

Muslim Participation in the Manufacturing Sector of Guyana

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Introduction

Since achieving political independence in 1966, the government of Guyana has embarked on a revolutionary program to restructure and transform this former "colonial" and dependent society. The ideological and philosophical base for the economic and social transformation is socialism and the government has introduced and implemented some fundamental changes in its "socialist revolution" for change and development.

The changes became more intense since the early 1970s. In 1970, when the country was declared a Co-operative Republic, the government's strategy for comprehensive economic development is based on a trisectorial economy having Private, Co-operative and Public Sectors. The government encouraged the development and promotion of co-operatives mainly in the primary sector, for diversifying and wider exploitation of the country's underutilised natural resources. With respect to the primary sector, agriculture is to be the main source for generating wealth and economic development. Self-sufficiency in food supplies and diversification in agriculture were key aspects of change and towards this end, the government decided to ban and restrict several imported food commodities since 1972.

While the role of the private sector was not de-emphasised in this programme for change, the Guyana government embarked on a program for greater ownership, control and involvement in the economic activities of the country. In 1971, the government nationalised the bauxite sector which is one of the three important economic bases of the country. The years following this witnessed a series of 'take overs' and nationalisations, culminating with the nationalisation of the giant sugar cum commercial enterprise, Bookers McConnell Ltd. Within a period of five years, the share of the state of public sector expanded from a mere 20 percent to almost 80 percent in the economy. State acquisition of many important holdings and entry into "new" areas of economic activities have resulted in an increase from 8 corporations in 1970 to almost 40 public enterprises by 1980. In this phenomenal expansion, the state has entered into almost every area of economic activity — agriculture and forestry, fishing, manufacturing and processing, ship-building, state trading and distribution, airways, roads and transportation, electricity and telecommunications, and insurance and banking. The state has thus increased its employment of people from 21.4 percent of the labour force in 1970 to more than 50 percent by 1980.

In addition of this public sector expansion, the ruling political party and its auxillaries have also for the past few years been increasing their direct participation in agricultural production, manufacturing and distribution.

It is against this background that this paper attempts to look at Muslim participation in the manufacturing sector of Guyana. A study of this kind has importance for mainly two reasons. Firstly, it is the first study of any kind that has been done on the economic activities of any religious group in Guyana. Secondly, it highlights some worthwhile experiences of the economic role of the state and its implications on the private sector in its quest for economic independence and development. The paper however is severely constrained by the lack of data and this has handicapped any serious analysis for such a study. For information purposes, the first part of the paper will highlight the demographic changes in the Muslim population before going on to consider the participation of Muslims in the manufacturing sector of Guyana.

Muslims in the Population

In Guyana, one does not speak of religious minorities, but of nationalities. Although the country contains six races, the tendency has been not even to discuss ethnic minorities.¹ However, for our present purposes the Muslim population has always been and is still considered an integral component of the East Indian population.

Historically, Islam was first brought to the Caribbean, mainly to Trinidad and Guyana by African slaves. Neither historians nor demographers have been able to say who were the first Muslim slaves, but it is believed that the first Muslims to come to Guyana were members of the Fulani tribe from Africa.² According to Bisnauth, many Mandingo slaves were Muslims, for in Jamaica, many of them "practised circumcision, recited morning and evening prayers and fasted on Friday, the Islamic holy day."³ In addition, it is said that these Mandingos were literate in Arabic. However, the plantation system within which the African Muslim slaves existed did not 'permit' any continuation of their religious practices and they soon became Christian converts.

1892 List of Indian Immigrants

<i>Caste and Religions</i>	<i>Males</i>	<i>Females</i>	<i>Total</i>
Brahmans and High Castes	113	76	189
Agriculturalists	1,533	585	2,118
Artisans	242	110	352
Low Castes	949	553	1,502
Mussalmans	373	185	558
Christians	4	—	4
Total	3,214	1,509	4,728

The abolition of slavery brought the second "wave" of Islam to the Caribbean when indentured immigrants from India were brought to work on the sugar plantations. While most of the immigrants were Hindus, almost every shipload of Indian immigrants which came to the region contained a few Muslims. The foregoing list which shows the number of immigrants that sailed from Calcutta to Guyana in 1882, gives an indication of the number of Muslims (Mussalmans) that came to Guyana during a year of regular recruitment.⁴

By the 1890s, Islam had taken firm roots in Guyana and by 1891, the Muslim population was 4.2 percent of the total population and 11.08 percent of the East Indian population.

TABLE I
Muslims in the Population of Guyana⁵

<i>Year</i>	<i>Total Population</i>	<i>East Indians</i>	<i>Muslims</i>	<i>Muslim % of Total</i>	<i>Muslim East Indians</i>
1891	278,328	105,463	11,691	4.2	11.09
1911	296,041	126,517	18,217	6.15	14.40
1921	297,691	124,938	18,410	6.18	14.74
1931	310,933	130,540	21,792	7.01	16.69
1946	375,701	163,434	29,281	7.79	17.92
1960	560,330	267,797	49,290	8.80	18.41
1970	699,848	362,736	63,687	9.10	17.56
1980	864,365	427,402	80,804	10.04	18.91

Table I shows the gradual growth of the Muslim population in Guyana from 1891 to 1980. With the exception of the period 1911 - 21 when Indian immigration came to an end, the notable demographic feature is the persistent growth of the Muslim population. This aspect of demographic change in Guyana has hardly been noticed over time. While there is no data on the growth rate of smaller minorities, the Table clearly indicates a high growth rate for the Muslim population. Between 1891 - 1980, the total population of Guyana increased by 3.11 times, while the East Indian population increased by four times and the Muslim population by 6.9 times.⁶

Muslims in the Manufacturing Sector: The Early Beginnings

The economic structure of Guyana reflects a predominantly agricultural economy. The manufacturing sector has and still remains small with bauxite production and sugar manufacturing and processing being the predominant manufacturing activities. Bauxite, sugar and rice dominate the economy and their contribution to G.N.P., export earnings and labour force employment in 1979 were 35 percent, 88 percent and 24 percent respectively. The entry and participation by Muslims in the country's small manufacturing sector therefore,

represents a substantial contribution towards diversification of an economy dominated by plantation activities.

Muslim participations in the manufacturing sector has its early beginnings in the 1890s when a number of peasant economic activities emerged in the colony. "The sudden appearance of a variety of peasant dominated industries during the late 1880s and 1890s is one of the most puzzling and neglected aspects of Guyanese economic history."⁷ By the 1880s, the sugar industry was facing a major economic crisis. Deteriorating market conditions for West Indian sugar, low prices and the high cost of maintaining estate labour placed a considerable strain on the sugar planters. They adjusted to this crisis by releasing both labour and land for peasant agriculture. In addition, a rapid expansion of gold mining and timber-cutting activities took place during this period. It was during this phase of expansion of non-plantation activities that the initial efforts were made by Muslims towards "independent" economic occupations.

By 1910 when a more diversified pattern of production and employment had emerged, the early Muslims engaged in manufacturing activities were involved mainly in rice-milling, lumber production and jewellery. Although no accurate information exists on the precise date of entry into these trades by Muslims, it is believed that the first large Muslim manufacturer at the time engaged in rice milling activities around 1908 on the West Demerara. The manufacture of jewellery was not monopolised by East Indians but this trade did not exist prior to their arrival to this country. However, a high proportion of East Indians in the goldsmith trade were Muslims. The main reason for this is that "caste" rules among Hindus precluded them from entering this profession.⁸

The rapid emergence of these independent peasant economic activities in the colony was not accompanied by a continuous expansion in subsequent years. Besides rice milling, lumber and jewellery manufacture, participation by Muslims in other manufacturing activities remained negligible. This was a common characteristic of the manufacturing sector of plantation economies. The plantation economy was only interested in furthering the plantation's interests. The economic, political and social organisation of plantation society persistently inhibited the growth of all non-plantation economic activities as they were considered "competitive".⁹ This was the primary factor why the industrial sector remained small. Muslim manufacturing entities were mainly "family businesses". They grew out of the ability to remain thrifty and accumulate family savings over time. The small size of the enterprises permitted the employment only of family members and relatives with low skill requirements.

The expansion and growth of private manufacturing and other peasant activities was a function of the economic prosperity of the sugar industry. The service sector was the only expanding sector and this was mainly because trade and commerce was an integral part of the economic organisation of plantation society. Many Muslims entered this sector and became mainly small independent shopkeepers and wholesalers. The crises which the sugar industry and the colony faced in World War I, the economic depression of the 1930s and World War II offered successive opportunities to the peasantry including Muslims to diversify and expand non-plantation activities. Each crisis placed a severe burden on the plantation organisations which virtually "forced" the economy to release resources for non-plantation activities. Muslims who were able to accumulate

savings on the plantations and in peasant agriculture either increased their independent economic activities or entered into commerce and small scale manufacturing.

Despite a pattern of diversified Muslim economic activities, sawmilling and rice milling remained the predominant manufacturing activities. These expanded because of an increasing demand in the colony for lumber and the increased size of the rice industry. The enterprises however remained small "family businesses" with "owner-financed" investments for any expansion and growth. Inter-industry linkages remained few and the entities were only producing for domestic consumers.

The entry of Muslim manufacturers into "new" industries took place in the post-independence period. Muslims entered into a variety of manufacturing activities that ranged from food processing to the manufacture of household equipment. Despite the appearance of a large number of Muslim manufacturers, the enterprises remained relatively small and continued to be "family-type" entities. The emergence, growth and expansion of these enterprises were influenced by a number of factors. Firstly, industrialisation was no longer regarded as the answer to Guyana's economic development during the period 1966 - 70, and a period of rapid agricultural growth was advocated. The government's capital expenditure to accelerate agricultural development increased from 16 percent in 1966 to 29 percent in 1970, while private sector investment fell from 76 percent in 1966 to 56 percent in 1970.¹⁰ Secondly, as from 1970, the state gradually increased its economic participation in the country and by 1980, became a virtual competitor with the private sector in a large number of economic activities. Thirdly, since 1976 the economy had plunged in a serious economic depression which has resulted in negligible levels of investments by Muslim manufacturers with the exception of those engaged in lumber production.¹¹

Table II shows participation by Muslims in various manufacturing activities in Guyana. Manufacturing of heavy engineering and household equipment and processed food are the two main areas in which Muslim manufacturers have entered during the past decade. Banning of several items of mainly processed food and a serious foreign exchange constraint have been responsible for this development. The enterprises however continue to remain small in size and this is partly reflected in Table III.

The size and structure of these enterprise are common characteristics of those enterprises found in small developing economies such as Guyana. In terms of employment, only one Muslim manufacturer employs more than 1000 workers. The skill content required by most of the enterprises is very low with the exception of the Heavy Engineering and Garment entities. Skill requirements are provided for mainly by family members and relatives for there still exists the attitude for "continuity" of the enterprise by the family. This however has been very advantageous to the manufacturer for it has provided easy adjustment for any contraction of the enterprise, complete absence of industrial conflicts and unionisation and a low level of overhead costs.

As a consequence of ownership and control of the enterprises, they reflect very little organisational complexities. All of the enterprises have shown that the important functional roles are performed by family members. Increasing competition by the state sector whose enterprises have complex organisational

TABLE II

Muslims in Guyana's Manufacturing Sector — 1981

<i>Type of Activity</i>	<i>Total Units</i>	<i>Muslims</i>	<i>% of Muslims</i>
Heavy Engineering, Building Materials and Household Equipment	20	5	25.0
Garment and other Personal Goods	37	7	19.9
Upholstery and Furniture	14	4	28.6
Pharmaceuticals and Cosmetics	3	2	66.6
Jewellery	63	39	61.9
Lumber Processing	45	13	28.9
Rice Processing	65	20	30.8
Bread and Pastries	87	26	29.9
Confectionery	10	4	40.0
Jams/Jellies/Sauces ¹²	18	5	27.8
Beverages (Non-alcoholic)	6	5	83.3
Spices ¹³	9	3	33.3
Cereals ¹⁴	11	2	18.2
Edible Oil	16	4	25.0
Processed Fruit	8	1	12.5
Coffee	12	4	33.3
Processed Shrimps	14	4	28.6
Processed Meat ¹⁵	4	1	25.0
Other Food ¹⁶	30	7	23.3
Total	472	156	

TABLE III

Selected Statistics of Muslim Enterprises Engaged in Manufacturing (1980)

<i>Activity</i>	<i>Labour Force</i>	<i>Wage Bill (G\$'000)</i>	<i>Total Sales (G\$'000)</i>	<i>Percentage Contribution to Exports</i>
Heavy Engineering, etc.,	216	1,300	5,600	—
Garment, etc.,	5,200	3,300	16,500	63.9
Lumber	5,100	5,300	8,230	35.5
Rice Milling	235	—	—	—
Upholstery, etc.,	12	26	41	—
Pharmaceuticals, etc.,	26	98	5,000	8.6
Jewellery	98	655	—	—
Food	401	—	—	—

structures and systems have now virtually 'forced' some of the larger enterprises to introduce and implement modern management systems and techniques. The rate of change of these structures however is still slow and many of them have not proceeded beyond the "infancy" stage. Of course, the ability of these enterprises to radically transform their structures is heavily dependent on commercial success and favourable profit levels.

The present economic crisis which began in 1976 has seriously contracted and depressed the performance of Muslim manufacturing enterprises. Any discussion and analysis of private manufacturing in Guyana must also take cognizance of the role of the state not only as a regulator but also as a direct competitor and monopolist in economic activities. The economic crisis has resulted in low levels of investment in the private manufacturing sector. The net effect of this has been a severe underutilisation of plant capacity and virtual closure of some entities. For example, Muslim enterprises which engage in beverage manufacture only operate at 35 percent of their pre-1976 capacity; in garment manufacturing, it is 65 percent. The entry of the state in rice processing since 1973 has resulted in the closure of 76 rice mills, of which 33 were owned by Muslims. Muslim manufacturers who depend on foreign inputs have only been able to obtain 40 - 50 percent of their normal foreign exchange requirements. In addition, a high level of unemployment, low incomes and a high rate of inflation have further depressed the market situation in the economy. Plans and programmes for expansion and entry into new manufacturing ventures have had either to be abandoned or temporarily shelved. The present period therefore (from 1976) represents a downward trend in the performance of Muslim manufacturers, with whatever investment being made to keep "plant and machinery going".

The potential for increasing Muslim share in industry is tremendous, but is heavily dependent on state participation in manufacturing and the general economic environment. The former factor however is the most important variable; the thrust towards socialism and future plans by the state to produce such products as bicycles, tractors, glass and a number of other commodities have reduced some of the future potential of Muslim entrepreneurs. State participation in industry and a depressed economic and unstable political environment have increased both the risks and uncertainty of Muslim manufacturers. The marginal domestic industries will definitely not be able to stay in business. Theoretically, given the present economic policies of import substitution and self-reliance, one can identify opportunities for increasing Muslim share in industry. The low level of intersectoral and backward and forward linkages in production, the resource base of Guyana and Caribbean economic integration are positive factors to influence expansion of these enterprises.¹⁷ The greatest potential lies in the establishment of an agro-industrial complex which will permit a reduction of foreign inputs into the agricultural sector and will induce a higher level of employment of both domestic natural and human resources. The sustenance and short-term expansion of some of the enterprises lies in their ability to reduce their dependence on foreign inputs by increasing their proportion of domestic inputs in the production process from indigenous materials. In comparison with the larger Caribbean territories, low labour costs in Guyana in manufacturing offers a comparative advantage for Muslim manufacturers.

The present scale of units do not provide any opportunity for them to benefit from economies of scale. The manufacture of paper, cement, textile, household articles and food processing offer tremendous scale economies to those enterprises but it requires larger manufacturing entities with such organisational structure to engage in research and development. Muslim manufacturers do not experience similar tax discrimination and adverse industrial legislation as in some countries for they are regulated in the same manner as any private manufacturing enterprise.

Conclusion

The economic prosperity of a plantation society was the most important factor which influenced the expansion and development of non-plantation activities especially peasant agriculture and manufacturing activities. Muslim participation in the manufacturing sector represents a substantial contribution to the diversification of plantation economy. Every major crisis of the sugar industry created opportunities for the expansions of the private sector to which the contribution by Muslim manufacturers can be considered important given the organisation and control of the economic and social activities of plantation society.

The post-independence period of the country reversed the trend of increasing the continuity of Muslim participation in the manufacturing sector. The ideological basis of socialism necessitated an increasing role of the state to become directly involved in productive including manufacturing activities. While there may be justification for this new role, the state sector directly competes with private manufacturing and this can be looked at as a contradiction of the concept of a tri-sectoral economy. The low level of investment by Muslim manufacturers, underutilisation of plant capacity and the miniaturisation of the manufacturing entities provide evidences of this contradiction. And while there exists tremendous possibilities for Muslims to increase their share of industry, the future economic role of the state remains the single most important factor determining any future contraction or expansion of Muslim manufacturing enterprises.

Notes

1. Since 1970, the demographic characteristics of various races have not been published. This is due to political consideration, since race has always been a decisive factor in Guyana's political life.
2. This writer is indebted to S.M.V. Naseer, a prominent social worker in the Muslim community, for this information.
3. Dale Bisnauth, "Islam Moves Across the Caribbean", Guyana Extension Seminary, May 1979.
4. Ibid., p. 2.
5. Population Census Reports 1891 - 1960, Summary tables for 1970 and estimates from the 1980 population census of Guyana.
6. The number of Muslims in other ethnic groups is extremely small and may amount to less than 100.
7. M. Moohr, "The Discovery of Gold and the Development of Peasant Industries in Guyana, 1884 - 1917", *Caribbean Studies*, Vol. 15, No. 2, July 1975, p. 57.
8. Caste rules permitted only the upper castes such as Brahmins to produce jewellery.

9. This is well elaborated in G. Beckford's, *Persistent Poverty*, and J J.R. Mandle's, *The Plantation Economy*, Temple University Press, 1973.
10. Private sector investment in the sugar and bauxite industries account for more than 50 per cent of total private sector investments. Foreign-owned enterprises therefore account for a large proportion of this category of investment.
11. The main reason has been an increasing external demand for Guyana's lumber coupled by a very high proportion of investment in this sector being financed by foreign institutions and agencies.
12. Includes diluted acids, syrups, etc.,
13. Also seasoning.
14. Includes cornflour, plantain flour, ground peas, etc.,
15. Chicken only.
16. Includes Vermicelli and other Pasta products, Plantain Chips, etc.,
17. Many of these opportunities have been discussed time and again by Caribbean economists. For an excellent discussions, see H. Brewster and C.Y. Thomas, *The Dynamics of West Indian Economic Integration*, I.S.E.R. 1967.