



PROBLEMS OF MUSLIM MINORITY ENTREPRENEURS IN CHITTOOR DISTRICT, ANDHRA PRADESH

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ABSTRACT:

The main feature of economic restructuring in the last decade has been the marked shift from employment in large firms to self-employment or employment in small firms. Muslim entrepreneurs contribute to the general economy and create new job opportunities to their own community. Around 81 per cent of the entrepreneurs faced the problem of low volume of demand, more than 78 per cent of the entrepreneurs have competition from branded projects, around 83 per cent of entrepreneurs are facing the problem of high rate of interest on investment made on the business, around 77 per cent of the entrepreneurs are facing the problem of inflexible EMIS on investment made on the business, more than 78 per cent of the respondents are facing the problem of very high labour cost.



KEYWORDS: economic restructuring , entrepreneurs faced , own community.

INTRODUCTION

Entrepreneurship and small businesses have been designated as engines of growth, not only for creating employment, but also in the development of economies in India. Muslim participation in terms of self-employment and Muslim entrepreneurship is increasingly seen as a powerful economic force and a contributor to solving structural labour market imbalances in Indian economies. Structural barriers to Muslim entrepreneurship include social exclusion and discrimination, poor access to markets, and

high unemployment. Cultural barriers to Muslim entrepreneurship include specific values, skills, and cultural features including internal solidarity and loyalty, flexibility, personal motivation, strong work ethics, informal network contacts with people from the same Muslim group, and flexible financing arrangements. Structural and cultural factors identify that Muslim entrepreneurs are more likely to be 'pushed' into entrepreneurship rather than 'pulled' into entrepreneurship, as economic and social circumstances pushes them

towards self-employment. The significant increase in the size of the Muslim community has created a need to consider the opportunity to support Muslim entrepreneurs who can demonstrate a robust business case for their business idea.

REVIEW OF LITERATURE

Gray et al, (2006) opined that small business growth has emerged as a global phenomenon, with new ventures forming at unparalleled rates and the entrepreneurial spirit infusing those reshaping economies around the world. Entrepreneurship and small

businesses have been designated as engines of growth, not only creating employment, but also in the development of economies across the globe.

Aviram (2009) appraised that increasing the rate of entrepreneurship is an aspiration of every modern economy and innovation is vital in driving many economies forward. In recent years, western economies have been encouraging entrepreneurship and trying to increase the number of entrepreneurs opening new ventures, as these entrepreneurs contribute to the general economy and create new job opportunities.

Baycan-Levent and Nijkamp (2009) expressed that small business contributes to economic growth and the creation of new jobs across Europe. The most prominent impact of migration from a socio-economic perspective is the increasing rate of self-employed immigrants in the labour market, leading to the new phenomenon of 'Muslim entrepreneurship'. The Muslim participation in terms of self-employment and Muslim entrepreneurship is increasingly seen as a powerful economic force and a contributor to solving structural labour market imbalances in many western economies.

Vargas-Hernandez and Noruzi (2010) explained that Islamic entrepreneurship dictates that the individual must first be a religious person, then a practitioner (religious person that also practices what she/he learns). The concept of entrepreneurship in Islam is also based on cooperation, generosity and benevolence. The Islam strongly prohibits monopoly, exploitation, fraud or usurious transactions. Thus, every entrepreneur should always preserve good deeds and avoid evil by being honest, fair and accurate in every transaction.

Eli Gimmon et al. (2018) aired that motivation for entrepreneurship in later life extends the concept of active aging which in recent decades has attracted growing research attention in contemporary gerontology. Motivation of older Muslim adults toward entrepreneurship has been underexplored. Previous research shows mixed results regarding the effect of pull and push factors on entrepreneurial intentions. We employed a mixed methods approach while data was collected from a homogeneous cohort of retirees. Findings indicate that older adults' motivation to become entrepreneurs is centred mainly on pull factors such as self-fulfilment, increasing personal well-being, self-realisation and enhancing personal interests. Older adults may consider becoming entrepreneurs as part of their 'active aging' perceptions. These findings have implications for designated training programs for older adults that aim to promote their motivation and foster their skills to launch entrepreneurial activities.

RESEARCH METHODOLOGY

The primary data has been collected from 120 respondents in the Punganur Municipality in Chittoor District of Andhra Pradesh where Muslim population is very high.

RESULTS AND DISCUSSION

The problems encountered by the respondents include low volume of demand, inability to compete with branded products, high rate of interest, inflexible EMIs, very high labour cost, non-availability of skilled personnel and low level of sustainability and are discussed in this paper.

1. Low volume of demand

Entrepreneurship depends on several pull and push factors for its success. One of the major problems of the Muslim entrepreneurs is low volume of demand. The information on whether the respondents faced the problem of low volume of demand has been ascertained and the results are presented in the Table 1.

Table 1
Low volume of demand

Sl. No.	Low volume of demand	No. of Respondents	Percentage	Cumulative Percentage
1	Yes	97	80.8	80.8
2	No	23	19.2	100
Total		120	100	

The table presents that 97 entrepreneurs (80.8 %) have faced the problem of low volume of demand and 23 entrepreneurs (19.2 %) have not faced the problem of low volume of demand. It is concluded that around 81 per cent of the entrepreneurs faced the problem.

Inability to compete with branded products

In the present day market often different brands are coming to suite to the tastes of different people. Hence there may be competition in the products. The information on whether the entrepreneurs are competing with the branded products has been elicited and the details are presented in the Table 2.

Table 2
Inability to compete with branded products

Sl. No.	Competition from branded products	No. of Respondents	Percentage	Cumulative Percentage
1	Yes	94	78.3	78.3
2	No	26	21.7	100
Total		120	100	

The table shows that 94 entrepreneurs (78.3 %) have competition from branded products while 26 respondents (21.7 %) have no competition from branded products. Above all, it is concluded that more than 78 per cent of the entrepreneurs have completion from branded.

High rate of interest

Business needs lot of investment and the investment come from different sources among them loan from banks, pawn brokers, users etc. with high interest. The information on whether the entrepreneurs are facing the problem of high rate of interest on investment made on business has been elicited and the details are furnished in the Table 3.

Table 3
High rate of interest

Sl. No.	High rate of interest	No. of Respondents	Percentage	Cumulative Percentage
1	Yes	99	82.5	82.5
2	No	21	17.5	100
Total		120	100	

The table quite obviously shows 99 entrepreneurs (82.5 %) are facing the problem of high rate of interest on investment made on the business while 21 entrepreneurs are not facing this problem. By and large, it is concluded that around 83 per cent of entrepreneurs are facing the problem of high rate of interest on investment made on the business.

Inflexible EMIs

Entrepreneurs pay EMI for the loans taken from different sources for the investment on business. The information on whether the EMI is flexible or not has been elicited from the entrepreneurs and the details are presented in the Table 4.

Table 4
Inflexible EMIs

Sl. No.	Inflexible EMIs	No. of Respondents	Percentage	Cumulative Percentage
1	Yes	92	76.7	76.7
2	No	28	23.3	100
Total		120	100	

The table portrays that 92 entrepreneurs (76.7 %) are facing the problem of inflexible EMIs on investment made on the business while 28 entrepreneurs (23.3 %) are not facing this problem. By and large, it is concluded that around 77 per cent of the entrepreneurs are facing the problem of inflexible EMIs on investment made on the business.

Very high labour cost

Labour plays a pivotal role in the manufacturing business and the cost of labour has been increasing over the years. The information on whether the entrepreneurs are facing the problem of very high labour cost has been elicited from the entrepreneurs and the details are presented in the Table 5.

Table 5
Very high labour cost

Sl. No.	Very high labour cost	No. of Respondents	Percentage	Cumulative Percentage
1	Yes	94	78.3	78.3
2	No	26	21.7	100
Total		120	100	

The table lucidly shows that 94 respondents (78.3 %) are facing the problem of very high labour cost whereas 26 respondents (21.7 %) are not facing the problem of very high labour cost. Above all, it is concluded that more than 78 per cent of the respondents are facing the problem of very high labour cost.

Non-availability of skilled personnel

Business needs skilled personnel for its success and skilled personnel play a major role. The information on whether the entrepreneurs are facing the problem of non-availability of skilled personnel has been collected and the details are presented in the Table 6.

Table 6
Non-availability of skilled personnel

Sl. No.	Non-availability of skilled personnel	No. of Respondents	Percentage	Cumulative Percentage
1	Yes	90	75	75
2	No	30	25	100
Total		120	100	

The table crystal clearly presents that two thirds of entrepreneurs (75 %) are facing the problem of non-availability of skilled personnel while one third of respondents are not facing the problem of non-availability of skilled personnel. Above all, it is concluded that two thirds of entrepreneurs are facing the problem of non-availability of skilled personnel.

Low level of sustainability

Sustainability of any business depends on pull and push factors. The pull factors favour for its success while push factors fails the business. The information on the sustainability of the business whether at low level or higher level has been elicited and the details are furnished in the Table 7.

Table 7
Low level of sustainability

Sl. No.	Low level of sustainability	No. of Respondents	Percentage	Cumulative Percentage
1	Yes	100	83.3	83.3
2	No	20	16.7	100
Total		120	100	

The table explicitly shows that 100 entrepreneurs (83.3 %) opined that their enterprise has low level of sustainability while 20 entrepreneurs (16.7 %) opined that their enterprise has no low level of sustainability. By and large, it is concluded that more than 83 per cent of the entrepreneurs opined that their enterprise has low level of sustainability.

CONCLUSION

The picture of the typical Muslim owned business emerges from the research is a micro enterprise with relatively low turnover focused largely on the domestic market. A around 81 per cent of the entrepreneurs faced the problem of low volume of demand, more than 78 per cent of the entrepreneurs have completion from branded, around 83 per cent of entrepreneurs are facing the problem of high rate of interest on investment made on the business, around 77 per cent of the entrepreneurs are facing the problem of inflexible EMIS on investment made on the business, more than 78 per cent of the respondents are facing the problem of very high labour cost, two thirds of entrepreneurs are facing the problem of non-availability of skilled personnel and more than 83 per cent of the entrepreneurs opined that their enterprise has low level of sustainability. The majority of Muslim owned businesses are optimistic about the future.

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