td>
<td>10,41,500</td>
<td>-</td>
<td>10,41,500</td>
</tr>
<tr>
<td>2013-14</td>
<td>9,88,184</td>
<td>1,10,600</td>
<td>10,98,784</td>
</tr>
</tbody>
</table>
We have been seen the reduction of half of the government’s grant to Welfare Schemes for the Salt workers in last two years. In addition, wages of salt workers have not been revised since 2015 even after the deadline passed in April 2017. In accordance with the wage revision agreement between manufacturers and workers, it must be revised once in two years. It is regulated for the fixing wages, at present, a male salt worker makes Rs.290 a day while his female counterparts Rs.280, however, in some places they were mainly paid below Rs. 200 per day. The Salt workers have not been able to fulfill their rights to the provident fund, ESI facility, and PF pension despite the existing provisions the Labour Act. The authorities claimed that there was no allocation of funds from the government. The Welfare Board for the salt worker exist in the state but remains inactive (Ponraj, 2017).

CONCLUSION

Small salt producers follow the traditional method of solar evaporation process hence production declined due to higher rainfall. Both producers and workers are facing various problems. Improving product quality in a cost effective manner, price and market demand, and productivity are the major challenges for salt producers. The new mechanism needs to be developed to protect producers in the state. Occupational related health issues, unfair wages, and salary, inadequate government aids for salt workers including free training programmes and medical surveillance are the reason for remaining in a cycle of poverty and vulnerability. The government of India has implemented various schemes through Salt Commission Organisation (SCO) for development and protection of producers and workers. However, government schemes for Tamil Nadu salt industry have been rapidly halved in last two consecutive years. The existing literature shows that various problems associated with the salt industry. Hence, a detailed study needs to be done on the salt industry of Tamil Nadu.

REFERENCES


