



A 'Bamboo'zling Claim

06 July 2020



"The policies of forest and environment ministry are totally outdated and should be discarded. While sitting in buildings, they forbid the cutting of bamboos for 25 years," lamented Nitin Gadkari, Union minister of roads, transport, shipping and water resources.

For the uninitiated, bamboo grown on non-forest land was reclassified as a grass in 2017, after 90 years of legally being a 'tree'. This was meant to allow easier harvests as it got excluded from the mandate of the Indian Forest Act, which requires several permissions for the cutting of a tree. Mr Gadkari's statement reflects that he strictly referred to lack of access to bamboo on forest land which may have hindered the access to livelihoods. This is a wild goose chase!



It is pertinent to look at whether the law is the only thing that restricts the development of a vibrant bamboo industry. The short answer is no. Several successive bamboo missions have been initiated to bring bamboo to the forefront, making them the national go-to activity in forestry without ever arriving at the promised land.

If law was the only barrier, it would have affected the development of the beedi industry too, as even the tendu leaves, which are used to make beedis, are 'protected' to a certain extent. Hence,

there are restrictions on their collection. Then what is it that allows for such a thriving industry despite its tremendous side-effects on the health of millions?

The answers are manifold.

To begin with, since skills is not an issue, abundant labour is available for making beedis. Secondly, the product is uniform and minor differences in quality do not affect the demand. Thirdly, there are well established supply chains. Lastly, but most importantly, there is a huge demand.

The statement of the minister is representative of the myopic vision of the current government, focusing on a magic-wand approach without actually addressing demand side issues, infrastructure, and the gap in skills. Unlocking the potential that lies in the 'green gold', as bamboo is referred to, will require tackling demand and supply side constraints.

A common challenge that runs across handicraft-based industries, where bamboo is currently being used, is finding a system that enables capitalisation on the economies of scale.

For handicraft value-chains to generate sustainable margins, they need to reach a market that is willing to pay substantially for them.



The size of this market is going to be minuscule (in terms of total consumers as well as repeat purchases) compared to products which have wider utility. Thus, demand-side factors will determine which products are best suited to be made out of bamboo.

The value chains will have to be devised around the product to ensure that the communities who are growing bamboo and making its artefacts get a higher share in the profits.

Apart from this, the industrial demand for bamboo, which has the potential for growth and scale, achieved by the Chinese is not at all being addressed.

Currently, we have not explored such markets for bamboo as fabrics, furniture, and construction material, something which our northern neighbour has effectively managed.



Moreover, an important point that needs to be highlighted is that the species of bamboo native to India, compared to that of China, present different opportunities.

The size, fibre strength, hardness, and flexibility of a species will vary across geographies, especially when harvested from forests. This needs to be accounted for when converting bamboo to a marketable product.



Focus should be on creating a holistic and sustainable vision for the National Bamboo Mission, which itself has highlighted shortcomings in market research, stating that "there remains a massive gap to address the needs, requirements and profitability of low and medium value bamboo products that are being made."

While recent technological developments have made it possible to use bamboo as a substitute for wood to make furniture, large-scale value chains around it are yet to be built.



A key element of this is that it requires moving bamboo out of forest land by enabling agro-forestry practitioners to grow bamboo. Bamboo from the forests can never achieve the standardisation and consistency that a large-scale industry would require.

A lot needs to be done before success stories like Bamboo India become a regular feature of the industry. The fact remains that we have not been able to invest in long-term research to develop top-quality, high-end products which would make it a viable cash crop.



Do you see bamboo furniture in IKEA? If the answer is no, it means that one, bamboo products in their current form are not aspirational for most people. And two, the kind of robust supply chain required to develop a multibillion-dollar industry does not exist.

Until we address these constraints, watching the growth of the industry will be like watching 'grass' grow.

Source: <https://www.moneylife.in/article/a-bamboozling-claim/60822.html>