

A Study on the production of "Yaung Sin Chel" jade & Jewellery Enterprise

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Abstract

In Myanmar that the strings of gem-beads are turned out by dint of using such raw materials as jade-textured stones, confluence (MyitSone) stones and the like, as of which are a kind of natural mineral jewellery. This signifies that not merely does it make the gem-bead businessmen in Myanmar get profits but does it occasion local workers to get jobs and incomes, as well. Gem-bead Enterprise is a type of enterprise in which the combination of Myanmar traditional craftsmanship and technical adept exists. Besides, strings of gem-beads, because of being able to be exported to foreign countries, play a vital sector in earning foreign incomes. The purpose of this paper is based on the two factors; (1) to analyse the production and the selling of the gem-bead products and (2) to know the various types of products of "Yaung Sin Chel" Jade & Jewellery Enterprise. In spite of the fact that gem-bead enterprises are a type of household enterprises, strings of gem-beads- it can be learnt- are trades not just domestic but also abroad. Hence, provided that gem-bead enterprises are extended into the global or international market by means of more and more modern technologies, they are a kind of business that can render the national economic developments sustainable, along with the potential of higher and higher living standards of local people; which has been studied.

Keywords: gem-beads, traditional craftsmanship, household enterprises, global or international market

Introduction

Myanmar is a country in which there are plenty of richly natural resources above and below the ground in accordance with its geographical structure. Among these natural resources, jade, called a sort of mineral resource, stands for one of the most precious gems of the country. Depending on its quality, the jade has its own different value priced. In addition, there is a great diversity of livelihood enterprises in relation to such precious mineral gem.

It has been learnt through such these studies that there are enterprises which give a great deal of production for strings of gem heads, sculptured items and fancy armaments by using jade-skinned stones as raw materials in some areas of Myanmar for the purpose of looking for them to get a wider market in the form of economic growth. A gem bead enterprise is a type of enterprise in which the combination of Myanmar traditional craftsmanship and mechanical technology is involved. Therefore, making business on a gem-bead production means that we preserve Myanmar traditional craftsmanship intact. And it also means that such this kind of enterprise plays an essential role in earning foreign incomes on the strength of the exportation of "strings of gem-beads".

Besides, we it is learnt by way of the studies that the gem-bead production enterprise- where jade-skinned or textured stones and MyitSone stones or stones from the confluence, both of which are Myanmar's natural mineral resources, are used as raw materials- occur mainly in Tintait village, Sagaing township. In the past, every house in that village-tract made business on different sorts of strings of gem-beads within its individual household capacity.

Objectives of the Study

The Objectives of the study are to analyse the production and the selling of the gem-bead products and to know the various types of products of "Yaung Sin Chel" Jade & Jewellery Enterprise.

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Method of the study

This study mainly used descriptive method. Required data and information are mainly collected from "Yaung Sin Chel" Jade & Jewellery Enterprise.

Structure of Paper

This paper consists of four chapters. In chapter 1 introduction, objectives of the study, method of the study are included. Chapter 2 consists of literature review. Chapter 3 describes Production Process of "Yaung Sin Chel" Jade & Jewellery Enterprise and Chapter 4 is conclusion.

Literature Review

SMEs are known for their role in creating broad-based employment, nurturing entrepreneurship, including that of women and youth, and contributing towards poverty alleviation. The vast majority of the business enterprises globally are SMEs. A successful SME sector is crucial in broadening and deepening the sustainable flow of trade and investment and equitable economic development through employment opportunities for inclusive economic and social development in the region.

Official Definition of SMEs in Myanmar³

According to the Law on the Development of Small and Medium Businesses (Pyidaungsu Hluttaw Law No. 23/2015), small and medium enterprises (SMEs) are defined based on their number of employees, type of activity, capital invested, or level of turnover. Compared to the 1990 version of the law, the maximum number of employees has been increased for labour-intensive activities, as have the limit values for capital and turnover. Table (2.1) shows the classification of SMEs in Myanmar.

Table (2.1) Classification of SMEs in Myanmar

Classification	Number of employees	Capital (mil. Kyats)	Turnover (mil. Kyats)
Small			
Manufacturing	Up to 50	Up to 500	
Labour-intensive manufacturing	Up to 300	Up to 500	
Wholesale	Up to 30		Up to 100
Retail	Up to 30		Up to 50
Service	Up to 30		Up to 100
Other	Up to 30		Up to 50
Medium			
Manufacturing	51-300	500-1,000	
Labour-intensive manufacturing	301-600	500-1,000	
Wholesale	31-60		100-300
Retail	31-60		50-100
Service	31-100		100-200
Other	31-60		50-100

Source: Authors' illustration based on the 2015 SME Development Law (Government of Myanmar 2015).

³Myanmar's MESE Survey 2017

Unlike the Myanmar SME Development Law, international definitions of SMEs also specify the characteristics of micro-sized enterprises. For instance, the World Bank's SME Department defines micro enterprises as those with 1-9 employees, small-scale enterprises as those with 10-49 employees, medium sized enterprises as those with 50-299 employees, and large enterprises as those with more than 300 employees. A common feature of various SME definitions is a recognition that number of employees is the simplest indicator of whether a business is an SME (Bowman 2017). In line with this recognition, we abstain from including the level of capital and turnover in the definition of enterprise size categories, and base them solely on the number of full-time and part-time workers, following the cut-off points proposed by the World Bank.

Financial Support for SMEs⁴

The Myanmar government provides only non-financial assistance to business enterprises, due to limitations on the government budget. However, thanks to the Financial Support for SMEs policy, the Myanmar Economic Bank (MEB), Myanmar Investment & Commercial Bank (MICB) and Myanmar Industrial Development Bank (MIDB) have provided loans to SMEs since 2004. In addition, the Japan International Cooperation Agency (JICA) provided a K 15 billion loan through the government to develop SMEs in 2017 at a low interest rate. The loan is granted through the Myanmar Economic Bank (MEB), and SMEs and businessmen who apply for the loan are required to submit their current business situation and future program of their businesses to the SMEs Development Department. Nevertheless, despite the increasing provision of loans, the lack of financial access and high tax rates still restrict the development of SMEs in Myanmar.

Contribution to Myanmar's Economic Development

Small and medium enterprises (SMEs) share the biggest part in Myanmar economy in terms of number, contribution to employment, output and investment. Myanmar economic growth is thus totally dependent on the development of SMEs in the private sector. Today, the role of SMEs has become more vital in strengthening national competitive advantage and the speedy economic integration into the ASEAN region.

According to the research by the Central Statistical Organization, 98 percent of more than 120,000 businesses registered in Myanmar are SMEs. The contributions of SMEs to GDP and national employment are significant. The SMEs sector is the backbone of Myanmar's economy which can produce basic needs goods and services for people.

The main three reasons for the economic contribution are the following:

(Contributions to Myanmar economy stemming from SMEs)

- Boosting exports
- Creation of a purchase power in boosting the middle class
- Poverty alleviation

Myanmar's business environment is undergoing a lot of rapid changes. However, SMEs in Myanmar face many challenges during the period of political and economic transition. New trends have to be taken into account continuously, such as growing demand and customers' expectations on flawless products and services. Moreover, SMEs are facing increasing global competition, the emergence of new technologies and impact on integrated supply chain and production systems among ASEAN member states. In Myanmar, challenges to SMEs are varied and complex, depending on the sector and level of development. Common challenges include financial access, human resource development, R&D in technology, management, and marketing.

⁴Myanmar Government Prioritizes the Development of SMEs

To narrow the development gap among regions and states, 53 branch offices to support SMEs development have been opened in 15 regions and states, including Nay Pyi Taw. In addition, Kasikom Bank (KBank) of Thailand also signed a MoU with the Central Department of Small and Medium Enterprises Development (CDSMED) under the Ministry of Industry, to educate SMEs in financial management, with a focus on business plans and accounting, start in 2017. The training seeks to strengthen SMEs in market competitiveness, technology, financial management, and market compliance on their products.

The development of SMEs is important for the country's economic development, as they are major contributors to the economy and job creation. However, SMEs are confronted with numerous challenges, including insufficient financial support, electric power supply and credit guarantee. Given that SMEs form the backbone of the country's economy, economists have called on the government to improve the banking sector, and encourage banks to provide more loans to SMEs at a reasonable interest rate. At the same time, capacity building in areas such as business management, accounting, taxation, marketing management, human resource management, and capital management are in huge demand for SMEs to promote job opportunities and socio-economic development. Thus, the development of SMEs in Myanmar requires a concerted effort by government, banks, and private sector that can provide training, to help SMEs reach their full potential in contributing towards Myanmar's economic development.

Production Process of "Yaung Sin Chel" Jade & Jewellery Enterprise

Location

"Yaung Sin Chel" Jade & Jewellery Enterprise is located near Kaunhmutaw Pagoda beside Monywa-Mandalay Highway, Tin Tate Quarter, Sagaing Township.

Structure of the Labor Force

When the labor force structure of "Yaung Sin Chel Jade & Jewellery Enterprise has been studied, it is obvious that the owner himself manages his enterprise with no individual appointment whatsoever of managers. There are seven workers in total who have been employed in "Yaung Sin Chel" Jade & Jewellery Enterprise. Two are women and five are men. With them, the enterprise is operating. "Yaung Sin Chel" Jade & Jewellery Enterprise has step-by-step processes in its production. All the workers there work together without individual task allotment in such these things as drilling the stones with drilling machines, filing them to form the necessary angles or shapes, putting them again in the boiler to polish their colour, and so on. The wages for the workers are not based on salary, but rather on wages.

The wages for men is between 5000 kyats and 6000 kyats per day, as opposed to 3000 kyats per day for women. If there is some problem for a worker in the workplace, the owner takes his responsibility to resolve the problem from beginning to end. If a worker feels ill at his work of the enterprise, the owner pays medical charges to him or her. Regarding the happy and sad events of workers such as wedding ceremonies and funerals respectively, the owner provides them with the requisite assistances. On "big" occasions, the owner allows his workers to take their days off a holiday. And it has been studied that the owner has no difficulty whatever in advertising job vacancies for his enterprise.

Types of Machine

The possession of the current machine type of "Yaung Sin Chel" Jade & Jewellery Enterprise is described in table (3.1)

Table (3.1) Types of Machine Possession of "Yaung Sin Chel" Jade & Jewellery Enterprise (2018)

No.	Types of Machine
1	Drilling Machine
2	Rough Drilling Machine
3	Sphere-forging Machine
4	Filling Machine
5	Color-polishing boiler

Source;"Yaung Sin Chel" Jade & Jewellery Enterprise

"Yaung Sin Chel" Jade & Jewellery Enterprise is operating with one drilling machine, four rough drilling machines, one sphere-forging machine, one filling machine, one color-polishing boiler and one engine.

Source of Raw Materials of Gem-bead Enterprises

Raw materials used in the gem-bead enterprises are jade-textured stones, jade bracelets, and MyitSone stones. Those stones can be found in such places as the Kachin State, MyitKyinar Town, Lounkin, Wai Maw and Farkant, where jade can be mined.

The bulk of precious stones that are used in "Yaung Sin Chel" Jade & Jewellery Enterprise are purchased from where jade can be mined - the Kachin State, Myitkyinar. When they buy stones from Myitkyinar, only white and yellow color stones are color available. The colors used in "Yaung Sin Chel" Jade & Jewellery Enterprise are 12 different colors and the required colors are obtained by baking.

Production process of Gem-bead Enterprises

In order to manufacture the gem-beads, lead-cracks are first marked on the jade-textured stones (the cut ones) and bracelets. Second, stone-drilling is done. Third, cutting for the same size is done. Fourth, filing on the filing stool or in the stirring machine is done. Fifth, making rough beads spherical in the sphere-forging machine is done. Six, polishing them in the color-polishing boiler is done by means of six steps.

Drilling with lead-marks

Checking whether or not there are any defects in such these rack materials as drilled extra bracelets and cut stones, one has to drill them with lead-marks in the drilling machine.

Cutting in the same size

The cut chins resulting from the drilling machine are adjusted in the cutting stool to make them evenly short and evenly long in harmony with the sizes.

Filling on the filling-stool or on the stirring machine

The size-adjusted drilling-chips are honed on the honing stool by means of six-inch diamond plate. However, in the enterprises where the bind of honing stool is not used, stirring in the stirring machine comes after the angle-adjustment with diamond-wheel-on the cutting stool.

Making spheres in the sphere-forging machine

To make the finished products of the rough beads honed by means of the diamond plate or stirred in the stirring machine, the beads are taken into spherical shape by means of diamond plate on the honing stool.

Color-polishing

To brighten the resulting beads, in the polishing pot, the beads are polished for 24 hours per day per level in accordance with six levels.

In using charcoal or stone powders to polish the gems, it is needed to put appropriate amount of water together with dyeing powers in them at 180° for the first level, at 800° for the second level, at 1500° for the third level, at 3000° for the fourth level, at 4000° for the fifth level and so on. In doing so, seven levels are needed to polish the desired gems.

At every "polishing" level, the spherical beads are rinsed with water after the beads are taken from the polishing pot. Then that polishing pot is also cleansed with water. Only if this is done, will it be possible for polishing to go to the next level. In every time of polishing, water is necessary to be on time whenever some extent of needs comes up. That is because bead-spheres and dyeing powder may become sticky. If that sort of condition turns up, one's "polishing" efforts have to be back to square one.

Types of Product

The types of items manufactured in "Yaung Sin Chel" Jade & Jewellery Enterprise are strings of beads, necklaces, bracelets, key chains, cushions, Buddha statue, oil lamp, wind chimes, hairpins, ornamental items and the like. As ordered by the customers, they are produced. Among them, the bestselling products are bracelets and necklaces.

Most of the gem-bead enterprises studied in Tin Tait Village-tract turns out the quick-selling gem-beads of 13mm to the largest scale. If and when there is no likelihood of producing 13mm gem-beads, they change their production and produce the gem-beads of 5 mm by 11 mm spherically. Concerning the small-size gem-beads of just 5mm by 6mm spherically, they are used in making fancy items. In producing car cushions, making the spherical shape of the gem-beads lasts into one day; polishing them in the boiler, seven days; making holes in them, two days; knotting for them, one day. In making a string of beads, there must be the 7000 beads in the sixteen-inch boiler. That is because "just a few" means "destroyed beads through low rate of vibration".





Bracelets



Statues



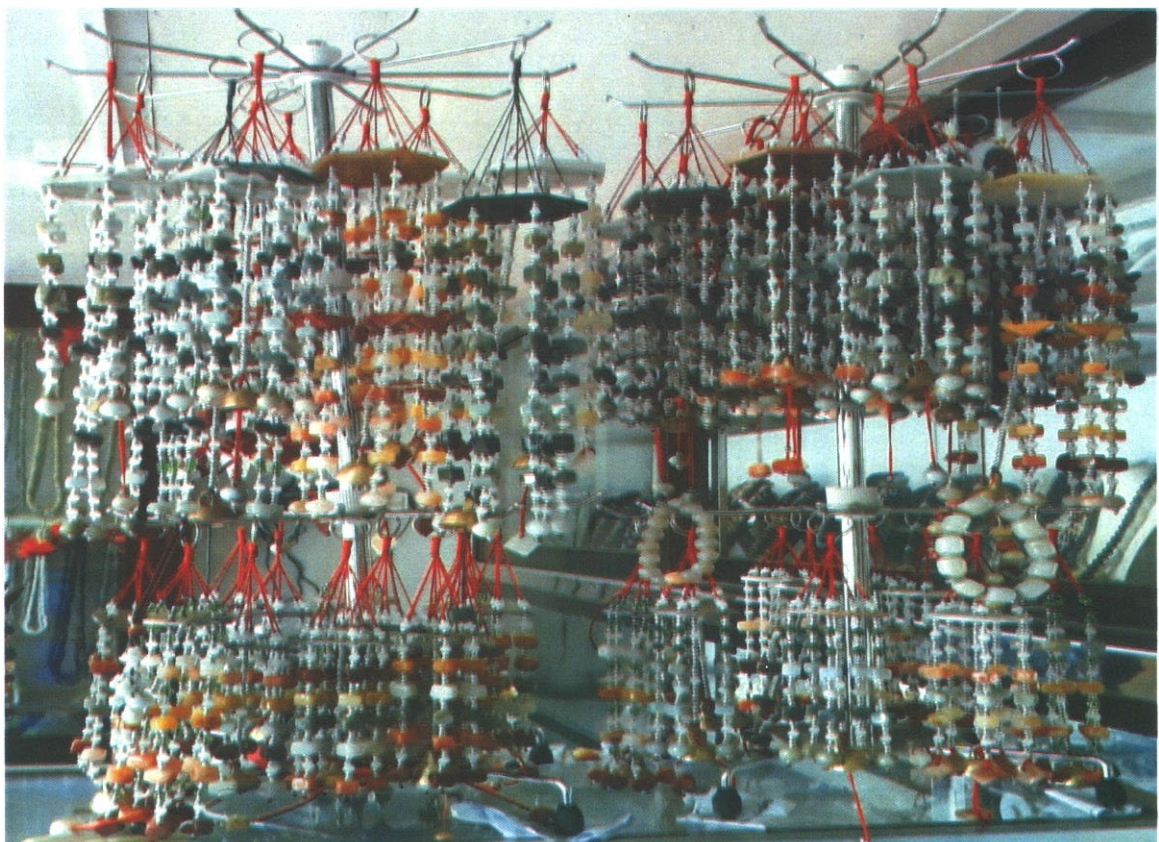
Oil Lamps



Key Chains



Buddha statue



Wind Chimes



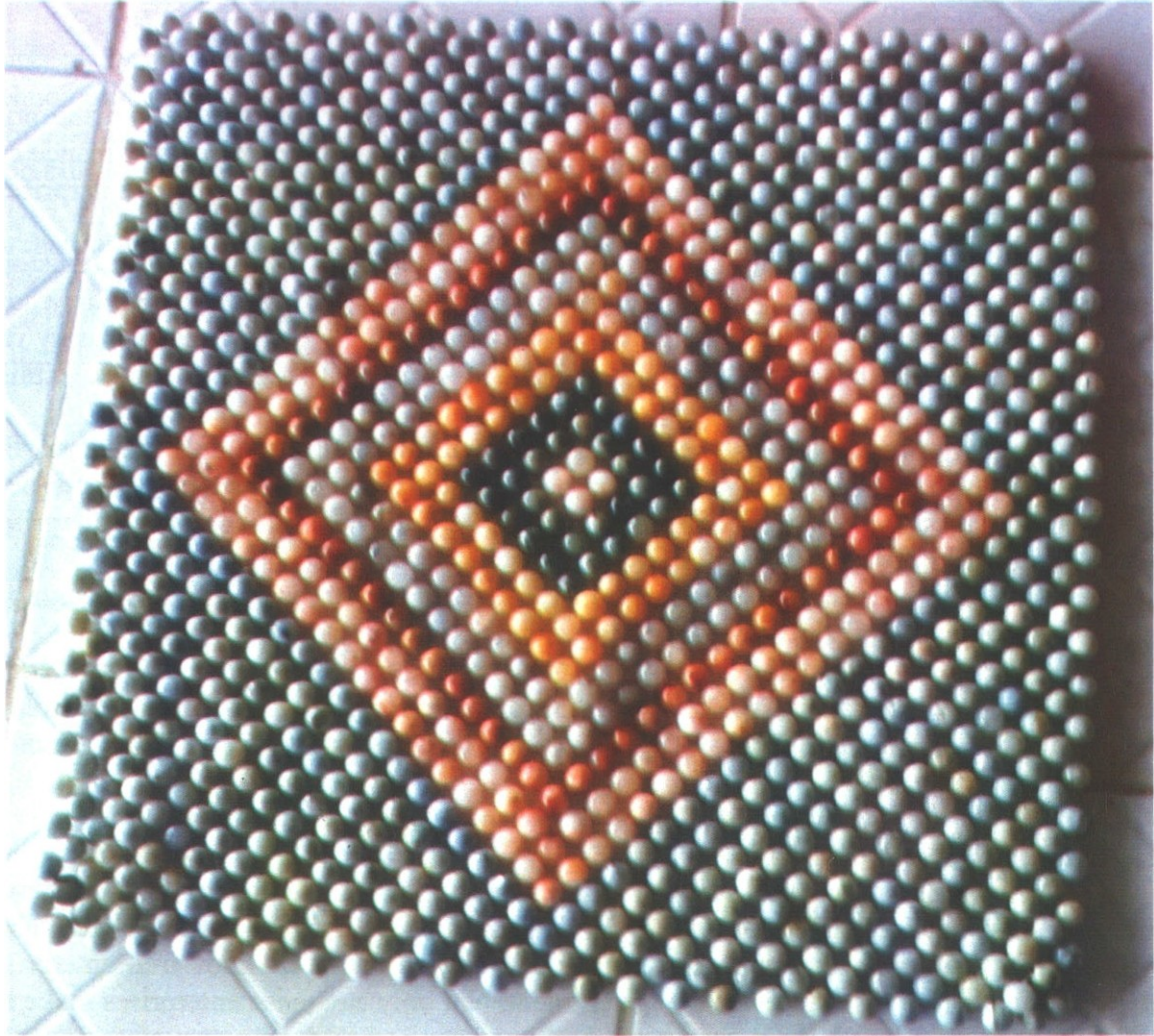
Necklaces



Hand chains



Strings of beads



Cushions

Pricing

"Yaung Sin Chel" Jade & Jewellery Enterprise defines prices of its :finished products in accordance with the quality and design of precious stone-skins. In addition, in defining such prices, considerations are taken into how much it does cost to produce the gems. Most of the gem-beads are mainly made from jade-skinned stones, renovated bracelets, and Myitsonestones . Hence, in terms of price, it will cost you 1500 to 1,000,000 kyats per bead. Nevertheless, fancy items and car cushions are priced depending on how many amount are made.

Distribution

Most of the beautiful gem-beads produced in "Yaung Sin Chel" Jade & Jewellery Enterprise are sold to Yangon Bogyoke Market, Nyapyidaw, Taunggyi, Myawaddi and Myitkyinar and so on. Some merchants and foreigners comedirectly to "Yaung Sin Chel" Jade & Jewellery Enterprise. And also, these gem-beads products are exported abroad.

"Yaung Sin Chel" Jade & Jewellery Enterprise is proprietorship; due to the fact that the owner himself feels responsible for whatever is concerned with his enterprise. With the intention of selling most of the daily produced :finished products, the proprietor himself goes to Yangon and other township. And then, what orders consumers make, the gem-bead business persons are ready to respond to them by making and selling what sizes and what types it is that they want.

Conclusion

Findings

Having a good name, displaying the products, the skill of the sales people and price are very important in studying this firm. The owner systematically supervises the finance and controlling quality when the organization of "Yaung Sin Chel" Jade & Jewellery Enterprise is studied. And then, their known that the workers in this firm work as in the family firm.

In gem-bead enterprises of Tin Tait Village exists no technology which can transform strings of gem-beads into high-quality products towards foreign market. Moreover, they don't have any technically skillful workers and they have difficulties in buying the necessary raw materials. Such kinds of difficulties mean that the gem-bead enterprises have similar experiences.

When raw materials are bought, they have to go to Myitkyinar and the confluence. But when they go to Myitkyinar, the cost is extremely high at times. In addition, the gem-bead businessmen, with a view to there being no shortage of raw materials for their enterprises, tend to have stockpiled the raw materials in advance. However, if the raw materials are of low quality, it can occasion the businessmen to suffer from many losses through the conditions of changes in the gem colour during the periods of stockpiling.

Obviously, no technology is found in this production to go to the foreign markets from the gem-bead enterprises of Tin Tait village. Therefore, it is learnt that technology requirement is the main difficulty that the gem-bead enterprises experience. Another difficulty is scarce labor.

Suggestions and Recommendations

So as to make private industrial enterprises get beefed up, the government is not only providing them with a wide variety of motivated assistances, but also fulfilling the public requirements. The gem-bead enterprises are included in the list of the industrial enterprises ameliorated under the assistances of the government. Not only can these enterprises make the family incomes fulfilled, but are they contributing to the variable economy of the country from some corner or other of their involvement through earnings of foreign incomes because of the gem-bead exports.

According to our studies, different spherical forms of strings of gem-beads are found out to be being produced. As more and more of strings of beads that are 11mm by 13 mm spherically are being bought not simply domestically but also overseas, they are produced most of all. The low-quality gem-beads for the international markets are sold just domestically with the intention of adorning houses with them, and making fancy items and car cushions. That is why it is found out that the gem-beads manufactured in Tin Tait Village are not able to be distributed as much as possible in the overseas markets.

Therefore, in making, producing and selling the gem-beads, the types that are available in the current market can't be deemed sufficient. Innovated should be more and more of the high-quality gem-beads, to meet the international standards.

Owing to the fact that both men and women can get into work in the gem-bead enterprises of Tin Tait Village, it means that job opportunities come into bloom and unemployment rates are reduced there. By getting into work in the gem-bead enterprises, workers earn their incomes, are able to fulfill more and more for the household livelihood alleviate the financial difficulties to educate their own kids (i.e., let them go to school), and so on and so forth; which stands for some aspect of contribution to regional developments from some involvement or other. The availability of nifty-selling beads that are of good quality and lesser wastes depends most on how many skillful workers are. Therefore, in our opinion, the germane businesspersons should have created an environment where skillful workers feel satisfied, secure and safe in their workplaces.

Gem-bead products produced in "Yaung Sin Che!" Jade & Jewellery Enterprise can be found to be in need of a lot of technology. If they are produced in modern, sophisticated technologies and ways, then it can make the business persons gain more benefits, over and above being able to make more foreign incomes for the country. This points out that the gem-bead businesspersons should do continuous studies on international technologies.

The gem-bead enterprises, able to typically domestic, are found out to be being purchased not just internally but also externally whenever the gem-beads come out in the markets. Thus, provided that the gem-bead enterprises of Tin Tait Village should extend their stretch of the markets by using internationally standardized technologies, they can contribute to the livelihoods of the public and the economic developments of the country.

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