

### **S.S.e.3. AJITH KUMAR, N.—The Impact of the Kerala State Bamboo Corporation in the Development of the Bamboo Industry in Kerala—1985—Dr. Jose T. Payyappally.**

The Kerala State Bamboo Corporation was established on 13th March, 1971, by the Government of Kerala as a promotional agency to provide succour to those people depending on bamboo and reeds for their livelihood. Bamboo is a kind of grass and is regarded as the tallest of all grasses. Reeds are a form of thornless bamboo seen only in the forests of Kerala and have a Kerala-oriented botanical name *Okhlandra Travancorika*. A large number of people cut these reeds from the forests and make mats and baskets out of them. These commodities have a wide market and an inelastic demand.

The reed cutters and mat weavers of Central Kerala were being subjected to ruthless exploitation by certain middlemen who made vast profits out of the products they made. Moreover, the forest wealth of Kerala, consisting of all types of coagross items, was not being utilised to the maximum. Therefore, to save the poor folk from exploitation and to make full use of the forest resources the Kerala State Bamboo Corporation was established.

The Administrative Office of the Corporation is at Angamaly, a municipal town in Central Kerala and its Registered Office is situated in Trivandrum. It is operating on a no-profit no-loss basis. From 1971 to 1978 it functioned as a subsidiary of the Handicrafts Development Corporation and in 1978 it was made an autonomous institution.

#### **Objectives of the Study**

The Corporation's main duties are supplying the raw materials to the bamboo

workers and making arrangements for the marketing of the finished products. How far the Corporation has succeeded in carrying out these main duties is the most important objectives of this study.

Then we want to analyse the role played by the Corporation in promoting this industry and to what extent it has taken the lead in the development of cottage industries based on bamboo and reeds in Kerala State.

The third objective is to highlight the problems faced by the Corporation in the discharge of its functions and to study the shortcomings in its working.

Finally it is proposed to make recommendations to tone up its functioning and offer solutions to the manifold difficulties which it faces.

### **Hypothesis**

1. The products of the bamboo industry have a wide market within and outside Kerala. But the benefits of this market have not reached the primary producers.
2. The Government of Kerala has not given due recognition to the vast employment potential of this industry.
3. In India the rate of capital formation is very low. It is all the more true in Kerala, where per capita saving is quite low and the density of population is the highest. In the case of the bamboo industry the capital investment is very small and the labour content is very high. Therefore any programme of the State Government to reduce unemployment with minimum investment should give this industry a prominent place.
4. The bamboo mat can be used to produce "bamboo board" which is an effective substitute for plywood. The demand for plywood and wood-based panels for the year 1980 was of the order of 155 million cubic metres and by 1990 it is estimated to go upto 300 million cubic metres. At present the world production of plywood is 90 million cubic metres and India's contribution is 5 lakh cubic metres. This gap cannot be bridged by plywood and other existing wood-based panel products. Only an alternative and attractive material like bamboo mat can meet this challenge.
5. The Kerala State Bamboo Corporation, the working of which greatly influences this industry, is functioning at a low level of efficiency. Improvements in its functioning will go a long way in rejuvenating the bamboo industry.

### **Methodology**

No study has yet been conducted on the Bamboo Corporation in particular and the bamboo industry in general. Therefore the Survey Method and the Interview Method had to be relied upon. The population size is taken as 12,000. This consists of reed cutters, mat weavers and others depending directly and indirectly on this industry. The number was arrived at after detailed consultations with the Corporation officials. The corporation has 57 depots. Around 200 to 400 families are attached to each depot. As all persons doing bamboo work are eligible for registration in these depots, the exact number attached to each depot is difficult to calculate. Taking into consideration these aspects, the population size was fixed at 12,000. The survey covered 5% of this population size. The Random Sampling Method was followed and 600 families were surveyed. Twelve main centres were identified for this purpose. As the accurate number of families in each centre defied calculation, a rough approximation was made and 5% surveyed.

To study the working of the Corporation the 'Report and Accounts' from 1977-78 to 1982-83 were requisitioned. The project report of the Corporation's diversification project called the "Bamboo Board Project" was perused. Extensive interviews were conducted with all the important officials of the Corporation and those connected with it earlier. For want of documentary evidence, newspaper reports were used to substantiate facts.

### **Scope of the Thesis**

Till it gained autonomy in 1978 the Corporation followed a trial and error method in its functioning. From 1977-78 onwards it started publishing in book form its annual 'Report and Accounts' in a systematic manner. Therefore the study covers the period 1977-78 to 1982-83.

The Corporation deals with only reeds. It is authorised to develop all industries dealing with coagross items, i.e. bamboo, reeds, cane and rattan. But the workers attached to the Corporation make use of only reeds as they are better suited to make mats than the other three grasses. Hence the Corporation is concerned with only reeds, though it is called "Bamboo Corporation" and the workers depending on it are known as "bamboo workers".

Most of the families depending on reeds reside in Central Kerala. There are a few families in North and South Kerala. Until very recently these families were outside the Corporation's influence. Hence the impact made by the Corporation on their lives is yet to be fully realized. Therefore the scope of this thesis is restricted to those persons who are attached to the Corporation since its inception and particularly since it gained autonomy.

### **Plan of the thesis**

The thesis is divided into six chapters and the following are the chapter headings:

1. Introduction
2. History of the Bamboo Industry in Kerala
3. Working of the Bamboo Corporation
4. Impact of the Corporation
5. Problems and Shortcomings
6. Conclusions and Shortcomings

The first chapter introduces the subject of study. It explains why the study was undertaken and the circumstances that led to the establishment of the Kerala State Bamboo Corporation.

In Chapter II the evolution and history of the bamboo industry is traced. In this chapter the reasons for considering the bamboo industry as a traditional cottage industry is explained. The growth of the industry from a side business for self-consumption to a full time occupation is also narrated. The conditions of the industry before and after the World War II are historically analysed. The factors that led Angamaly being chosen as the headquarters of the Corporation and its present set-up is also briefly reviewed here.

Chapter III is concerned with the working of the Corporation. The management structure and the objectives of the Corporation are incorporated in this chapter. The financial management of the Corporation is also discussed here. The main functions, viz., the collection and distribution of reeds, purchasing of mats from the mat weavers and the marketing of mats are analysed. The price policy, 'Research and Development' activities and the welfare measures of the Corporation are the other aspects included in this chapter.

Chapter IV analyses the impact made by the Corporation on the bamboo industry. Here its most notable impact in the field of "Research and Development", viz., its diversification project called the "Bamboo Board Project" is analysed. The important role played by the Corporation in supplying effectively the rawmaterials to the mat weavers is also discussed. Its efforts for the widening of the markets of the products of the bamboo industry are explained. The far-reaching consequences of its welfare measures are also discussed here.

In Chapter V the following problems faced by the Corporation and the shortcomings in its working are elucidated. The main problem it faces is the shortage of raw materials. This problem is further aggravated by the Governmental indifference. The use of outdated labour-intensive technology is binding its hands and discouraging it from introducing new techniques. Besides, labour problems cripple its very working. Though it has no longer the problem of lack of markets, it now faces the difficulty of supplying mats in sufficient quantities to its customers. Above all red tapism is an important shortcoming of this institution. Moreover, the Corporation has undertaken schemes far beyond its means like the "Bamboo Board Project". This chapter also analyses how increasing non-development expenditure and escalating liabilities are hindering its smooth functioning.

Chapter VI summarises the conclusions and recommendations of the study.

## **Conclusions and Recommendations**

### **SECTION I**

In this section we have come to the conclusion that the most important problem faced by the Bamboo Corporation is the shortage of raw materials. Recommendations have been made as to how this problem can be solved. It has been concluded that this problem has both quantitative and qualitative aspects.

First the quantitative aspect is discussed. The Corporation has the permission of the Government to cut 25,000 tons of reeds annually from the forests of Kerala. This is far from sufficient. Hence it is recommended that the reed quota is raised to 36,000 tons per year. The annual output of reeds in Kerala has been estimated as 3 lakh tons. Of these, 1,89,000 tons are allotted to the Hindustan Paper Corporation, 85,000 tons to the Punalur Paper Mills and 25,000 tons to the Bamboo Corporation. The contractors of the first two factories cut the reeds indiscriminately as they are not concerned with the ripeness of reeds. But to weave mats ripe reeds are a must. The reed cutters of the Corporation indulge in "select felling". Owing to the unplanned cutting of reeds by the other two, the Corporation finds it difficult to get its annual allotment. To prevent this situation, it is suggested that the forest ranges containing reeds be divided among the principal reed users. There are mainly 15 reed forest ranges in Kerala. Six can be given to the H P C, five to the Punalur Paper Mills and four to the Corporation. They should also be given the exclusive responsibility of looking after these ranges and this would go a long way in solving this problem of reed shortage.

This problem has also a qualitative aspect. According to quality and size reeds are marked AVI, AV, AIV, AIII, AII, AI, A, B upto M. But only reeds upto the size B are fit for mat making. Very often the Corporation gets inferior quality reeds which can be used to make only baskets and other wares. Therefore it becomes difficult for the mat weavers to dispose off these products. This problem

can be solved if the Corporation arranges the marketing of all products made of reeds and not mats alone.

## **SECTION II**

The positive role which the Government should play in helping the Corporation to overcome its problems is discussed here. A majority of the people depending on reeds are Harijans. The Kerala State Development Corporation for Scheduled Castes and Scheduled Tribes is established for the upliftment of the Harijan groups. However, its assistance has reached very few Harijans depending on reeds. This condition has to change. Government subsidy for the economically weaker sections seems to have bypassed this folk. The only loans these people get are those sanctioned by the Bamboo Corporation. Government subsidy would also help these people to get loans from nationalised banks. The poor repaying capacity of these people has made the nationalised banks hesitant to sanction loans even under the "Differential Interest Rate" system.

The Kerala budget of 1982-83 declared bamboo industry as a "distressed traditional industry". But the benefits of such an industry are yet to be released. The Corporation has launched several welfare measures. The most important is the "Supply Incentive Scheme". This is a scheme to pass on a part of the profits of the Corporation to the workers. This scheme existed even during those years in which the Corporation was running on loss. As this is the only scheme which benefits all the reed workers it would be in the fitness of things for the State Government to completely subsidise this scheme. Finally, for its commendable work in the field of welfare the Government should give the Corporation an annual grant of Rs. 5 lakhs for welfare measures alone.

## **SECTION III**

The necessity to introduce modern technology to improve the quantity and quality of output is emphasised here. Owing to the high percentage of depreciation and low longevity it is difficult for the Corporation to meet its supply commitments. To improve the level of technology the starting of a new "Research and Development" division is recommended. Training programmes should be launched with the help of the State Industries Department. Better training and a policy of introducing modern technology will help in the introduction of the factory system in this industry. A time-bound programme of ten years for modernising the industry under the auspices of the Corporation would definitely help to pull out this industry from the shackles of tradition.

## **SECTION IV**

At present there is no systematic and scientific wage system in the bamboo industry. Though Kerala is in the forefront regarding agrarian reforms, traditional industries in general and the bamboo industry in particular have had very few wage reforms. This has resulted in frequent confrontation between the workers and the Corporation's management.

A proper price policy has to be introduced. Now there is a wide disparity between the buying price and the selling price of mats. While the Corporation pays the mat weavers Rs. 2.25 per mat, its selling price is Rs. 3.45. The workers demand that they should get 50% of the price of mats as wages. They are given reeds on credit and when they sell the mats to the Corporation the cost of reeds is deducted and the balance paid. In the present circumstances, if the Corporation reduces its non-development expenditure it will be in a position to

raise the buying price of a mat to Rs. 2.50. A broad-based price policy would also help in building up reserves which would enable the Corporation to introduce more welfare measures.

To help the traditional fishermen there is a Fishermen Welfare Corporation in Kerala. This is doing commendable work especially in the field of housing. With more resources the Bamboo Corporation also would be in a position to take the lead to establish a Bamboo Workers Welfare Corporation which is the need of the hour.

#### **SECTION V**

To encourage the marketing of commodities several Marketing Boards have been established both at the state and at the national levels. The Cardamom Board, the Tea Board, the Coir Board etc. have helped their respective products to get both a national and an international market. It is viable to start a Bamboo Marketing Board since there is a heavy demand for its products. With the commissioning of the Bamboo Board Project its establishment becomes all the more important.

#### **SECTION VI**

The Co-operative Movement is yet to make much headway in this industry. The reorganisation of this industry along co-operative lines is suggested. The example of the Kerala Dinesh Beedi which, when organised along co-operative lines, emerged as the premier beedi manufacturing unit, is cited. The problems faced by this organisation before the introduction of the co-operative set-up were similar to the ones faced by the bamboo workers now. Therefore through the introduction of co-operative ideas and by making the Bamboo Corporation the apex body, this industry should be reorganised. This will encourage more worker participation in production, eliminate employer-employee relationship and pave the way for greater cordiality and productivity.

#### **SECTION VII**

To improve the efficiency of the Corporation an overhauling of the administrative machinery is suggested. The Corporation does not have a General Manager since 1978. This post has to be revived. The Chairman and Directors are politicians. They have little knowledge about the problems of the industry. Therefore this policy should be discontinued.

For administrative convenience the Corporation has been divided into five divisions - Reeds, Mats, Sales, Accounts and Storage and Despatch. To improve efficiency the Mats and Storage and Despatch divisions should be amalgamated. Side by side a new division under the name "Research and Development" manned by technical experts should be started. This would give the Corporation a new orientation.

#### **SECTION VIII**

To improve the lot of fishermen the Government of Kerala has established 222 fishermen villages in the State. These villages have provided a lot of relief to the traditional fishermen. "Bamboo worker villages" along the same lines is suggested. As these workers also live in clusters in the rural areas just like the poor fisherfolk, it is easy to organise them.

## **SECTION IX**

The Integrated Rural Development Programme, introduced in the Sixth Plan, had little impact on the bamboo workers. The Central Government has drawn up a plan to spend Rs. 362 crores in the villages of Kerala under this programme in the Seventh Plan period. The Corporation should make efforts to bring to the attention of the concerned authorities the necessity to launch this programme in a big way to assist the bamboo workers.

### **Contribution of the Researcher**

No study was undertaken till now in this field and hence this is an original work. Utmost care was taken to make this study useful to the bamboo industry. Finally, shortcomings were identified and solutions recommended for the innumerable problems the industry faces.