

## Organizational sustainability: The case of handcrafts micro business in Southern San Sebastian

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### Introduction

The new conditions of globalization underlie life conditions and the importance of a generational future as a component of competitiveness. What constitutes globalization is the interaction that changes the scenarios for the individuals, organizations and society, who are constantly hounded by contradictory forces and uncertainties. The ecological model of organizations widens to include interactions which can integrate the environmental paradigm with the organizational system. An organizations approach to sustainability is affected by the combination of ambiguous environmental economic policies, the abrupt adoption of production technologies and market practices. Sustainability in business organizations is an implementation strategy of process reengineering and the adoption of production technologies oriented toward avoiding waste materials, recycling trash and eliminating toxics. The lack of acceptance of the role that business organizations play in sustainability influences the global debate that questions real causes of pollution which poses safeguards to organizations and justifies poverty as the main cause generating environmental degradation. It also suggests as a consequence of deterioration the inadequate economic policies that allow for business actions less friendly with the environment.

This paper aims, firstly to determine the level of organizational sustainability for the environmental and economic development of cutting treatment and exploitation activities of the grass called *tule* (*Thypha* spp) from the Zapotlán Lake. Secondly, the paper attempts to analyse opportunities and economic benefits derived from a marketing orientation of international business in the making of art craft out of *tule* and *palmilla* (a kind of palm) that grow spontaneously in the Zapotlán Lake.

### Organizational sustainability and organizational social capital

A sustainable organization integrates the ecological vision and the institutional theories in organizational systemic values. The acquisition of a common sense in the production of goods and services is utilized as a stronghold to promote the eco-efficiency as a friendly culture of organizations with their environments to achieve emission reductions and rational exploitation of natural resources. From the point of view of general theory of organizations, according to Baker y Burt (cited by Portes 1999, p. 247) we study social capital to gain a greater insight, comprehension and understanding of market competitiveness mechanisms, while Joyce (1998) focuses his analysis of social capital in the leadership phenomena. Either the organization or each one of its members can be incorporated as public and private issues to social capital. Thus, from social capital emerge two patterns, the emphasis on public goods and the emphasis on private goods. Leana y Van Buren III (1999) define organizational social capital as a resource which reflects the character of social relations within the organization, achieved through the levels of members' orientation by collective objectives and shared trust. Social capital is a collective attribute more than an aggregation of individual social connections. It is a byproduct of other organizational activities and thus, it constitutes and is an indispensable component for the collective action. Social organizational capital is an asset whose joint possession between members and the organization benefits both.

A new organization has the advantage to create its own organizational social capital in such a way that can maintain optimum equilibrium between stakeholders, individual and other organizational interests in spite of their contingent nature; This is to say, different situations and persons in their relation to organizational performance. A community relies on social organizational capital when their organizations are characterized by relationships of trust that develop and make predictable their behaviour. The capacity of a community is reflected in its level of endogenous development. The organizations are concrete reality with resources, rules and ordinances for the pursuit of objectives. Members of an organization have expectations to solve problems of collective action to get supply of some goods and services.

## **The case of micro and small business enterprises involved in the exploitation of *tule* (*Typha* spp) from the Lake of Zapotlan**

### **Background of the problem**

Similarly to the great majority of aquatic bodies localized in closed basins of Mexican national territory, the Zapotlán Lake is the natural receptacle, dump and outlet where the sewage, trash and black waters from the human settlements of Cd. Guzmán and San Sebastián del Sur (Southern San Sebastián) converge. The presence of these natural elements form a nutrient mix that facilitates the growth and development of an abundant aquatic mix which has spread to cover almost the totality of the surface of the lake. The transformations of the environment of Lake Zapotlán has a strong impact on the population's socio-economic issues. Deterioration of this lake body has achieved alarming levels as a consequence of the increasing population and its corresponding enlarging urbanization processes, industrial, farming and agricultural activities.

The natural resources offered by the lake, the aquatic *tule*, has been benefiting the settlers and inhabitants of San Sebastián del Sur mainly for its exploitation through the crafting of several products and handicrafts. Thus, the use of the *tule* and the expansion of handicrafts create direct employment and constitute the income base for around 300 families and their members. An approximate estimation is that one thousand five hundred individuals making a living out of these activities in the municipality of Gomez Farías. Most benefit is obtained from the *tule* chubby and plump followed by the one known as *palmilla* (palm).

To aggravate this problem, The Pan-American Olympic Games has chosen the Zapotlán's Lake as the location where the aquatic games will take place in 2011. Accordingly, the lake is having a profound transformation which implies the clearance and cleaning of the lake's edge from any type of grass and bush, including the cutting off and taking out of the *tule*. Other factors contributing to limit the environmental and economic sustainability of development and the scope of benefits from economic activities and use of *tule* are the following:

- No orientation toward a sustainable use of the *tule* as a natural resource.
- Lack of organization between the cutters of *tule* and the handcrafters.
- Weak infrastructure for the development of a more advanced handcrafted production.
- Excessive interest of hoarders and middlemen in the processes of commercialization and distribution of elaborated products.
- Lack of mechanisms of governmental institutions to foster and develop economic activities, such as credits, training and technical assistance.
- No knowledge of techniques and systems to export their products to the international markets where there is much interest in the products.

Until now, handcrafted products derived from the *tule* as the main raw material, are decorated with a strong artistic content to go to local, regional, national and international markets, which traditionally consume because there is a strong historic presence of Mexican culture since the pre-colonial times. Handcrafts and goods handcrafted and made out of *tule* in the locality of San Sebastian del Sur include chairs, curtains, armchairs, easy chairs, different types of containers for different purposes, such as the tortillas containers, tables, blowers, bedrolls and matting (*petates*), and baskets. Most of the craftsmen deliver their product to middlemen who always perform as hoarders being a link in the distribution channel and contributing to the commercialization of the handcrafted product. These middlemen hold the greater percentage of profits.

The use of *tule* from the Zapotlán's Lake has followed irrational patterns which affect not only the environmental sustainability and equilibrium, but also generate problems of low family income and lower employment. The rehabilitation of the Lake requires a more rational exploitation of the *tule*, in such a way that does not affect the environmental sustainability and the economic activity derived and the treatment of *tule*.

### **Objectives**

- To determine the level of organizational sustainability taking into account the economic and environmental development out of *tule* cutting, treatment and exploitation activities at the Zapotlan's Lake.
- To analyse opportunities and economic benefits derived from a marketing orientation of international business in the making of handcrafted products made of *tule* and *palmilla* from the Zapotlán's Lake.

## Research methods

A study was conducted of the handcrafters who carry on economic activities using *tule* as a raw material in the making of handcrafts in the locality of San Sebastian del Sur, in the municipality of Gomez Farías, Jalisco. The way in which data was obtained was through a random survey based on the roster of handcrafters, which is a list of registered ones, with the purpose to know different economic and social aspects of producers.

Trades of handcrafters and producers were classified in 4 groups, out of which it was found that the 33 persons surveyed were dedicated to the following activities: Manufacturing of rustic furniture 9, Hand-woven furniture and handcrafts 7. Manufacturing of matting and bedrolls 15. Cutters of *tule* 2.

## Analysis of results

The percentages of families who are dependent of related activities with *tule* according to the survey results in the locality of San Sebastián del Sur are the following: rustic furniture 42%, manufacturing of *petates* 39%, handcrafts 15% and cutters of *tule* 4%.

The weekly average salary per worker in the different activities related to the processing of *tule* was estimated. This data showed: Manufacturers of rustic furniture \$57 dollars, cutters of *tule* \$40, handcrafters \$21, and handcrafting of *petates* \$12. According to this study the percentage of craftsmen affiliated to associations and organizations was only of 19%.

The majority, 94% of craftsmen in the location of San Sebastian receive some type of support from any institution or dependence, while a small number of workers did not receive economic support and promotion for their products and goods. Most (81%) of those surveyed have the opinion that the market has benefited in the last years due to higher demand for their products. Only 19% perceived that there have been difficulties selling their products. In regard to pollution 45% said it was increasing, 42% equal to before and only 13% perceived pollution to be reducing in the Zapotlán's Lake.

## Discussion and comments on organizational sustainability based on the research results.

The presence of bundles of *tule* covering around one third of Zapotlán's Lake surface (Universidad de Guadalajara, 1995), is important for the nesting, refuge and protection of several species of fish, including tilapia and carp, and also for several species of birds. The *tule* plant serves as food for some species beginning from the organic material which becomes detached from the roots, and it regulates water temperature, thus the environmental temperature.

Cultivation and exploitation of *tule* constitutes an important economic activity, mainly for the community of San Sebastian del Sur because it provides economic support to around three hundred families. About 80 families are benefiting economically with the income received from the cutting, drying and transport of *tule*. Around 140 families benefit from the handcrafted production of goods made of both varieties of *tule*, the *palmilla tule* and the *chubby tule*. Out of these 140 families, 120 are handcrafters of matting and bedrolls (*petateros*).

Around half of the 55 handcrafters registered in the Association trade have their own workshops, while the other half only work in assembling plants. Around 70 families receive income from intermediation, hoarding, stockpiling and commercialization activities of products derived from *tule*.

Most of the manpower employed in the cutting of *tule* is permanent and their trade was inherited from antecedent generations. According to the field research, due to the ongoing changes taking place in the Zapotlán's Lake, every year there are less cutters. The cutters of *tule* dry their raw material and make up to two bunches per day that sells at an average price of 75-80 pesos each bundle. The income from the selling contributes to the daily family income that averages 160 pesos per day. The *tule palmilla* used for the manufacturing of chairs is sold to intermediaries; most of them are owners of small stores who stockpile it. The *tule chubby* is sold to the craftsmen at a price a little bit less expensive to be used in the manufacturing of matting and bedrolls (*petates*).

Many cutters supply raw material to their own families who are in charge of the crafting of handcrafted products, widening with this situation the economic benefits and adding value. In other cases, there are conducted some practices of half by half ("*medieros*") between the cutters and the handcrafters. This is to say, after the selling of products; both cutter and handcrafter share the benefits in the same proportion, half and half.

According to our own research, those interviewed indicated that sales are declining. Today, they argue, they sell less than 10 years ago and the middlemen and intermediaries obtain more profits from the commercialization of the handcrafted products. For a handcrafted product to reach the final consumer, at least three levels of distribution are required, and thus there are at least two intermediaries between producers and consumers. The intermediaries are the ones who attend national markets and to a lesser extent they export the handcrafted products to some parts of United States, Canada, Puerto Rico, England and Japan.

Some of the problems that the craftsmen face relate to the lack of training programs to develop and preserve handcraft techniques, financial support, and obtaining credits to extend basic production infrastructure, and of course, staffing and consultancy for direct exports of their products to the international markets. Undertaking activities to address these issues will benefit the economic income of more than 300 families in San Sebastián del Sur, Jalisco.

### Conclusions

The exploitation of *tule* represents an economic activity that provides income to approximately three hundred families living at the settlement of San Sebastian del Sur. Nevertheless, in the last few years the income has been decreasing due to the environmental changes and to the rehabilitation of the Zapotlan's Lake to host the Pan-American Games in 2011. Both, the environmental changes and rehabilitation of the lake represent a serious threat to the economic efficiency and environmental sustainability.

Achieving equilibrium between environmental sustainability and economic sustainability must be one of the main goals of the rehabilitation programs. Thus a systematic study to determine indicators of the most adequate levels of environmental sustainability and economic efficiency is required. The limited social organizational capital hinders the scope of economic benefits that can be achieved from the exploitation of *tule* from the Zapotlan's Lake.

Disorganization of cutters and craftsmen of *tule* is the source of profound and increasing conflict. This not only blocks and limits the scope of better levels of productivity and family income, but also makes coexistence and living together difficult and spoils the community's quality of life.

The lack of a consultancy program to export handcrafted products lowers incomes to the families of cutters and craftsmen, because the intermediaries who take part on the commercialization processes and distribution channels obtain the greater part of profits.

Some characteristics of specificity and appropriateness of social and human capital involve economic, social and political relationships among individuals who are members of organizations with complex interactions. The market is a social construction that relies on operational social relations. Both social and human capital can be important resources of the competitive advantage, assuming that these reside in the members, or are specific to the organizations as integral parts of resources that are unique. Organizations with higher levels of social and human capital generate more competitiveness than those with lower levels. Therefore a sustainable and competitive Economy requires programs aimed to improve social and human capital.

### Recommendations

Some recommendations after this research are formulated below:

- Design a program to promote handcrafted activities derived from the exploitation of *tule* in parallel to the rehabilitation program of Zapotlan's Lake that establishes the right indicators to achieve equilibrium between economic efficiency and environmental sustainability.
- To set a program of export consultancy with the support and technical staffing from students of international business at University of Guadalajara that provides the knowledge, skills and contacts in such a way that the *tule*'s craftsmen directly commercialize and market their own handcrafted products in the international markets.
- To propose a program for development of organizational and social capital and new forms of organization aimed to increase productivity and competitiveness of the craftsmen, thus increasing their family income and promoting employment creation and improve the quality of life of the whole community of San Sebastian del Sur.

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