



FONDATION FOR  
MSME CLUSTERS



## Promoting Green Job Creation by Improving Governance for Artisanal Bamboo Production in India

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Initiated by

Foundation for MSME Clusters (FMC)

Under the aegis of

‘Promote Bamboo MSME Clusters for Sustainable  
Development’ A Development Project funded by  
the European Union (EU) With co-funding from  
SIDBI, CEMCA and FMC

November 2022

**Published Jointly by:**

**Foundation for MSME Clusters (FMC)**

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## Promoting Green Job Creation by Improving Governance for Artisanal Bamboo Production in India

India houses millions of bamboo artisans often working in micro-enterprises in remote communities that suffer from high levels of poverty. Many of these producers are women and members of minority groups. Multiple opportunities exist for these artisans to increase their bamboo-related income. The products these artisans create (see Table 1) can provide functional and decorative uses that could appeal to diverse global consumer groups. In addition, these products,



which typically use sustainable techniques and materials, can act as replacements for many less sustainable items. Bamboo is often more environmentally friendly than other raw material choices (e.g., compared to plastic, timber, or metal). Thus, helping India's bamboo artisans to expand their production and link to new markets, can promote green job creation which can help to reduce poverty and address global environmental challenges.

**Table 1: Artisanal Bamboo Products**

<b>Product Type</b>	<b>Examples of Products Made by Bamboo Artisans</b>	<b>Product Type</b>	<b>Examples of Products Made by Bamboo Artisans</b>
Fuel	<ul style="list-style-type: none"> <li>- Charcoal</li> <li>- Biofuel</li> </ul>	Handicrafts and Utility Items	<ul style="list-style-type: none"> <li>- Utility items (e.g., brooms)</li> <li>- Straws</li> <li>- Jewellery</li> <li>- Woven products (e.g., baskets)</li> <li>- Cards</li> <li>- Sticks (blinds, incense)</li> <li>- Lampshades</li> <li>- Trays</li> <li>- Magazine Holders</li> </ul>
Consumables	<ul style="list-style-type: none"> <li>- Food (shoots, bamboo rice)</li> <li>- Vinegar</li> <li>- Medicine</li> <li>- Fodder</li> <li>- Biochar</li> </ul>		
Poles	<ul style="list-style-type: none"> <li>- Scaffolding</li> <li>- Agriculture</li> </ul>	Larger Manufactured Items	<ul style="list-style-type: none"> <li>- Furniture</li> <li>- Housing and construction material</li> </ul>

The Foundation for MSME Clusters ran the '*Promote Bamboo MSME Clusters for Sustainable Development*' project that provided a range of support services to cluster-based bamboo artisans in nine Indian states from 2018 to 2022. Drawing lessons from this project, a number of recommendations can be identified for improving the governance systems in bamboo artisans' production ecosystems. This policy brief outlines recommendations for Indian governmental and non-governmental agencies. The recommendations are centred on four key opportunities: supporting producer upgrading, encouraging producer collaboration, facilitating access to new markets, and restructuring governance systems to support overarching improved dynamics in the production

ecosystem. For each of these, a snapshot of the current situation, the key benefits of the recommended actions and governance strategies are identified. More details on these topics can be found in the full report ‘Governance Needs for Promoting Green Employment in India’s Artisanal Bamboo Industry’.

## Opportunity 1: Supporting Producer Upgrading

<b>Snapshot of Current Situation</b>	
Artisans mainly working in household units create traditional products that are sold to local traders who buy directly from their villages	
<b>Key Benefits</b>	<b>Key Questions</b>
<ul style="list-style-type: none"> <li>• Product and process upgrading, including reducing production costs and increasing sales prices</li> <li>• Business growth</li> <li>• Social and environmental upgrading</li> </ul>	<ul style="list-style-type: none"> <li>• What are the benefits of government providing the service directly versus supporting a private sector actor?</li> <li>• What agencies have the existing skills to provide the needed services?</li> <li>• Can master artisans help with an intervention?</li> </ul>
<b>Recommended Governance Interventions</b>	
<p><b>a) Promoting activities with high potential gains</b></p> <ul style="list-style-type: none"> <li>• using all parts of the bamboo, leaving no 'waste'</li> <li>• improving finishing techniques and packaging systems</li> <li>• certification, could cover quality, social, and/or environmental aspects</li> <li>• innovation, could involve competitions or connecting producers to design institutes</li> </ul> <p><b>b) Increasing availability of and access to inputs (e.g., raw materials, technology, finance, and skilled labour)</b></p> <ul style="list-style-type: none"> <li>• supporting domestic supply of better-quality bamboo inputs</li> <li>• supporting local businesses to sell needed production equipment</li> <li>• subsidizing costs for more advanced equipment or storage facilities</li> <li>• providing access to equipment or storage facilities through common facility centres</li> <li>• supporting development of new forms of equipment</li> <li>• sensitizing funders about opportunities in the bamboo industry</li> <li>• creating new funding mechanisms</li> <li>• educating producers about existing funding options</li> <li>• connecting skilled individuals with the bamboo industry (e.g., creating fellowships for higher education students)</li> <li>• promoting local training options for skills needed by growing businesses (e.g., bookkeeping)</li> </ul> <p><b>c) Improving availability of business services (e.g., management and administrative services, market research, marketing, and common facility centres)</b></p> <ul style="list-style-type: none"> <li>• providing incentives for business service providers to operate in areas with high concentrations of bamboo artisans</li> <li>• providing subsidies for bamboo producers to access business services</li> <li>• developing new service providers (e.g., training artisans to provide services to peers)</li> </ul> <p><b>d) Directly providing business services (e.g., setting up business support service</b></p>	

centres)

**e) Running capacity building programmes for artisans and related producer groups**

- including topics such as management skills, ways to have voice in public policy, production skills, obtaining certification, financial literacy, occupational health and safety, and innovation
- incorporating diverse methods such as formal courses, local workshops, online aspects (e.g., videos), and apps for smartphones

**Opportunity 2: Encouraging Producer Collaboration**

<b>Snapshot of Current Scenario</b>	
<ul style="list-style-type: none"> <li>• Artisans usually work within household-based units</li> <li>• If larger orders are received from traders, artisans collaborate to fulfil the orders</li> <li>• Many artisans are in self-help groups that enable shared savings and loan systems</li> </ul>	
<b>Key Benefits</b>	<b>Key Questions</b>
<ul style="list-style-type: none"> <li>• Benefits to Collaborators:               <ul style="list-style-type: none"> <li><b>a)</b> Economies of scale (e.g., cost reduction, more efficient production processes, reducing individual workload, spreading risk)</li> <li><b>b)</b> Individual learning and developing (e.g., business upgrading; informal learning; formal training and other assistance; access to improved inputs, such as equipment; facilitating formal and informal innovation processes; personal benefits, such as belonging to a community)</li> <li><b>c)</b> Increasing power (e.g., developing a collective identity in bargaining situations, having more legitimacy in public forums, being resilient to pressures)</li> </ul> </li> <li>• Spillover Benefits:               <ul style="list-style-type: none"> <li><b>a)</b> Community economic development</li> <li><b>b)</b> Buyers having relationships with a unified actor</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• What incentives exist to collaborate (see Table 2)? How can governance actors change these incentives?</li> <li>• How should the collaboration be managed (e.g., formal vs informal, leadership, decision making)?</li> <li>• What activities can benefit most from collaboration (e.g., procurement, production, marketing)?               <ul style="list-style-type: none"> <li>- What is the optimal mix between cooperation versus competition?</li> <li>- What size should collaborations be?</li> </ul> </li> </ul>

**Recommended Governance Interventions**

- a) Directly supporting the creation of new collaborations (e.g., employing facilitators to enable the development of producer groups)
- b) Creating incentives for producers to collaborate (e.g., offering benefits, such as loans, subsidies, or training for producer groups)
- c) Identifying and disseminating information on opportunities for bamboo groups to benefit from collaboration (e.g., through social media, radio, or community events)
- d) Promoting policies and regulatory requirements easing producer cooperation (e.g., simplifying requirements to register a group)

**Table 2: Enabling Factors and Barriers for Collaboration**

<b>Contextual Factors</b>	<ul style="list-style-type: none"> <li>• Regulations creating difficulties or providing support</li> <li>• Benefits available to formal groups</li> <li>• Local trust levels</li> </ul>
<b>Producers' Perspectives</b>	<ul style="list-style-type: none"> <li>• Acceptance of status quo</li> <li>• Level of risk aversion</li> <li>• Awareness of examples of successful collaboration</li> <li>• Perceptions of collaboration</li> </ul>
<b>Potential pitfalls</b>	<ul style="list-style-type: none"> <li>• High costs of complying with regulations and administrative burden</li> <li>• Poor leadership</li> <li>• Loss of freedom and control</li> <li>• Exposure to increased scrutiny</li> <li>• Free-riders</li> </ul>



### Opportunity 3: Facilitating Links to New Markets

<b>Snapshot of Current Scenario</b>	
<ul style="list-style-type: none"> <li>Artisans usually sell to local traders that come to their villages or in local markets</li> </ul>	
<b>Key Benefits</b>	<b>Key Questions</b>
<ul style="list-style-type: none"> <li>Increasing sales prices</li> <li>Increasing sales volume</li> </ul>	<ul style="list-style-type: none"> <li>Who are the potential customers for artisanal bamboo products?               <ul style="list-style-type: none"> <li>Where do they make their purchases?</li> <li>What factors do they consider when making purchasing decisions?</li> <li>Can artisans communicate with these buyers directly or are intermediaries needed?</li> </ul> </li> <li>What can incentivize potential customers to buy artisanal bamboo products?</li> </ul>
<b>Recommended Governance Interventions</b>	
<p><b>a) Facilitating connections to existing markets through:</b></p> <ul style="list-style-type: none"> <li>supporting producer upgrading (see Opportunity 1 above)</li> <li>providing information about potential markets (e.g., conducting &amp; sharing market research)</li> <li>ensuring logistics systems are adequate to facilitate market access, including communication and transportation systems</li> <li>training on marketing skills (e.g., social media, making a catalogue)</li> <li>creating connections to potential buyers (e.g., trade fairs, buyer-seller meets, e-platforms)</li> <li>creating a new certification or branding scheme to help market Indian bamboo artisans, such as a quality, social, and/or environmental label</li> <li>developing a bamboo marketing institution</li> </ul> <p><b>b) Building national demand for bamboo products through:</b></p> <ul style="list-style-type: none"> <li>educating potential customers on the benefits of bamboo</li> <li>promoting local procurement of bamboo by government agencies and large-scale buyers through regulation and incentives</li> </ul>	





## Opportunity 4: Restructuring Governance Systems to Support Overarching Improved Dynamics in The Production Ecosystem

<b>Snapshot of Current Scenario</b>	
<ul style="list-style-type: none"> <li>Loosely coordinated governance programmes with some overlap</li> <li>Artisans at the bottom of fragmented traditional value chains</li> </ul>	
<b>Key Benefits</b>	<b>Key Questions:</b>
<ul style="list-style-type: none"> <li>Artisans receiving more coordinated support services</li> <li>Barriers being removed from accessing available support</li> </ul>	<ul style="list-style-type: none"> <li>If bamboo artisans access global value chains, how can they benefit and what risks exist?</li> <li>How can policy mitigate the risks?</li> <li>Do bamboo artisans have any difficulties accessing existing government services? How can these difficulties be alleviated?</li> </ul>
<b>Recommended Governance Interventions</b>	
<p><b>a) Changing structures and the balance of power in links to production networks</b></p> <ul style="list-style-type: none"> <li>promoting group formation (see Opportunity 2 above)</li> <li>creating direct connections that bypass intermediaries.</li> <li>playing a direct production governance role or supporting the creation of socially driven intermediaries</li> <li>building new communication channels</li> </ul> <p><b>b) Increasing coordination between actors seeking to support India's bamboo artisans</b></p> <p><b>c) Ensuring a supportive policy environment in which artisans can easily benefit from available services</b> (e.g., simplifying paperwork, making a guide of available services for bamboo artisans)</p>	

