

Gender-based Acceptance of Ar-Rahnu Among Muslim Micro-Entrepreneurs

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Abstract

Women entrepreneurs often encounter difficulty in obtaining capital financing. Banks are hesitant to offer loans to women entrepreneurs due to their small-scale businesses. As one of the services that provide microcredit financing to entrepreneurs, Ar-Rahnu offers excellent opportunities to small entrepreneurs to acquire funds for their entrepreneurial activities. The objective of this study is to identify and analyze the acceptance of Ar-Rahnu based on gender among Muslim micro-entrepreneurs in Kelantan. Quantitative research was used in this study through the distribution of questionnaires to Muslim micro-entrepreneurs in Kelantan.

Empirical research was conducted to answer all research objectives. The results were analyzed using the Statistical Package for Social Science (SPSS) version 22.0 software through descriptive statistics, and inference (t-test) was used to analyze the primary data obtained. The findings of this study found that there was a significant difference in the number of women and men entrepreneurs in Kelantan. Women entrepreneurs dominate business, particularly in large markets around Kelantan. In addition, there was a significant difference in the acceptance of Muslim small entrepreneurs in Kelantan according to gender. Thus, it was found that women entrepreneurs in Kelantan accepted Ar-Rahnu more positively than male

entrepreneurs. This implies that women entrepreneurs are pivotal for the development of Ar-Rahnu in Kelantan due to their significant participation in this micro-credit scheme. It is suggested that the Ar-Rahnu institutions in Kelantan elevate their efficiency in the future by spreading the inherent benefits to entrepreneurs as one of the Islamic financing approaches. Therefore, small capital and financial problems among entrepreneurs can be overcome.

Keywords: Ar-Rahnu; Ar-Rahn; Women Micro Entrepreneurs; Gender; Pawnbroking

Introduction

The involvement of women in entrepreneurial activities has become one of the uniqueness in Kelantan. The economy and income of women entrepreneurs are sustainable, and their businesses are also maintained (Hussain @ Othman & Dawood, 2020). Sustainability in 5 signifies that they are able to adapt to the current economy, and women entrepreneurs in Kelantan can encounter challenges and obstacles in business. Many Muslim women in Kelantan run businesses for more than 10 years, and this indicates the sustainability of their businesses (Rekarti et al., 2019). Statistics released by the Malay Businessman and Industrialists Association of Malaysia (PERDASAMA) in 2016 indicated that 80% of registered entrepreneurs were women (Hamdan & Hassan, 2018). Nevertheless, women micro-entrepreneurs are also not exempted from encountering some challenging issues.

The crucial issue encountered by entrepreneurs is the difficulty in obtaining capital funding. According to Abdullah et al. (2023), one of the main challenges faced by women entrepreneurs is financial

resources related to start-up capital, working capital and business expansion capital. Banks are hesitant to offer loans to women entrepreneurs as they run small-scale businesses. Despite the existence of micro-credit schemes which encourage and support women micro-entrepreneurs, women entrepreneurs lack knowledge about relevant schemes, existing facilities, and suitable banks to submit loans (Yahaya, 2017). This is due to their lack of exposure to financing opportunities. For example, loan facilities from the Majlis Amanah Rakyat (MARA) and other financial institutions cannot be enjoyed by most small-scale entrepreneurs. This is influenced by the trust factor of commercial banks to provide financing to small entrepreneurs due to their micro-scale business, no strong documents, no high value guarantees and not comply with the conditions set by the bank (Chowdhury et al., 2018). Commercial banks doubt the capacity and ability of these small entrepreneurs to make repayments.

Typically, small entrepreneurs pawn their jewellery to obtain business working capital and may redeem it if they make profits from their business (Othman, 2015). Women, in particular, pawn their jewellery for cash early in the morning for use in entrepreneurial activities at the beginning of the day and redeem it within a few days after making profits (Muhamat et al., 2011). This coincides with the concept of Ar-Rahnu which provides short-term financing.

Women's Participation in Micro-Credit Programs

Ar-Rahnu has a strategy akin to Grameen Bank's. Furthermore, Ar-Rahnu is another financial instrument used for microcredit. By supporting the underprivileged, particularly women, both organizations hope to end poverty. Microcredit uses the

Grameen Bank approach introduced by Dr. Muhammed Yunus in 1970 in Bangladesh. Through this approach, the poor can become productive from the funding provided (Usman & Tasmin, 2016). Microcredit plays a role in eradicating poverty and enhancing employment opportunities as well as aiding the poor to engage in self-employment (Goldberg, 2016). The real objective of microcredit financing is to offer financial assistance to the community by eradicating poverty through entrepreneurial activities (Manaf, 2017).

The micro-credit scheme has had a positive impact on the community. Apart from reducing the poverty issue, microcredit schemes also encourage more household members to get employed (Kahn et al., 2016). Hence, microcredit financing is in high demand, especially among poor households. In Bangladesh, for example, 90% of microcredit financing recipients are women (Uddin & Barai, 2016).

Women's participation in microcredit schemes is common and they have been the main icon in the development of micro-credit schemes due to their high involvement in the program. It is easier to obtain microcredit financing than other financing (Tria et al., 2022). The participation of small entrepreneurs in the Islamic micro-credit schemes due to the motivation obtained (Thambiah et al., 2015). Women's acceptance of micro-credit schemes is encouraging. Sonja and Olivera (2015) reported that microcredit contributes to the progress of women's entrepreneurship in Serbia. It is evident that microcredit empowers women to become competitive household members by venturing into entrepreneurship (Yogendrajah & Semasinghe, 2015).

In Malaysia, the government has provided various financial and credit assistance to

entrepreneurs as an effort to increase and encourage community involvement in the entrepreneurial sector. Micro-financing for small entrepreneurial activities aims to help the poor change their lives for the better (Hamat, 2011) and to provide capital for the community to execute activities to increase income and reduce poverty levels (Rashid & Samat, 2023). In Malaysia, the micro-credit program plays an important role in supporting economic activity through the development of small entrepreneurship. The financial facilities provided through this micro-credit program can reduce the issue of lack of capital, especially for small entrepreneurs who encounter difficulties in obtaining financing from banks (Mahmood & Mohamad, 2011).

According to Thambiah et al. (2015), the motivation of entrepreneurs is one of the reasons for the participation of small entrepreneurs in the financing of Islamic microcredit schemes. Microcredit financing has undoubtedly helped the development of women micro-entrepreneurs, as agreed by Sonja and Olivera (2015) regarding the contribution of microcredit to the progress of women's entrepreneurship in Serbia. Azman et al. (2018) also argued that microcredit has succeeded in empowering women, especially in building their personalities to be more competitive. Several studies have also indicated that women's acceptance of microcredit schemes is encouraging. Uddin and Barai (2016) found a very high acceptance of women towards Islamic micro-financing in Bangladesh when 90% of lenders were women.

Women entrepreneurs also encounter financial issues. Duffy and Zelbst (2000) stated that it is more strenuous for women entrepreneurs in any country to acquire financing assistance than for men. Women are also not given equal treatment and trust by commercial banks. Rani and Sundaram

(2023) also agreed that women entrepreneurs in the city or countryside still struggle with financial issues and need support from government programs. Pareek and Bagrecha (2018) claimed that it is highly difficult for women entrepreneurs to obtain financing due to the lack of confidence from investors as a result of the women's business risks.

In contrary, Shahrukh and Shaheen (2016) reported that microcredit deceived women in Pakistan. Microcredit services also have weaknesses in terms of the difficulty of small entrepreneurs to obtain entrepreneurial financing facilities. These weaknesses include bureaucratic red tape, strict loan conditions, high collateral and guarantor requirements, and complicated repayment methods. As a result, some small entrepreneurs turn to unlicensed loans, such as loan sharks, and conventional loans that practice *riba*. In terms of acceptance, the high demand for conventional microcredit over Islamic microfinancing is also an important issue, especially for countries where most people are Muslim (Ali, 2015). Similarly, Abdullah and Ismail (2014) stated that there is no *tauhid* (monotheism) concept in some micro-finance institutions, causing this practice to not be accepted by Muslim micro-entrepreneurs. This concept suggests a practice that is fair and free from *riba* and *gharar*, which will contribute to the economic development of Muslims.

Despite the weaknesses of microcredit, its success is undeniable. Microcredit financing has made a significant contribution to the development of entrepreneurship. Community involvement in micro-credit schemes is often linked to small entrepreneurial activities and women's participation in obtaining financing through this program. Microcredit financing is easy to access compared to other financing programs.

Therefore, the following discussion is related to Ar-Rahnu, which is one of the micro credit products that were introduced to aid the poor through productive activities. Ar-Rahnu also witnesses high involvement of women. Some advantages of Ar-Rahnu are further discussed henceforth to provide a proper explanation of this micro credit product.

Advantages of Ar-Rahnu

As one of the services that provides micro credit financing to entrepreneurs, Ar-Rahnu offers excellent opportunity to small entrepreneurs to obtain funds for their entrepreneurial activities. Small entrepreneurs should accept Ar-Rahnu services that are Sharia-compliant, easy, fast and transparent. This is in line with Ar-Rahnu's objective to help low-income communities execute productive activities (entrepreneurship) to improve their standard of living (Yahaya & Doktoralina, 2019). The productive activity includes conducting small business activities. Cash received from Ar-Rahnu pawning is used as initial capital or business working capital.

Ar-Rahnu also has several advantages. Among them is complying with Sharia principles and providing cash financing services that are easier, faster, transparent, fair and uncomplicated (Hassan et al., 2015). Apart from better management aspects with easier and faster mortgage transactions (Busari & Aminu, 2017), Ar-Rahnu is also not subject to bureaucracy and strict conditions to users. Ar-Rahnu also operates based on Islamic Sharia and is free from usury (Bahari et al., 2022). It also provides financing without the need to submit high-value collateral and guarantor (Azman, 2010). Therefore, Ar-Rahnu has high potential to continue to thrive in line with the increasing needs of the community. Similarly, Maamor and Ismail (2010) asserted the efficient operation of

Ar-Rahnu, which elevates user satisfaction with its services. Amin (2011) also agreed that the good quality of service provided by Ar-Rahnu has influenced Muslim women to use its services.

In addition, one of the advantages of Ar-Rahnu is that it operates using the *Qard al Hasan* contract, which provides courtesy financing to those who intend to pawn their valuables (Amin & Chong, 2011). *Qard al Hasan* is an interest-free loan, where borrowers only have to pay the principal amount, and they can also pay a larger amount if they can afford it (Bardai, 2011). The concept of *Qard al Hasan* adopted in Ar-Rahnu is to lend money without interest (Mohamad & Salleh, 2008). The *Qard al Hasan* contract can fulfil its moral obligation to the community by aiding those who need financial assistance for education, health and livelihood. *Qard al Hasan* is an important mechanism to assist poor Muslim community (Che Man et al., 2015).

Ar-Rahnu offers advantages to both borrowers or lenders, and its financing is based on debt with collateral. If the borrowers do not repay the loan according to the set period, then their mortgaged goods will be auctioned. Therefore, there is no issue of unrepaid loans or debt dumping. This situation benefits both parties. It is different from other micro credit schemes which often have debt repayment problems due to high loan interest rates borne by borrowers and result in bad debt problems. According to Lim (1999), bad debt creates concern for financial institutions to provide micro loans as they have to bear high administrative costs.

A reasonable payment method that does not burden the borrower is also an advantage of Ar-Rahnu. It provides flexibility to the users to make payments or redeem the mortgaged items within the specified

period. The six-month period given can facilitate Ar-Rahnu users in planning their personal finances (Daud, 2011). Ar-Rahnu users can also extend their debt period if they are unable to repay the entire financing, given that they pay the deposit. This approach differs from that practiced at Tabung Ekonomi Kumpulan Usaha Niaga (TEKUN) and Amanah Ikhtiar Malaysia (AIM), which oblige their borrowers to make loan repayments on a weekly basis (Nawai & Shariff, 2011). This situation is not favourable for AIM and TEKUN borrowers as they have to repay the loan at the appointed time. The borrowers also have to pay for their group members who are unable to make payments. According to Mat Nor (2011), the payment period set by TEKUN, which is once a week, is too short and borrowers cannot provide sufficient payment. It causes repayment issues among borrowers. Thus, the approach taken by AIM and TEKUN is different from that of Ar-Rahnu, where it does not burden borrowers with the flexibility of the specified repayment period.

Another advantage of Ar-Rahnu is that the community can defend its property despite being involved in debt activities. Although Ar-Rahnu uses the concept of debt, the property mortgaged to Ar-Rahnu is guaranteed not to be lost and remains the property of the mortgagor. This situation differs from conventional micro credit schemes as individuals who are unable to repay the loan must sell their property to meet their personal and family needs. This occurs if the individual is unable to pay the additional costs or interest charged by the bank and causes loss of property (Amuda & Deraman, 2015). The mortgaged property can also be auctioned by the bank to pay off the borrower's debt.

Ar-Rahnu Micro Credit Financing for Women Micro-Entrepreneurs in Kelantan

Kelantan is a state located in the Eastern Region of Peninsular Malaysia. The population of this state includes 95.3% Malay Muslims (Ali et al., 2021) and the rest are Chinese, Indian, Orang Asli and Thai. In terms of politics, Kelantan has been ruled by the Parti Islam Semalaysia (PAS) since 1990.

In terms of economy, Kelantanese are more active in performing small entrepreneurial activities that are able to elevate the state's economic development compared to other states in Peninsular Malaysia (Sultana et al., 2015). Therefore, Ar-Rahnu has great potential to thrive in Kelantan, especially in providing financing to small entrepreneurs. From a social point of view, the way of life, culture and customs of the people are greatly influenced by Islam, including food. Thus, it is understandable that Ar-Rahnu can develop well as it applies Sharia-compliant concepts. This is also supported by the increasing number of branches established by various Ar-Rahnu institutions.

Beginning its operation in the East Coast of Peninsular Malaysia, Ar-Rahnu was introduced by Permodalan Kelantan Berhad (PKB) in 1992. Since then, it has been deep-rooted among Kelantanese and the number of its branches has been growing rapidly. This indicates that after almost 30 years of operation, Ar-Rahnu has developed a strong foundation in providing trusted financing.

Previous studies were also done focusing on enterprising activity among the Kelantan community. Azman et al. (2016) investigated the acceptance factors of Ar-Rahnu among women small entrepreneurs in Kelantan, focusing on Siti Khadijah Market in Kota Bharu, Kelantan, Malaysia. The study found that Ar-Rahnu assists women micro-entrepreneurs to transform business from traditional to more profitable

businesses. According to Azman et al. (2017), Ar-Rahnu is popular among women, which makes men reluctant to seek financing assistance. However, this statement is refuted by Azman et al. (2020), where men have also become more aware and accepted Ar-Rahnu based on one-third of the respondents in the study involving men. Hassan et al. (2015) extended their study in Kelantan on 50 entrepreneurs at Pasar Besar Siti Khadijah, Pasar Besar Ketereh, shop tenants in Parkson Kota Bharu and people living around Kota Bharu who often use Ar-Rahnu. The results of the study found that simple and easy-to-access loan procedures greatly influenced the acceptance of Ar-Rahnu among entrepreneurs in Kota Bharu, Kelantan.

Several studies have also been conducted on the institutions established in Kelantan. For example, Salleh (2014) conducted a study on Permodalan Kelantan Berhad (PKB) using quantitative methods and found that service quality at PKB showed a very significant relationship with customer satisfaction. The findings of the study indicated that customers were very satisfied with the quality of Ar-Rahnu's service at PKB. In addition, female customers were more satisfied with Ar-Rahnu's services (51.9%) compared to male customers, while entrepreneurs were the most likely to use Ar-Rahnu (35.6%).

Similar findings were also presented by Othman et al. (2012). The study was conducted on Ar-Rahnu institutions in Kelantan, namely Ar-Rahnu PKB and Ar-Rahnu Bank Rakyat, Kota Bharu, Kelantan. It was also revealed that the majority of respondents involved in both Ar-Rahnu were married women, and most of the respondents were small entrepreneurs earning less than RM1000 per month. The entrepreneurs agreed with high quality of service for both Ar-Rahnu branches.

Based on the past research trends, there are still research gaps that can be filled. Several previous studies, for example, Salleh (2014) and Othman et al. (2012) emphasized on service quality factors in Ar-Rahnu institutions. Nevertheless, studies related to micro credit and Ar-Rahnu in Kelantan are still limited. Thus, this study was conducted to investigate the acceptance of small entrepreneurs towards Ar-Rahnu, particularly in Kelantan.

Therefore, this study should be undertaken to examine the extent to which women small entrepreneurs accept Ar-Rahnu. Thus, the objective of this study is to identify and analyze the acceptance of Ar-Rahnu among Muslim micro-entrepreneurs in Kelantan. There are two research questions: first, what is the acceptance level of Ar-Rahnu among Muslim micro-entrepreneurs in Kelantan based on gender? Second, is there any significant difference in the acceptance of Ar-Rahnu by Muslim small entrepreneurs in Kelantan based on gender?

Methodology

Research Design

Quantitative research was used in this study through the distribution of questionnaires to Muslim micro-entrepreneurs in Kelantan. Empirical research was conducted to answer all research objectives. The results obtained were analyzed using the Statistical Package for Social Science (SPSS) version 22.0 software through descriptive statistics, and inference (t-test) was used to analyze the primary data obtained.

Population and Sample

In this study, the selected population consisted of Muslim micro-entrepreneurs in Kelantan. A total of 400 respondents were approached and asked for their

consent to be respondents in this study. Out of that number, 380 respondents agreed to answer the questionnaire, but only 350 respondents returned the questionnaires with complete information and were eligible to be processed. The sample size involved 350 respondents in 10 districts in Kelantan, Malaysia. This is in accordance with Clark and Creswell (2015) stating that 350 respondents are sufficient for the minimum sample size required for a questionnaire study.

The selection of study location considered several specific reasons. Kelantan was chosen as it was the first state in Malaysia to introduce Ar-Rahnu in 1992 (Ismail & Ahmad, 2020). The pioneer Ar-Rahnu institution established in Kelantan was Permodalan Kelantan Berhad (PKB), a company in the Perbadanan Kemajuan Iktisad Negeri Kelantan (PKINK). So, after 30 years of operation in Kelantan, is the community fully exposed to Ar-Rahnu's services.

Densely populated with Muslim Malay community who deemed to be practising more religious activity, it is highly likely that the Muslim community of Kelantan is exposed more to Ar-Rahnu transactions that practice Sharia principles in its operations. It is believed that Ar-Rahnu would be the first choice of Muslims in Kelantan to oppose conventional pawnshops that are mostly owned by non-Muslim entrepreneurs.

Sampling Technique

In this study, both men and women who run their businesses in Kelantan were chosen. Therefore, purposive sampling technique was done as it is the easiest method to obtain information from a specific group (Sekaran, 2006).

There are 10 districts in Kelantan, and each district has Pasar Besar for the people in that area to get their daily needs. Pasar Besar is the main market located in the city center, selling a variety of daily necessities, such as wet items (chicken, fish, vegetables, fruits) or dry items (clothes, bags, shoes, kitchen utensils, cosmetics). The main markets were selected as the focus areas of the questionnaire as these areas are pioneered by small entrepreneurs.

The selection of these main markets was also influenced by two factors. The first factor was due to the high ratio of Muslim

to non-Muslim entrepreneurs. This facilitated this study to distribute questionnaires to Muslim entrepreneurs as respondents in this study. Secondly, the main markets in each district of Kelantan were selected to represent a larger sample size with higher involvement of Muslim small entrepreneurs in those areas compared to other areas in Kelantan.

Based on the actual research conducted, the distribution of the total number of respondents according to the district in Kelantan is presented in Table 1.

Table 1: Number of Respondents according to District in Kelantan

Num.	District	Concentration Area	Total Respondent
1	Kota Bharu	Pasar Besar Siti Khadijah	40
2	Bachok	Pasar Besar Siti Aisyah, Jelawat	40
3	Gua Musang	Pasar Besar Gua Musang	20
4	Jeli	Pasar Besar Jeli	20
5	Kuala Krai	Pasar Besar Kuala Krai	30
6	Machang	Pasar Besar Machang	40
7	Pasir Mas	Pasar Besar Pasir Mas	40
8	Pasir Puteh	Pasar Besar Pasir Puteh	40
9	Tanah Merah	Pasar Besar Tanah Merah	40
10	Tumpat	Pasar Besar Tumpat	40
Total			350

Source: Primary Data

Based on Table 1, there are 10 districts in Kelantan, namely Kota Bharu, Bachok, Gua Musang, Jeli, Kuala Krai, Machang, Pasir Mas, Pasir Puteh, Tanah Merah and Tumpat (Koh et al., 2015). The focus area for the distribution of questionnaires was around the large markets (pasar besar) in each of the districts involved. In this study, a total of 40 sets of questionnaires were distributed in 10 large markets in each district. The number of questionnaires sets distributed was sufficient for this study. According to Tiun (1995), a sample size of 30 has been generally accepted as the minimum number of cases if certain statistical methods are used to analyze the data.

The proportion method, which is the division of each sub-unit in a specific unit, was used in this study (Chua, 2012). A total

of 400 questionnaires were divided into 10 main markets. The proportion for each main market was 40 respondents.

In this study, the number of questionnaires distributed was higher at Pasar Besar Siti Khadijah, Pasar Besar Siti Aisyah, Pasar Besar Machang, Pasar Besar Pasir Mas, Pasar Besar Pasir Putih, Pasar Besar Tanah Merah and Pasar Besar Tumpat, which was 40 respondents due to the larger size of the market, greater number of stores, and greater number of respondents willing to cooperate. However, the number of respondents was smaller in Pasar Besar Kuala Krai, namely 30 respondents, while 20 respondents were selected each in Pasar Besar Gua Musang and Pasar Besar Jeli due to the small size of the market, few shops and limited number of entrepreneurs.

Questionnaire Design

In order to achieve the research objectives and questions, there are several dependent variables and independent variables that are studied. The independent variable examined in this study is the gender factor, while the dependent variable is represented

by the level of acceptance of Ar-Rahnu. There are seven questions that were asked to the respondents to analyse the level of acceptance of Muslim small entrepreneurs in Kelantan. The seven questions are shown in Table 2 which is the set of question taken from a study by Yahaya (2017).

Table 2: Level of Acceptance

No.	Questions
1.	I chose Ar-Rahnu due to family advice
2.	I chose Ar-Rahnu due to a friend's advice
3.	I chose Ar-Rahnu due to the financial performance of its institution
4.	I chose Ar-Rahnu as the staff has sufficient knowledge
5.	I chose Ar-Rahnu because I had experience with previous Ar-Rahnu institutions
6.	I chose Ar-Rahnu to obtain blessings in life
7.	I chose Ar-Rahnu as it is free from riba and <i>gharar</i> elements

Source: Yahaya (2017)

Research Activities Flow

Figure 1 depicts the flowchart of the overall process involved in this study, which began with review of reference materials and documents. Document review assisted in developing a conceptual framework for this study. After establishing the conceptual framework, sampling of study was

designed. This led to the design of questionnaires and the distributed to the respondents (Muslim small entrepreneurs) through a pilot study. Any inconsistency found after executing the pilot study, the questionnaire was updated again and tested in the actual field. Data analysis was conducted upon the actual study was completed.

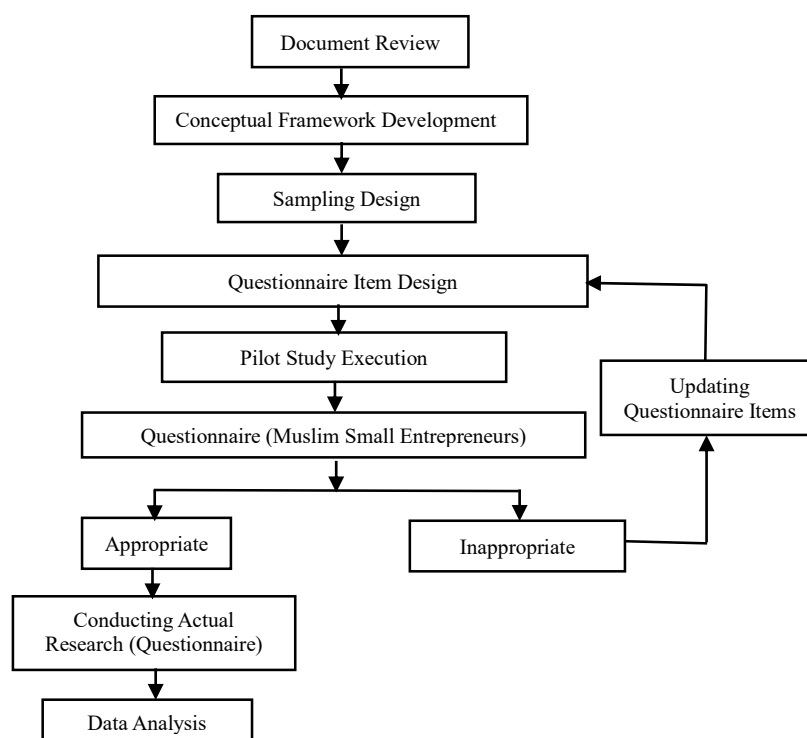


Figure 1: Flowchart of Research Activities

Results and Discussion

The analysis was conducted on 350 respondents consisting of small entrepreneurs in Kelantan. The results are presented in Table 3.

Table 3: Distribution of Small Entrepreneurs in Kelantan by Gender

Gender	Total	Percentage (%)
Men	80	22.9
Women	270	77.1
	350	100

Based on the results of this study (Table 3), it was found that the highest distribution of entrepreneurs was women entrepreneurs (n=270, 77.1%), followed by men entrepreneurs (n=80, 22.9%). There was a significant difference between t genders. This situation occurred as the distribution of women entrepreneurs in the study area was higher than men entrepreneurs. In addition, the results also signified those small-scale entrepreneurial activities are actively pursued by women, dominating business in large markets around Kelantan. This finding supports the statement by Muin et al. (2011) that in most local markets in Kelantan, the female entrepreneur is seen more aggressive, diligent, persistent and independent than

men in controlling and monitoring the flow trade.

Women's involvement in entrepreneurship helps in generating additional income for their families (Yusoff & Yaacob, 2010). Entrepreneurial activities have long been ingrained in Malay community in Kelantan, especially among women who actively run small entrepreneurial activities (Yusoff & Yaacob, 2010; Azmi & Ibrahim, 2013). This has become one of the uniqueness of Kelantan where most of the participation of small entrepreneurs in the large markets in Kelantan is spearheaded by women.

Similarly, some large markets in Kelantan, such as Pasar Besar Siti Khadijah in Kota Bharu and Pasar Besar Siti Aisyah in Jelawat, Bachok, were named after the wives of the Prophet SAW to commemorate women's involvement in entrepreneurship. As a matter of fact, most women entrepreneurs dominate entrepreneurial activities more than men entrepreneurs. Thus, the dominance of women entrepreneurs in the large markets in Kelantan has caused some men to migrate to find jobs (Yusoff & Yaacob, 2010).

The differences in acceptance of Ar-Rahnu based on gender are shown in Table 4. The t-test was used to analyse the gender perspective.

Table 4: t-Test of Ar-Rahnu Acceptance Based on Gender

Gender	Min (M)	Standard Deviation (SD)	t value	Sig.
Men	45.3523	7.46187	-0.196	.004*
Women	45.5075	5.80542		

Table 4 shows the mean score and standard deviation of men entrepreneurs (M=45.3523, SD=7.46187) and women entrepreneurs (M=45.5075, SD=5.80542). This finding indicated a significant difference between male and female groups in accepting Ar-Rahnu based on the t-test value (t=-0.196, p=0.004). The acceptance

of women entrepreneurs was better than men entrepreneurs based on the mean value obtained. In another study, Daud (2011) claimed that the gender factor has a significant relationship with user satisfaction with Ar-Rahnu. Similarly, Salleh (2014) stated that there was a significant difference in gender on user

satisfaction with Ar-Rahnu services with a t-test value of -0.578 at a significant level of 0.022 ($p < 0.05$). Women users exhibited high satisfaction with Ar-Rahnu services compared to men users with 51.9%.

Women entrepreneurs in Kelantan are also famous for their culture of purchasing and wearing jewellery, as well as investing in gold more than men entrepreneurs. Therefore, women entrepreneurs play a pivotal role in driving the development of mortgage prospects in Kelantan. Women entrepreneurs in Kelantan are more inclined to mortgage than men entrepreneurs. In addition, women are more likely to use the pawning system as gold is commonly used in the Malay community as a dowry gift or jewellery at weddings by the grooms to their brides (Baharum, 2014). Most of the women entrepreneurs also own private assets (gold) which are largely obtained as a result of their efforts from entrepreneurial activities (Yusoff & Yaacob, 2010). Gold saving is also a culture of the Malay women community in Kelantan.

According to Muhamat et al. (2011), in Terengganu and Kelantan in particular, women are very active in running small businesses and often use pawnshops to obtain short-term capital for their businesses. This finding is supported by Yusoff and Yaacob (2010) that most women entrepreneurs own jewellery. Thus, Ar-Rahnu's services have greatly aided the success of women in business as well as generating the local economy. Based on the t-test value, it was found that there was a difference in gender in the acceptance of Ar-Rahnu.

Conclusion

The acceptance of women micro-entrepreneurs towards Ar-Rahnu was higher than that of men entrepreneurs in Kelantan. This scenario indicated that

women are important icons in the development of small entrepreneurship and Ar-Rahnu in Kelantan. The culture of wearing and owning gold assets by women in Kelantan exposes them to gold collateral in Ar-Rahnu. The success of Muslim women in Kelantan in small entrepreneurship is also influenced by their consistent involvement in Ar-Rahnu financing and their gold savings as a stable asset in the future. Ar-Rahnu also succeeded in benefiting the economic and social development of women micro-entrepreneurs in Kelantan. However, the issue of acceptance of Ar-Rahnu is still the main debate among some researchers. Therefore, the existing Ar-Rahnu institutions should intensify their marketing activities to target users. In addition, gold savings and investment should be encouraged in the future with proper methods. Ar-Rahnu can provide comprehensive benefits to the entrepreneur community and people of Kelantan. Overall, Ar-Rahnu successfully achieved its objective by assisting the poor, low-income earners and entrepreneurs to acquire immediate cash as business capital. It also succeeded in mitigating poverty in the community and made women more competitive and productive in prospering family institutions and the national economy. This study was limited to the involvement of Muslim small entrepreneurs in Kelantan as respondents. In the future, this study needs to expand on the acceptance factors of small entrepreneurs in Kelantan towards Ar-Rahnu. Several factors should be identified and investigated, which then can be used as a benchmark for Ar-Rahnu institutions in Malaysia to empower their marketing activities. Thus, the acceptance of entrepreneurs towards Ar-Rahnu can be strengthened in the future.

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