

WHAT IS BALOCHISTAN'S COTTAGE INDUSTRY WORTH? A SOCIO-ECONOMIC PROFILE OF THE ČAWAṬ (CHAWAT) MANUFACTURING BUSINESS IN QUETTA, BALOCHISTAN

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Abstract

This case study casts light on one segment of the Baloch cottage industry. It offers a socio-economic profile of the Chawat manufacturing industry in Quetta, which is an essential part of the local home-based industry. Our field-based survey is focused on to issues that impinge positively, as well as negatively, on the growth and sustainability of this low-scale manufacturing sector. How household expenses, the ability and capacity to adapt to the market dynamics of the local economy, land flight, and widespread illiteracy influence and shape this business is explored with a case study that closes in on the making and selling of the traditional footwear, known as Chawat. The empirical data were retrieved from questionnaires, which we distributed among 100 manufacturers in the district of the provincial capital city Quetta. We used convenience sampling (a type of the non-probability sampling) for analyzing the data. The findings show significant data on literacy rate among Chawat producers and their living conditions. Their level of education appears to be attributable to the humble conditions in which the majority of Chawat producers works and lives. Moreover, there is a cultural element that deserves closer examination. It is quite common to find children in the workshops. There, they learn from their

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fathers how to make this kind of shoes. Like their fathers, who acquired these professional skills from their ancestors, they miss schooling. This social analysis concludes that, on the surface of things, there is generational continuity. However, there are signs that indicate change with regard to the pattern that emerged from our data. The children of some of the interviewed manufacturers attend public schools. Whether they will carry on the business of their fathers is questionable and worth investigating. How this specialized knowledge and the skills involved in the manufacturing of this kind of footwear is transferred to the next generation is critical for establishing in what direction the Chawat industry, and, the cottage industry of Pakistan, broadly, are heading.

Keywords: Cottage industry; Chawat manufacturing; Entrepreneurship; Intergenerational knowledge and skill transfer; Balochistan; Pakistan

The socio-economic context of making and selling *Chawat* shoes

The term “cottage industry” refers to a kind of small-scale industry, where the production and commercializing of the goods and services are home-based. The workshop, in other words, is an integral part of the living place (Joy, 2010). Crafts, such as sewing and stitching, woodcarving, pottery, and the production of small leather goods are traditionally associated with this form of home-based trades and manufacturing, which is widespread in the southwestern province of Pakistan. Home-based employment however, is not limited to crafts alone. Clerical work, such as book keeping, marketing, and other business-related services that require specialized knowledge and training, as well as electronic equipment, such as computers and mobile phones, have changed the cottage industry in this part of the world.

The economic, social, and cultural relevance of the cottage industry for the development of local job opportunities and to stem the flight to the city tends to be underestimated in Pakistan. Home-based manufacturing and businesses play an important role in rural areas where most families depended on the revenue of handcrafted products. Potting, knotting

carpets, weaving, needlework, sewing and stitching are income-generating activities forming the livelihoods of the rural population in Balochistan. There is a growing demand of these goods in international markets which is facilitated by the online sales. It has been argued that government and non-governmental organization should step in and help supporting the cottage industries (Sarvamangla, 2012).

In cities and towns, home-based business and manufacturing activities, relying mostly, though not exclusively, on local workforces, materials, and products, have acquired economic significance and importance (Tolention, 1996). Besides the local consumption, the export of these goods is growing. In Pakistan, there is a growing demand for handmade products. Embroidered fabric, hand-woven rugs, carpets, bangles, and other goods that are produced in home-based workshops are considered as export goods.

The cottage industry dates back to the ancient civilizations in the East and the West. Ibn-Battuta, the North-African scholar who travelled the fourteenth-century world, in one of his lectures stated that “muslin” (also mouselline, a popular fabric of lightweight cotton) was produced in modern-day Bangladesh. During the reign of the Mughal emperors, the small-scale industry, including the cottage industry, was nationalized on the Indian Subcontinent. In their view the home-based manufacturing constituted the backbone of the economy. With the establishment of the East India Company in India in the early seventeen hundred and the expansion of the British Empire, the small scale and cottage industry suffered under the increasing industrialization of manufacturing activities in the colonies.

The cottage industry experienced a revival in the late twentieth century. Experts in art and craft contributed notably to the rejuvenation of the local cottage industry that provides employment for the local population and prospects for the youth. People working in cottage industries contribute to the national economy. The organization of this industrial sector however, is informal and mostly unregulated. There is no specific law for the workers of cottage industry. Since the workers are not considered laborers in

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Pakistan's legal system, they do not enjoy the same protection and rights of other laborers.

This survey focuses on just one small segment of the cottage industry. The production and sale of the traditional footwear known as *Chawat* operate with little capital. The profit, we were told, is spent almost entirely on the daily expenses of the owner of the manufacturing business. The low capital flow is problematic in so far manufacturers become discouraged. At the time of our survey, there was just one manufacturer, who said that the demand for his products exceeded the supply. Their dissatisfaction leads them to decrease, rather than to increase the quantity of shoes, and to reduce rather than to improve the quality of their handmade products.



Figure 1. *Looking for customers; A Chawat maker selling shoes in Prince Road, Quetta, Pakistan. Photograph by the author, 2016.*

Competing within the national and international market is difficult for the manufacturers of traditional footwear, not only because the production level is low and the manufacturing process is time-consuming. An additional problem small-scale cottage industry workers face, in fact, is the difficulty to bring their products beyond the local market. Oftentimes, these handcrafted shoes do not meet the quality standard of the large-scale

shoe manufacturers, owing to the kind of high-tech machinery that *Chawat* producers cannot afford. It further has been argued that the large-scale industries “out-sell” and “out-price” the home-based producers of goods and services (Sarvamangla, 2012).

Individuals, who rely on the help of their families, generally own the small-scale cottage industries (Adeoye et al, 2008). Thus, cottage industries are also called “household industries.” From local newspaper reports, we gather that people working in the cottage industries do not afford to buy land for keeping the workshop separate from the house (Express Tribune, 2014). Mostly, there are no divisionary lines separating the space where the manufacturing activities take place from the space, where all the other activities in the house unfold. Hence, it is common to find family members inside the workshops where *Chawat* shoes are manufactured. Women are mostly doing the embroidery work, and are less involved in the tanning and cutting of the leather, selling and distribution of this traditional footwear. Since they are mostly working inside the house, they are less knowledgeable about the market situation.

Within the premises of the home, the offspring learns the trade in a similar fashion as their fathers, who inherited the workshop from their forefathers. Besides running errands, children take and deliver orders. We highlight this element because the transfer of specialized knowledge and skills from one generation to the next generation draws into the discussion not just the sustainability of traditional manufacturing and businesses, but also child labor. In Balochistan, there is no professional college that offers courses and training in making, selling, and marketing traditional products, such as *Chawat* shoes.

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Figure 2. *A refined example of Chawats. Photograph by the author, 2016.*

The small profit margin, in part, has been attributed to the wholesalers, who access the national and international markets with greater ease. However, the dealers are concerned about the lack of government support for innovating and upgrading the cottage industry (Azid et al, 2001). Access to the Internet is critical, but intermittent in the rural areas. Insufficient and inadequate market information impinges negatively on the marketing and selling of *Chawat* shoes. During the interviews with manufacturers of this traditional footwear, they repeatedly mentioned the scarce and irregular supply of electricity. Many of these small-scale factories do not have diesel generators. Power cuts, our informants said, halt the production process and furthermore damage the machinery.

From these initial descriptive observations we deduce that there are structural, as well as cultural elements to impinge on the productivity and trade of *Chawat* shoes. The present study has been conducted to generate a deeper and broader understanding of the socio-economic context, in which *Chawat* shoes are produced, sold, and consumed. This newly generated knowledge is intended to inform, and support policy makers, development planners, and other stakeholders, invested in the cottage industry in identifying opportunities for supporting the home-based industry, which is a core component of Pakistan's economy and culture.

A case study of the *Chawat* manufacturing and trade in Quetta

Establishing the worth of the cottage industry in rural Balochistan, and its impact on the socio-economic development of the southwestern province of Pakistan is an intricate task. To narrow the scope of this field-based study, we singled out one sector of the cottage industry that is of both economic and cultural relevance, namely the manufacturing and selling of traditional Balochi shoes. We need to be mindful that we are here dealing with an informal sector in a geographical region riddled by natural disasters (earthquakes and draught), insurgency, and poverty. Collecting the kind of data needed for quantifying the socio-economic impact of one segment of the cottage industry, thus, is hard, even at the scale of an exploratory study as the one we conducted in the Quetta district within the remit of a small research project at the University of Balochistan.

Interviews with hundred study participants were conducted in 2016. The questions were open-ended. For example, we would ask: "To what extent does the *Chawat* business and manufacturing affect the income of your household?" We applied a simple random sampling technique to select entrepreneurs who manufacture and sell *Chawat* shoes as well as members of the general public, who may be, in one way or the other, be involved in it. These primary data were then analyzed with the help of the software Statistical Package of Social Sciences (SPSS).

The interviews were conducted mostly along Prince Road in Quetta, the provincial capital city. This bustling street is well suited for studying the socio-economic impact of the production and consumption of traditional

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footwear, since there is a large market where *Chawat* shoes are sold. Producers, sellers, dealers, and people from all over Balochistan come here to buy this handcrafted product that comes in different styles, shapes, and colors.



Figure 3. A *Chawat* manufacturer at work. Photograph by the author, 2016.

Socio-economic profiling of the *Chawat* manufacturing business in Quetta

With the aid of questionnaires and participant observation, we were able to establish the profile of the respondents, including age, education, working experience, marital status, monthly income, and the type of home in

which they live. The questions were formulated in such a way to gain insight into the socio-economic conditions under which *Chawat* shoes are produced and marketed in the provincial capital city and beyond. Of particular interest to our study was the ability and capacity of *Chawat* entrepreneurs to adapt to fluctuations in the market, such as during two major Muslim religious feasts.

The study revealed that the majority of the entrepreneurs are illiterate, live in joint families, and in poverty. The average age of the respondents was 38 years. Results showed that 39 percent of the interviewees were illiterate. 45 percent of the entrepreneurs completed primary school, 11 percent finished secondary school, and just 5 percent received higher education. The average household size was 11 with one breadwinner. The shop employed, on average, four people, including the owner. 79 percent of the respondents said their children were enrolled in government schools, while 21 percent said to send their children to private schools. We like to highlight that people working in the *Chawat* business, regardless of their educational background, tend to enroll their children in school, even if the school fees constrain the household budget considerably.

36 percent of the interviewed manufacturers lived in a nuclear family at the time of our survey. 59 percent said to live in joint-families and 5 percent lived in extended families. The minimum annual income was 50,000 Pakistani Rupees (PKR) the mean is 243,230 PKR.) On average, the employees earned of 202,69 PKR per month, or 675 PKR per day, which is very little compared to the local income level. 64 percent of the respondents said to own the house in which they live, while 36 percent rented the place where they live. People renting houses were mainly from outside the city. They said to have come to town in search of work.

How long does it take to produce one pair of *Chawat* shoes? 1.3 hours, on average, we learnt from the study participants. A skilled worker can produce up to seven pairs of shoes within a day, we were told.

What does it cost to produce this traditional footwear and what does the buyer pay to get a pair of *Chawat*? The minimum average cost of making one pair of these shoes is 100 PKR, while the maximum average cost is 1,800 PKR. The mean is 663.2. The selling price varies, as well. The pricier shoes are sold at 12,00 PKR, whereas the cheaper ones sell at 300 PKR. *Chawat* shoes last between one to five years, depending on their use.

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Figure 4. *Inside a Chewat workshop. Photograph by the author, 2016.*

What does one need to make *Chawat* shoes? One needs *Samad* bond, tires, pins, *banwar*, and *astar* besides the labor. There are seven types. The leather is of three qualities: normal, high and low quality. The high quality leather costs about 1000 PKR a kilogram. For one pair of shoes, the *Chawat* maker needs one third of a kilo, meaning that one kilo is enough for producing three pairs.

Respondents said that the *Samad* bond required for one pair of shoes costs 150 PKR. The tire needed for one pair amount to a cost of 150 PKR. 200 PKR is spent on Banwar and Astar for one pair of shoes costs about 150 PKR. The labour that goes into the production of one pair of *Chawat* amounts to 400 PKR. One respondent told us that this cost structure explained why this trade was not profitable. Mama Marri said: “*We were confronted with*

losses many times by virtue of the expensive materials used in manufacturing each pair of Chawat.

Table. Major types of Chawat they fall into different price categories

Name of types	Average Price (PKR)
“Balach cut”	1,000/-
“Bugti cut”	1,200/-
“Jhalawan cut”	1,200/-
“Marri cut”	1,500/-
“Norozi cut”	1,500/-
“Saadat cut”	2,000/-
“Sarawan cut”	1,200/-

Field survey, 2016

The working experience of the interviewed entrepreneurs varied between two and 44 years. 50 percent of the workers had learnt the making of *Chawat* shows and how to run a business and develop client relationships from their parents. An equal number of respondents acquired the knowledge and skills from people teaching them how to make shoes and sell them in the market. Just 16 percent of the respondents said to have benefited from non-governmental organizations (NGOs). The remaining 34 percent acquired the manufacturing and trading skills from their employers.

With regard to participation in national and international markets, 19 percent of the respondents said to supply their handcrafted products nationwide whereas the large majority said to sell their shoes only locally. 81 percent of the workers sell the manufactured goods at the same place. 88 percent of the surveyed people said to sell the *Chawats* in their shop. 10 percent of the interviewed manufacturers go from door to door to sell their ware. Only one percent of the respondents said to sell their products to middlemen and wholesale dealers, and to shops, that will pay a small amount of money for selling them.

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Regarding the marketing season, the *Chawat* manufacturers, sellers, and dealers told us that there was a high season and a low season. Especially around the time of the important religious holidays, such as *Eid al-Fitr* (the feast at the end of Ramadan) and *Eid al-Adha* their business was going well. When we conducted this field survey, these two major Muslim feasts were in summer. 87 percent of the respondents said that sold their products mostly during the festive season. During this time, shops, which usually do not sell *Chawat* shoes, would stock them, we learnt. The local *Chawat* business flourished during this period also because people in other cities of Pakistan would want to buy this particular kind of traditional footwear.

Impact of the *Chawat* manufacturing business on the household income

The income generated by each employee was so low that none of him or her was satisfied. According to their statements, the revenue from producing and selling *Chawat* shoes barely covers their living expenses and medical expenses and school fees. They expressed their frustration about being unable to save money.

Was there financial situation any better before they entered the cottage industry? 22 percent of the respondents said their economic situation was stable, and 7 percent of the interviewed people argued that their economic condition improved after joining the cottage industry. 41 percent lived under the poverty level, and only 2 percent considered their economic situation to be good. Interestingly, 57 percent said to be neither rich nor poor. Two shopkeepers replied that their big business in Quetta was flourishing and that they felt they were rich.



Figure 5. The cutting of the leather. Photograph by the author, 2016.

The children of parents working in the home-based industry grow up with the manufacturing trade many of them had inherited from their ancestors. As stated earlier, 82 percent send their children to school. Of this 82 percent, 21 percent matriculated their children in private schools. 18 percent, and that is less than one fifth, replied that they were unable to send the children to school because they could not afford the school fees. At home, they learn from their parents and other family members how to run a *Chawat* manufacturing business.

A closer look at the cost structure of *Chawat* shoes requires considering how much the manufacturers pay for the place where they produce and/or sell the shoes. The mean average for the rent amounts to

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18,474 PKR. Earlier, we stated that the average cost of one pair of shoes is 663 PKR. From those respondents, who said that they were able to make savings, we deduce that they save 8,259 PKR by a monthly income of 36,390 PKR. The taxes they pay in relation to the shop and their business amount to about 4,137 PKR on average. The workers of the cottage industry are registered with the government.

These insights gleaned from our field survey show how much *Chawat* manufacturers can earn and pay for renting the premises. This applies for those cottage industry workers, who do not own their premises. The result is that the profit margin is low. In spite of the low profitability of this branch or sector of the cottage industry, there are people who enter the business. How much does it cost to open a *Chawat* business? We were told that a newcomer invests at least 400,000 PKR. Taking out loans and paying back the loans is a major burden on these home-based manufacturers. We were told that some pay the moneylenders on a weekly basis, others pay on a monthly basis, and a few entrepreneurs said they paid once a year.

Conclusion and Recommendations

The study findings threw light on just one segment of the local cottage industry in urban Balochistan. Our case study was conducted at the “street-level” to give the reader insight into the life of *Chawat* producers and their struggle to develop and innovate their business. The case study, with all its limitations due to its exploratory nature and the difficulty of penetrating into the inner social life of making and selling this traditional footwear in the impoverished Southwestern region of Pakistan. The informants were mostly young and energetic. In disregard to the low profit margin and the difficulties to make a livelihood by manufacturing these traditional shows, they would step into the path forged by their fathers and forefathers. We like to reiterate that in spite of the low educational level of the interviewees, they were keen to send their children to school (87 percent), and even to private schools (21 percent), which presents a considerable burden for a *Chawat* entrepreneurs in view of the low profit margin that emerged from the detailed cost structure of making this traditional footwear.

From these analytic insights, we deduce that the cottage industry plays a significant role in improving the enrollment of children. Indeed, only 13 percent of the respondents replied that the school fees were too high to send their children to school. In view of this key finding, we argue for incentivizing the cottage industry with programs that facilitate access to loans and better equipment that would enable the *Chawat* manufacturing industry to improve the quality of production as well as the working conditions of this low-income group. For those *Chawat* manufacturers who do not own a workshop, paying rent is an additional burden.

Their living condition and economic circumstances prevented many from owning a shop. As most workers did not own the place of their workshop, they struggled to pay rent. This explains, why, in part, many of them opt for buying a cheaper quality of leather. For improving the working and living conditions of *Chawat* manufacturers and their families, discussions about the development of the cottage industry need to take into consideration the burden of paying rent and paying back loans. We see scope for professionalizing the *Chawat* manufacturing industry by introducing formal training at vocational schools and colleges. We assume that the improvement of the working conditions will result in an improvement of the quality of this culturally specific and relevant footwear, which is worth protecting and promoting.

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