CHAPTER I

INTRODUCTION

The impressive economic development made by the developed countries, including the capitalist and socialist, irrespective of their social ideologies, over a century and a half has created a yearning in the minds of the leaders of the developing countries to speed up the industrial development of their economies. The key to economic development is sought in the Human Resource Development (HRD) - The most important of all the inputs, which is considered the key to the transformation of the developing economies into the developed ones. This has led the developing economies to create a large array of desirable industrial policies and institutional set-up. This desire is intensified after acquiring Independence from the Colonial rule in these developing economies. The initial efforts led to the development of infrastructure followed by the conducive support system. However, this did not give desired momentum to the industrial development. Therefore, the emphasis is gradually shifted towards conscious and planned entrepreneurship development.

India suffered in her economic development under the British Colonial rule ¹, like many other colonised

countries. After the independence and her partition into India and Pakistan in 1947, the former made substantial strides in industrial development, more so after the Industrial Policy Resolution of 1956. A large number of large- and medium-scale industries came into existence after I.P.R. of 1966. Increasingly the emphasis was laid on to restore the status of the decaying indigenous handicrafts by creating facilities for the small scale and cottage industries. Government incentives were provided and other institutional arrangements were made for the co-existence of large and medium industries at one hand, and the small and cottage, on the other. Eversine 1966, the latter had been gaining importance after the realisation that the development of large and medium industries is not the solution for the twin problems of unemployment and poverty for the ever growing population. Concurrently a spate of research work was produced to understand and assess various aspects of the industrially developing country in the form of industrial Economics, Industrial Sociology, and


Industrial Psychology\textsuperscript{5}, and Industrial Management\textsuperscript{6}. But the study of entrepreneurship is an inter-disciplinary field and draws upon heavily on all these disciplines. To that extent the area poses a challenge\textsuperscript{7} to a scholar coming from one specialised field of academic training. As a result, there had not been much systematic and concerted effort to consolidate the empirical studies conducted in India\textsuperscript{8}, or the rich experiences which the various Entrepreneurship Development Programmes (EDP) conducting organisation have gathered over a period of last 20 years\textsuperscript{9}. It is, therefore, as yet not clear as to who is an entrepreneur, what background variables matter for becoming an entrepreneur, how the transition from other activities to entrepreneurship takes place, what are the problems related to the establishment and development of the firms, running and expansion of different types of organisations, the degree of

\textsuperscript{5} A systematic Survey of research in Industrial Psychology needs to be carried out, or perhaps I am not aware that such a survey is carried out.


\textsuperscript{7} Sandersara, J.C., op.cit., pp. 43-45.

\textsuperscript{8} Sheth, N.R., op.cit., pp. 164-66.

\textsuperscript{9} The EDP activity in India had started in early 1960's under Professor Mc Clleland in Kakinada district of Andhra Pradesh. The experiences were further converted into an EDP model, see Patel, V.G., Entrepreneurship Development Programmes in India and Its Relevance to Developing Countries, EDII, Ahmedabad, 1987.
commitment of various types of entrepreneurs and similar other research questions. Therefore, there is an impending necessity to find empirically the conditions that could lead to successful entrepreneurship in various sectors of the economy both from economic and sociological perspective. In this study, no attempt is made to fill this gigantic research gap. However, a modest attempt is made to understand some of these relatively neglected issues.

As indicated above, there are numerous issues that can be studied for the purpose of understanding the behaviour of industrial entrepreneurs. For instance, one can study the entrepreneurial behaviour from the point of view of the social roots of entrepreneurs. The criterion could be the religious background, the caste or class background, social status and social prestige, occupational background, educational, or political background. There is a necessity to further entrepreneurial research related to one or more of these criteria. And considering the Weberian Thesis of the 'Spirit' of Capitalism and Protestant Ethic and the controversy it has generated in relation to Indian

religions\textsuperscript{12}, makes the choice of religious dimension all the more important. Although this thesis had been verily criticised, modified and was rejected by some scholars\textsuperscript{13}, yet it could not be converted into insignia. Besides, all this controversy remained confined to the domain of Hindu religion, under the all-assuming ruberic of Indian entrepreneurship. However, the religious minorities like Muslims, Christians, Sikhs, Jains and Parsis\textsuperscript{14} are never given due attention by the scholars.

Therefore, an obvious choice for such an study must be the Indian Muslim minority, at least for five reasons. First, they form the largest minority of the modern India (slightly more than 11 per cent of the total population). Second, their political dominance throughout the medieval period of Indian history and the resultant feeling of relegation in socio-economic organisation of the society after independence\textsuperscript{15}. Third, a record number of communal violences that gripped the nation before, during


\textsuperscript{13} Singer, Milton, When the Great Tradition Modernizes Delhi, Vikas Publication, 1972.

\textsuperscript{14} Ahmad, Imtiaz, 'For a Sociology of India', in Gould, H.A. et. al. (eds.): Contributions to Indian Sociology, New Series, No. VI, Vikas, New Delhi, 1972, pp. 172-178.

\textsuperscript{15} Singh, Yogendra, Social Stratification and Change in India. Manohar, New Delhi, 1977, p.60
and, after the partition. Fourth, the assumption of a
Muslim stereotype, that the Islamic tradition and culture
tend to make Muslims conservative, leading to their under-
representation in various areas of modern socio-politico-
economic activities. Finally, despite the most numerous
Indian minority, it has not been made the focus of empirical
study by social scientists, although Muslims, to some
extent, are covered from the perspective of their political
participation\(^\text{16}\), and social stratification, kinship,
rituals\(^\text{17}\) etc. But there are only but a few studies
related to the Muslim economic behaviour\(^\text{18}\). Therefore, this
study focuses on the Muslim entrepreneurship.

However, the problem of studying Muslim
entrepreneurship poses a severe methodological problem. The

\(^\text{16}\) Imam, Zafar, Muslims in India, Orient Longman, 1975;
Shakir, Moin, Muslims in Free India, Kalamkar Prakashan Pvt
Ltd., New Delhi, 1972.

\(^\text{17}\) Ahmad, Imtiaz (ed.) Family, Kinship and Marriage Among
Muslims in India, Manohar, New Delhi, 1976; and his edited
volumes on Ritual and Religion among Muslims in India,
Manohar, New Delhi, 1981; and Caste and Social
Among others, for the summary of modernisation and change of
Muslims in India see also Singh, Yogendra, Modernisation of
Indian Tradition. Thompson Press (India) Ltd., Publication

\(^\text{18}\) Mines, Mattison, Muslim Merchants: The Economic
Behaviour of an Indian Muslim Community, Sri Ram Centre for
Industrial Relations and Human Resource Management, New
Delhi, 1972; Rizvi, S.M. Akram, 'Kinship and Industry among
the Muslim Karkhanadars in Delhi', in Ahmad, Imtiaz, (ed.),
Indian Muslims are a scattered community and represent as many shades of socio-economic behaviour as there are subcultures in the country. Also, there is no specific list available of the Muslim entrepreneurs, except a belief that there are but a few known Muslim entrepreneurs in the country. Therefore locating them in a sub-continent as big as India puts a sever constraints on the resources of a single-handed research scholar. The alternative, therefore, fell on the choice of a compact region where such entrepreneurs could be located. As a result the choice fell on Moradabad town as an area for the case study, since this town is considered as producing successful Muslim entrepreneurs. Coupled with this the need for study on artisan-type, or small-scale entrepreneurship in a country, where political and the policy commitment on their growth is complete, the choice of this town becomes almost compulsive. Incidentally, the recurrent communal violences in the town reinforces the choice of this town as a region for such a study, wherein the underlying cause could be the economic factor rather than the communal factor per se.

The choice of the period for the study, 1947-80, is a matter of convinience rather than a design. It is admitted that time is a continuous variable and cannot be separated, yet there are decisive periods in history which
change the course of a society rather decisively. The year 1947 was such a decisive period where India acquired its political Independence, and when she got partitioned into two nations on religious lines, make the choice of that year obvious with respect to religious and economic criteria. The terminal year, 1980 was taken with the expectation that secondary data required for the study would have acquired some definite shape for Moradabad Brassware Industry, given the usual data lag which is a fairly stable phenomenon in this country.19

The Dissertation is divided into ten chapters. Chapter II mainly focuses on the literature review related to the Islamic values as prescribed in the texts and evolved in historical context.

Chapter III focuses on the conceptual and theoretical framework of entrepreneurship and empirical studies related to India and Muslim settings.

Chapter IV addresses itself to the question of methodology along with the choice of tools and techniques, sample selection, and limitations of the sample.

19. Even the regular census data for districts or towns in some states is not available until 7 to 8 years after the census was carried out.
Chapter V describes the historical setting of the brassware industry in Moradabad.

Chapter VI is devoted to the growth of brassware industry after 1947, its production organisation and the economic structure of entrepreneurship.

Chapter VII is concerned with the social structure of entrepreneurship by way of focusing on the institutions of family and kinship, religious sects and occupational background along with the individual socio-demographic profile of entrepreneurs.

The concern of Chapter VIII is to identify the dominant cultural values and beliefs and their relationship with entrepreneurship.

Chapter IX is devoted to power structure, institutions, political organisation in the town and the support system and bureaucracy, and their relationship to the entrepreneurs.

Chapter X is the concluding chapter summing up the thesis by way of integrating various sub-structures affecting the entrepreneurial emergence and performance, with special emphasis on Islam and entrepreneurship.
The Interview schedule, the attitude scales on religiosity, modernity and entrepreneurship and the relevant data for reference are given in the Appendices. An alphabetical bibliography is given towards the end of the thesis.