

An Empirical Study of MSMEs of Bamboo Made Home Appliances in Eastern UP.

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Abstract

India is country of farmers where industries have its own history of growth and development. Today's big corporate giants of India and world as well, were by and large micro, small and medium enterprises at their inception. Question arises how many small or medium enterprises become big corporate house, what are those conditions, factors, challenges, problems in terms of threats and opportunities which have been successfully overcome by the business houses.

Any firm could make profit by two ways-

1. By increasing sales(revenue)
2. By decreasing the cost.(Economy of scale)

But cost Competitiveness in long term and in sustained form can only be obtained with the combination of both ways.

In the industrialized nations around the world, both business and consumers are concerned about the environment and future of our planet. Furthermore increasing population may lead to unemployment. So meeting both the situations required eco-friendly business in the nations. MSMEs related to bamboo made items are eco-friendly in nature.

This is a empirical paper shows that the hammering condition of craftsmen related to the bamboo made home appliances, this and also draw attention that craftsmen under 20 years old age are more interested towards their business.

Key words: Eco-friendly, Craftsmen, MSMEs Bamboo.

I. INTRODUCTION

India is the country of farmers. 70 percent of whole populations are farmers so involvement of farmers in MSMEs is big achievement for Indian economy. MSMEs are considered one of the most important economic multipliers in any growing economy.

The small-scale industries are labour - intensive and provide employment to nearly 1.86 crores persons in the country. The emphasis on Village and Small-Scale Industries (SSIs) has always been an integral part of the Indian Industrial strategy, more so after the Second Five Year Plan. It was envisaged that Village and Small-Scale Industries would play an important role as producer of consumer goods and absorber of surplus labour thereby addressing to the problems of poverty and unemployment. Other advantages of small industries are that they ensure a more equitable distribution of national income, enhance balanced regional industrial development, act as a nursery for entrepreneurship and facilitate mobilization of local resources and skills which might otherwise remain unutilized.

The Small-Scale Industry sector has emerged as a dynamic and vibrant sector of the Indian economy in recent years, displaying phenomenal growth in the field of production, employment and dispersed development in general and exports in particular. There are nearly 34 lakhs Small-Scale Industries in the country accounting for about 40% of the gross value of output in the manufacturing sector and about 34% of the total exports of the country. It provides employment to nearly 186 lakhs persons, which is second only to agriculture. The Small-Scale sector contributes amply to other socio-economic aspects such as reduction in income inequalities, product diversification, dispersed development of small industries and linkage with other sectors of the economy.

Bamboos are also commonly used as agricultural implements for afforestation of river banks, anchors, arrows, boats, bows, broom, brushes, chairs, chicks, containers, cooking utensils, cordages, dustbins, fishing rods, flutes, flower pots, fuel, furniture, fish traps, hedges, hats, kit frames, ladders, lamps, mallets, musical instruments, paper, pens, poles, pulp rafts, rayon's, roofing, ropes, scaffolding, tobacco pipes, toys, tool handles, table mats, tubs, umbrella handles, walking sticks, water pipes and wrappers.

Notwithstanding the status report mentioned above, certain areas like cytology, physiology of flowering, tissue culture and revision of their taxonomic position etc., need accelerated research in India. Bamboo is a versatile input and is used as building material, paper pulp resource, scaffolding, agriculture implements, weaving material, plywood and particle board manufacture, basketry, furniture, pickled or stewed bamboo shoots, medicines, etc. Resource management and technical improvements can convert this fast-growing grass into a durable raw material for construction purposes and a wide range of semi-industrialized products. New industrial applications and modern construction design have both demonstrated bamboo's huge potential. The combined value of internal and commercial uses of bamboo in the world is about Rs 50,000 crores annually. This is supposed to double by 2015. In India archaic legislation and lack of awareness have inhibited the bamboo based Industrialization process. The biggest impediment towards a bamboo based sector from developing has been the irregular and scant supply of bamboo for entrepreneurial use. An efficient regulatory institution is essential for markets to grow in a sustainable manner, especially where environment concerns are coupled with business development. Transaction costs must be minimal, information availability maximal with a clear focus on maintaining the forest cover. Unfortunately, the regulatory structure as regards the bamboo industry has remained caught in the quagmire of archaic forest laws. Therefore, what is definitely needed is the linkages that industrialization of the bamboo sector can provide, given the huge linkages with rural livelihood. However, only when there is a viable entrepreneurial activity of any bamboo based product, will the market tend to provide the supply and demand linkages and it is only then that livelihood benefits will accrue. Eco-friendly bamboo is being made into eco-friendly fibers. Fibers that do not require the use of any pesticides or chemicals to grow. They are disease free and naturally resistant to mildew and mold. Growing bamboo is eco-friendly. Bamboo plantations have no need for large petroleum tractors to plant seeds and cultivate the soil. Bamboo doesn't need agricultural maintenance because it grows naturally. Growing bamboo reduces greenhouse gases, because bamboo plants absorb carbon dioxide and produce oxygen.

The quality of soil is improved and soil erosion is prevented by bamboos root system. This helps retain more water in the land without it draining into the river or lake. Bamboo plants reduce runoff and prevent water pollution through its high nitrogen consumption. Bamboo clothing and the plant are totally decomposable in the soil by micro organisms and natural light from the sun. This is all done because bamboo is 100% bio degradable and doesn't decompose into any pollutants. Bamboo plants create improved oxygenated air and balanced humidity. In this research it is

revealed that how bamboo does has played an important role in Indian economy with eco friendly in MSMEs.

II. LITERATURE REVIEW

A very useful resource to carrying SMEs is Bamboo. Bamboos are the tallest and largest of the grasses distributed both in the hills and plains of India. There are four exotic genera in addition to the twenty three indigenous ones. The flowering in bamboos range from constant flowering to regular sterility. Propagation is done mostly vegetative using various techniques. Bamboo resources in India are abundant but they are not fully utilised. Out of 100 native species only ten are commercially exploited. In the absence of reproductive structures bamboos can be identified at generic and specific level only on the basis of the morphology of culm sheath and juvenile shoots, microscopic and ultramicroscopic features of epidermal peels of culms and leaves and other fine structures. The distribution is briefly discussed. Growth of naturally regenerated bamboo, yield, source of supply, cytology, traditional and other uses are briefly reviewed. Further research on physiology of flowering, cytology and tissue culture techniques need to be intensified. Due to its fast growth, easy propagation, soil binding properties, and short rotation, bamboo is an ideal plant for use in afforestation, soil conservation and social forestry programme. Various aspects of research on utilisation carried out on bamboos in India have been summarised by Varmah and Bahadur 1980, The traditional and other uses in India are summarised below:

The strength of bamboo culms, their straightness, lightness, combined with hardness, range in sizes, hollowness, long fibre and easy working qualities, make them suitable for a variety of purposes In the humid tropics houses are built entirely of bamboo without using a single iron nail. Large suspension bridges are made solely of canes/bamboos by the tribals. Among the sophisticated uses, the manufacture of variety of writing and other paper, charcoal for electric batteries, liquid diesel fuel obtained by distillation, enzymes and media from shoot extracts used for culturing pathogenic bacteria are important. The white powder produced on the outer surface of young culms for the isolation of a crystalline compound is medicinally useful. Tabasheer or Banslochan, is a popular medicine which is a silicious secretion found in the culms of some species. It occurs in either fragments or in masses (2 cm thick) chalky, translucent or transparent and tasteless and is used as a cooling tonic and aphrodisiac and in asthma, cough and other debilitating diseases (Raizada et al, 1936).

Altenburg and Meyer-Stamer's (1999) conjecture that in general rural industries in developing countries can be tracked back to a master craftsman who learned the techniques elsewhere and started production and trained family members, neighbors and employees. Later, family members, employees and neighbors started their business once they gathered relevant techniques and starting capital. As technology is very simple to imitate, requires low capital to start a business and as employment opportunity in the formal sector is very limited, very quickly the informal activity spreads in the locality through massive entrants by the imitators and thus emerge rural industrial cluster Industrial cluster can be defined as "a geographical concentration or localization of enterprises producing similar or closely related goods in a small area" (Sonobe and Otsuka, 2006, Ch.1, p.4).

The literature on industrial clusters asserts that by developing industrial clusters, developing countries can achieve rapid industrial development. This is because industrial clusters can not only create substantial survival-type employment opportunities in the industrial sector, but also "seed-beds" for further industrial development by creating economies of agglomeration as Marshall (1920) originally pointed out (e.g., Sonobe and Otsuka, 2006; Schmitz and Nadvi, 1999; Nadvi and Schmitz, 1994; Tewari, 1999; Rabellotti, 1997; Altenburg and Meyer-Stamer, 1999; Weijiland, 1999; Visser, 1999; Schmitz, 1999; Nadvi, 1999). Empirical literature reveals that industrial clusters in both developed and developing countries are ubiquitous (e.g., Sonobe and Otsuka, 2006; Schmitz, 1999; Tewari, 1999). Majority of the industrial clusters in developing countries are, however, stagnant and perform poorly relative to what appears to be their growth are mostly less educated and de-linked from formal training and development activities.

Most of the craftsmen inherit the production techniques by generation without any further innovation in technology, production and product marketing. Banu (2008) asserts that much of the technology used in bamboo industry is primitive and has remained unchanged for more than thousand years. Craftsmen mainly employ their family members in production activities and sell their products in the locality by own. Massive

unemployment further induces the producers to continue the business. To understand the bamboo craftsmanship more clearly.

III. OBJECTIVES OF THE STUDY

1. To examine the level of human capital of the traditional bamboo craftsmen.
2. To examine how the level of human capital affect the raw material price, employment structure, price of final products and product marketing of the craftsmen.
3. To identify major problems of the industry and way out from it.
4. To gather information regarding the expectations from young generation.
5. To study and analyze the general perception and awareness about bamboo made product

IV. RESEARCH METHODOLOGY

The research paper is based on exploratory research design as here we have studied the overall income of craftsmen, cost incurred in availability of raw material, work efficiency of craftsmen. For this purpose we collected primary data by using unstructured questionnaire because respondent were illiterate. This paper is based on data information collected on the basis of questionnaire.

This paper has used information only collected from 60 bamboo craftsmen from eastern areas of UP as Golaghat and Sugar Mill area of Sultanpur city, Gorakhpur city Balia and Bahraich city. out of 60 sample bamboo craftsmen of eastern region. In which 27 sample craftsmen are female and rests are male. The craftsman produces mainly six type of product viz Bena (winnowing fan), jhabia (basket), dauri (Heavy basket), daliya (tray), seerhi(Ladder), tatara(Frame of chhapper)etc.

Craftsmen were selected randomly. The data was collected on craftsmen's age, experience, prior occupations, , total workers and product marketing channels. An effort was also taken to collect price of raw bamboo, price of final products and daily total production (piece). Unfortunately, collected data on price of final products and total production are not 100 percent accurate, because most of the bamboo craftsmen do not maintain written records, and also because most of the craftsmen produce a variety of bamboo products and sell at different prices. Nonetheless, the paper tries to examine the average operation size and performance of bamboo craftsmen using daily total sales revenue as an indicator.

FINDINGS AND ANALYSIS

On the basis of the analysis of the collected data it has been found that it is very critical situation to survival of craftsman as per the table-1 shows:

Table-1

Cost and selling prices of bamboo made items

Sl no	Name of product	Cost price /unit(Rs)	Average selling price(Rs)	Average no. of product produced per day
1	Dauri	20	45	2.5
2	Jhabia	2	5	8
3	Almirah	42	50	3.5
4	Seerhi	80	225	2.5

5	Bena	3	10	20
6	Tatara	120	250	1.5

Table-2

From analysis point of view the profits of per craft man per day each item are calculated as

Sl no	Name of product	Total earning per day (Rs)	Total cost per day (Rs)	Profit (Rs)
1	Dauri	112.5	50	62.5
2	Jhabia	40	16	24
3	Almirah	175	120	55
4	Seerhi	562.5	200	362.5
5	Bena	200	60	140
6	Tatara	375	180	195

It is clearly shows that the maximum profit obtain by craft man is Rs 362.5 of ladder item but the frequency of selling this item is very less and reversely minimum profit obtain Rs 24 of Jhabia item but frequency is high maximum products are seasonal like Bena, Dauri Tatara

Table-3

No. of craftsmen engaged in production process with respect to age of all four district

Age-group	Sultanpur	Gorakhpur	Balia	Basti
Below- 20	7	10	8	6
20-30	3	4	2	3
30-40	2	1	2	1
40-50	2	1	1	2
Above-50	1	2	1	1

Now we categorized the no. of craftsmen into two categories on their own interest in this unit below 20years and more than 20 years of age

Table-4

City	Below-20 yrs	Above-20yrs	Total
Sultanpur	7	8	15
Gorakhpur	10	8	18
Balia	8	6	14
Basti	6	7	13
Total	31	29	GT=60

To apply Chi- square test we frame the following Null and Alternative hypothesis:

H_0 =Craftsmen less than 20years of age are enthusiastically related to this work

H_1 =Craftsmen less than 20years of age are not enthusiastically related to this work

Expected value = Row total x Column total

G.T.

Expected table

City	Below-20 yrs	Above-20yrs
Sultanpur	7.5	7.25
Gorakhpur	9.3	8.7
Balia	7.233	6.77
Basti	6.72	6.28

$$\chi^2 \text{ calculated} = \frac{(7.0-7.5)^2}{7.5} + \frac{(10.0-9.3)^2}{9.3} + \frac{(8.0-7.2)^2}{7.2} + \frac{(6.0-6.7)^2}{6.7} + \frac{(8.0-7.3)^2}{7.3} + \frac{(8.0-8.7)^2}{8.7} + \frac{(6.0-6.7)^2}{6.7} + \frac{(7.0-6.3)^2}{6.3}$$

$$= 0.333 + 0.5269 + 0.8133 + 0.7714 + 0.7759 + 0.5632 + 0.8758 + 0.8255 = 0.5485$$

$$\chi^2_{\text{tab}} = \chi^2(r-1)(s-1) = \chi^2_3(0.5) = 7.81$$

As

$\chi^2_{\text{cal}} < \chi^2_{\text{tab}}$. So we accept H_0

Hence it is proved that craftsmen less than 20 years of age are enthusiastically related to this work

V. CONCLUSION

Our analysis of MSMEs particularly bamboo made items shows that the entrepreneurs are fleeing their life by little margin of profits and also it is clarified that young entrepreneurs (i.e. around 20yrs old) are very interested to enhancing this industry but due to lack of government financial support this industry as well as entrepreneurs becomes frustrated. Our study based on sample survey of 60 craftsmen they are not well qualified. However, the preferences of SSI sector industries in the eastern region of UP have not been so satisfactory. On the other hand, it has been found that they could not perform well. Industries using agro-based raw materials have the scope to minimize their cost of production, if they could stockpile adequate raw materials, timely supply of quality materials through cash purchases or by maintaining credible business relationships with the suppliers of materials and services. However it is unfortunate that craftsman of eastern region of UP do not have any investment loan or cash credit loan from public financial institution. The majority of MSMEs specially bamboo based SSI entrepreneur in eastern UP suffer from the

problem of acute deficiency of working capital and raw material that has been the bone of poor performance as well as increasing sickness of bamboo based work unit in the eastern UP.

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