

# Impacts of industrialization on India

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## Abstract:

The revolution is the law of nature. But it is natural that it comes either in an affirmative or in an adverse mode. The industrialization in the country like India where a major number of people are engaged in farming profession has broadly influenced the growth & development of the country. The thought of change in Indian economy marvelously affects the countryside crowd of India. The migration from one profession to another brings pros & Cons in life of an individual, family, community & society as a whole. The marginalized sections of the society to be affected more by this revolution. An assumption is made that the machine power to be increased & man power to be decreased. If we interpret the line, it has its merit & demerit too. The optimum use of machines leads in less human resources to work out but it adversely supports the employment. The phrase that every coin has two sides is justified here.

The present paper is an attempt to take the readers in the journey on orientation towards the positive & negative changes that has emerged as a result of industrialization. This also includes the need & significance of the industrialization along with advantages & disadvantages of it.

**Key words:** Industrialization, Indian economy, migration.

India is a principally agricultural country. The good fortune of Indian economy is directly associated with the prosperity of its masses dwelling in the rural areas. With the development of science and industrial development, the state had to adopt a vibrant industrial policy. The introductions of dense industries have both positive and negative impact on Indian society and economy. The government introduced “New Economic Policy” in 1991 in the 43th meeting of the National Development Council under the flagship of Shri. Dr. Manmohan Singh.



**THE CORE OBJECTIVES OF THE POLICY ARE AS FOLLOW:**

- To fall Indian economy into the arena of ‘Globalization and to give it a new thrust on market orientation.
- The NEP (New Economic Policy) intended to bring down the rate of inflation and to remove inequalities in payment.
- To move towards greater economic growth level and to build adequate foreign exchange investments.
- To permit the international flow of goods, services, capital, human resources and technology, without many constraints.
- To increase the participation of private players in the all sectors of the economy.

**LPG (LIBERALIZATION, PRIVATIZATION & GLOBALIZATION) MODEL IN INDIA:**

Several problems were encountered by Indian Governance after independence; economy & pertaining issues was one of them. The Growth Economics conditions of India in that time were not very good. This was because it did not have proper resources for the development, not in terms of natural resources but in terms of financial and industrial development. At that time India was in need of the path of economics planning and for that used ‘Five Year Plan’ concept. This concept was borrowed from Russia with a view to provide a reckless development like that of Russia, under the view of the socialistic shape society. India had practiced a number of boundaries ever since the impression of the first industrial policy resolution in 1948.

The main branches of Indian Economy were Liberalization, Privatization & Globalization. The economy of India had undergone noteworthy policy swings in the beginning of the 1990s. An innovative ideal of economic transformations is commonly ascribed in the form of Liberalization, Privatization and Globalization model i.e. LPG.

“Liberalization is defined as making finances (economics) unrestricted to arrive in the marketplace and establish their venture in the country.”

“Privatization is defined as when the resistor of commercial is sifted from public to a private influence.”

Wherein the regional economies, society & culture get integrated via a global channel of communication, transportation, trade & more, that process is termed as globalization.

**INDUSTRIALIZATION:**

The term “industry” refers mainly to manufacturing activity.

Agriculture, mining, and most other services are omitted from it. The term “industrialization” is used to entitle the growth of manufacturing industry. It is thus a part of the ample broader process of economic development which involves the raising of standard of living, through a steady increase in the efficiency of factors of production. India is a developing country-economic development here must basically mean raising the productivity of agricultural workers.

After a definite stage of progress, however, it may become more profitable to handover the remaining labour to their gainful employments as manufacturing.

Industrial development is the era of social and economic change which helps in transforming a human group from an agrarian civilization into an industrial civilization, involving the wide-ranging re-organization of an economy for the purpose of manufacturing. It is a process by which an economy is transformed from primarily agricultural to one based on the manufacturing of goods.

According to Kuznets (1973) the word industrialization refers to the organizational/structural modification which marginalized countries experience in their development progression from an agricultural to an industrial economy, with the profound changes in the society that this entails.

### **SIGNIFICANCE/IMPORTANCE OF INDUSTRIALIZATION:**

The term industrialization is commonly observed as similar with economic evolution and enlargement. No country is longing of rapid economic advancement can afford to neglect industrialization. It is an inevitable fact that the development in the discipline of agrarian, transportation & many more activities pertaining to economy can be assisted by the industrialization.

Industrialization is the key to economic development. The progressive kingdoms of the universe are industrialized. They do make the best possible utilization of the human and natural resources. In a nervousness of economy, fast growing industrialization is significant in generation of prospective of employment, procedure of all forms of resources, education elevation, training and research, improving the productivity of labor and balanced provincial development. An enhancement in an area of science and technology has given rise in the progression and extent of Heavy Trades. Anthropoid (human) progress now-a-days is restrained in standings of industrial potentialities and prosperity.

- Industrial growth brings a rapid increase in the national capital of the country.
- With a view to moderating increasing load of discharging population on our developing economy, rapid industrialization is a must.
- Industrialization has unlimited scope whereas the land is restricted in limited area.
- To set up large number of industrial units so that more employment opportunities can be created.
- Opportunities and act of absorbing a large number of unemployed youths.
- Agriculture cannot use all resources. So, industrialization is a must to make use of the resources.
- Waste materials can be thoroughly or partially utilized by the industry.
- Industrialization widens skyline of our understanding and enables us to go through education and researches. Thus, it will prove the quality of our manpower.
- Utilization of more wealth and technologies.
- Labour division of work and specialization in the industry.
- Amplified results in improvisation of productivity of labour force.
- Industrialization has capacity in removing regional disparities as unproductive domains can be reprocessed for this drive.

- No productive land and means of irrigation are needed for economic growth.
- Industrialization will elevate the standard of living of our people.

### **BEARINGS (EFFECTS) OF INDUSTRIALIZATION IN INDIA:**

The enrichment in science and technology has brought incredible chances all over the world and the world is plainly narrow downing in size and has become a global hamlet. The newest phase of economic shift has one aspect in common, i.e. change which was brought about in one part of the world has slowly spread out to other parts, and thereby led to economic development of the countries familiarizing to change, and India was no exemption to this.

The British law in India synchronized a new beginning in the history of India. The trade routes were developed by means of roads, railways and seas. This connected India to the rest of the world and Indian products competed with the world market, slowly this affected the organization of the Indian Industrial Sector.

During the eighteenth century, India was predominantly an agricultural nation with no major industrial development. There were some industries in towns, like the brassware, wood carving, weaving, stone work, gold and silver work, copperware industries and many other small manufacturing units catering to the needs of the people. Benares, Bombay Presidency, Nasik and Poona, and in the South, Hyderabad, Vishakhapatnam and Thanjavur were famous for its brass and copper and bell metal wares. Thus, every important city had different handicrafts flourishing.

Before the nineteenth century India was exporting elegant fabrics to the western countries, the invention of new machineries for spinning and weaving had diminished the market for these elegant fabrics and at the same time it revealed the possibilities of India as a supplier of raw cotton. A failure of the cotton crop in America during 1846 made them look for alternatives. The American Civil war closed the ports of the south and there was a huge demand for cotton and it was only then that Britain turned their attention towards cotton cultivators from India. This led to the increase in the price of cotton and led to the construction of roads and railways for the faster movement of goods.

#### **The Decline of Handicrafts:**

The establishment of British rule and the competition from foreign products slowly affected the power of guilds and other bodies, who regulated trade, and this led to many evils creeping like adulteration of materials, poor workmanship etc. and this led to the decline in the artistic value of the handicrafts. Added to this the disappearance of courts, the competition from European manufacturers was responsible for the decline of this industry. The industry had either to adapt to the new changes or face a slow death.

#### **The Rise of Contemporary Industry:**

A new form of industry emerged due to the European exploitation of Indian resources and that was the plantation industry which gave birth to the growth of indigo, tea, coffee and jute industries. By the year

1850 indigo was one of the most important exports from India. Next, they turned their attention towards the tea plantation and the rate of growth was amazing in terms of the output.

The factory system was first introduced with the emergence of cotton industry and the first Cotton Mill in India was the Bombay Spinning and Weaving Company formed in 1851. This provided employment to the people from the surrounding areas. Apart from the spinning and weaving industry many persons were employed in the ginning and pressing factories.

The other industry which slowly gained prominence was the jute industry and it was chiefly used to manufacture ropes, gunny bags etc. From 1864 onwards the industry progressed well. Bengal established its position with the growth of the jute industry. The other important industry that gained prominence was the coal industry and it was the only mineral that was produced in considerable quantities. The production of coal was responsible for the growth of railways and besides this India was still importing about 600,000 tons of coal in 1880. The coal industry provided employment to the people.

Another industry which claimed to be a modern industry was the Madras tanning industry. Charles De Susa was the person responsible for improving the methods of tanning in India in 1845. Slowly the improvements were adopted by the tanners and export trade in tanned hides and skins grew up. The growth of these industries slowly created a demand for labourers and there was a structural transformation of the society. This led to the growth of factories. The factories started growing in large numbers and then there was a question of regulation and a host of other problems accompanied it. In the larger interests of the society the First Factory Act was passed in 1881.

**Colonial rule:** In this phase, like other nurturing states, India also monitored a non-trading model. It was assumed by many Indians that, the industrial model is only responsible for the degradation of Indian economy. But it is believed that, the real economic development lays down in progress of industrial development.

Intercontinental specialization and mutually profitable free trade were thoroughly ignored, at least until India became an exporter of more sophisticated goods. Before Indian Independence, the British government showed no impetus to the growth of industries. No incentive was offered to the Indian industries for the growth and development. In spite of all the hurdles credit must be given to the pioneers like Jamshedji Tata, Walchand Hirachand, Lala Shriram, G.D Birla and others who laid the foundation for the modern industry. (Smith & Ricardo).

Development during the First World War (1914 - 1918) The war (1914 - 1918) gave a great impetus to industrial development in the country. The supplies of essential consumer goods were cut off. Industries in India suffered considerably for want of machinery, spare parts and chemicals for which the country had to depend on foreign countries. The absence of basic engineering and heavy chemical industries was undoubtedly the weakest spot in the industrial structure during that time.

The production of pig-iron and steel in Tata's factory at Jamshedpur helped the country considerably during the First World War (1914 - 1918). The War afforded only temporary gains to a few established industries.

Between the Wars (1918-1939) Under the Reforms Act 1919, industry became a provincial subject. The policy of discrimination and protection adopted in 1922 on the recommendation of the Indian Fiscal Commission considerably helped the Indian industries. Between 1922 and 1939 the production of cotton piece goods was doubled, and the steel ingots increased by 8 times and paper by 2.5 times. The grant of protection to the sugar industry in 1931-32 helped its development considerably, so that between 1932 and 1936 the country became self-reliant in sugar. The Indian jute industry, the most important earner of foreign money, lost markets abroad during the years of world-wide economic depression in 1929-32 in as much as many countries had produced substitutes of jute for making gunnies in order to avoid purchase of such goods at a higher price from India. The Bengal Jute Enquiry Committee was appointed by the then Bengal Government under the chairmanship of Mr. R.S. Finlow, in 1934 for investigating the problems of the jute industry and for exploring avenues for marketing jute products in the country. The committee submitted its report in April 1937. But the recommendations of the Committee could not be implemented because of difficulties created by the outbreak of the Second World War in 1939. The development of the cement industry during this period was phenomenal and by 1935-36 it was also able to meet about 95 per cent of the total needs of the country. The production of matches, glass, vanaspati, soap and several engineering industries also increased considerably during this period.

During the Second World War and After the Second World War added a great stimulus to the development of Indian industries to their maximum capacity. Manier industries like Ferro alloys, diesel engines, pumps, bicycle, sewing machines, came into arrival. The manufacture of machine tools and simple machinery, cutlery and pharmaceuticals also got started.

The post war years (after 1945) marked the development of a new range in industries including ball and roller bearings, carding engines, ring frames and locomotives. Industries like the fertilizer, cement, sheet glass caustic soda and sulphuric acid expanded considerably during the post war period.

Industrialization since Independence Immediately after Independence, the Government of India announced its industrial policy in 1948 and laid down the plan for the future industrial growth in the country.

Shri Pandit Jawaharlal Nehru, the first prime minister of India declared on the eve of the leave-taking of the British, on 14 August 1947, that India's task in the future included "the evaporation of poverty and ignorance, disease and dispersion of opportunities."

The eve of Industrialization not simply guaranteed autonomy for the state that had just regained political dominance, but it offered exterior markets enlarging from methodological progress.

The industrial policy of unrestricted India was first pronounced in the year 1948. This policy visualized a diverse economy with an overall accountability of the Government for the planned development of industries and their regulations in national interest.

### INDUSTRIAL DEVELOPMENT DURING THE FIVE-YEAR PLANS IN INDIA:

The factual growth & industrial development in India commenced during the period of five years.

Sr. No.	Five Year Plans (Year wise)	Objectives
1	First Five-Year Plan (1951-56)	Development of agriculture. Importance was laid on existing industries instead establishing new one.
2	Second Five-Year Plan (1956-61)	Emphasis during this period was on construction of heavy industries. Iron & steel plants were set up in Bhilai, Durgapur.
3	Third Five Year Plan (1961-66)	Expansion of iron & steel industries
4	Fourth Five Year Plan (1969-74)	Sugar, jute, cotton industries were given more priority in this phase. A progress was also made in automobiles tires, Machine Tools, electronic goods, Tractors and more.
5	Fifth Five Year Plan (1974-79)	Rapid growth of steel plants & exports was emphasized. Steady progress was found in drug manufacturing, oil refining, Chemical fertilizers and heavy engineering industries
6	Sixth Five Year Plan (1980-85)	Main object was on production of goods. The priority was given to industries like aluminum, automobiles, electric equipment, etc. Production Goals were attained in trades like commercial vehicles, cement, Coal, Jute industry, railway carriages, Sugar manufacturing etc.
7	Seventh Five Year Plan (1985-90)	Electronic industries were targeted in this span. The preferred areas of the plan were Self-employment, utilization of local resources and proper training.
8	Eighth Five Year Plan (1990-1992) (Annual Plan)	Major change was observed as a result of industrial policy designed by the Govt. of India in 1991. Emphasis was laid down on the removal of provincial

		imbalances and encouraging the growth of employment in slight and little sectors.
9	Ninth Five Year Plan (1997-2002)	The target in this phase was the cement, crude oil, coal, electricity, infrastructure refinery, steel products, etc.
10	Tenth Five Year Plan (2007-12)	The emphasis was on modernization, technology, reduction on transaction cost & increase in exports for achieve balanced regional development.
11	Eleventh Five Year Plan (2007-12)	The plan focused on the rapid development of the industries which can bring a faster reduction in poverty, employment generation & assurance on essential services to all people.
12	Twelfth Five Year Plan (2012-2017)	The planning commission gave priority in inclusive growth. this plan is expected for generating employment through development of, manufacturing industries.

### A. Positive Impact of Industrialization:

**A.1 Stumpy cost of manufacture:** The orientation of industries has led to the decrease in the cost of production of many indispensable items. The decrease in cost is the result of economy of large-scale production. This allows to save time and labour. Industrial possessions have become more affordable for common people.

**A.2 Self-reliant:** Before independence, Indians used to spend hundreds of millions of rupees over import of cloth only, as the state had no substantial industries in the real sense of the term. With the progression of fabric industry in our nation, the state is able to manufacture clothes at a much lower cost. In this way, country people made themselves self-sufficient in providing our basic amenities.

**A.3 Employment:** Enormous industries need thousands of skilled and semi-skilled workers. It provides considerable employment opportunity for a large portion of folks.

**A.4 Improved Agriculture:** In the contemporary age, efficient agricultural system is that, which is done with the help of machine and mechanical devices. For the specific purpose, the nation needs to adopt the latest Industrial system.

**A.5 Shield and security:** It is inevitable fact that if we want to sustain in universe, for the survival we need to march with time. We have to defend the country against external aggression. The state should design latest weapons, for it is most unwise to depend upon imported aid for defense of one's country.

## B. Negative Impact of Industrialization

Our industrial policy does not discourage private industrial enterprises. But our administration must be guarded in conserving decent relations between entrepreneurs and laborers. Without maintaining a melodious relation among the struggling class and management, Industrial Policy of the Government cannot be preferably fruitful.

The large-scale industries, loaded mechanisms, etc. put down the adverse & negative impacts on environment, society, economy & universe as a whole.

**B.1 Weakening of cottage industry:** India has been proud of its countryside cottage industries. The silk created by the village-weavers had been a source of attraction all over the world. With the advent of heavy mechanical industries, the phase of the decline of our village cottage industries got started.

**B.2 Mass migration from rural areas:** An evil eye is that with the formation of heavy mechanized industries in the urban areas, mass-migration has been drastically improved among Ruralites into urban and cities, this makes the dilemma of unemployment over critical and multifaceted.

**B.3 Exhaustion of natural resources:** As a result of industrialization, there is constant diminution of natural assets. Various industries are powered by thermal power plants that consume coal. Since, huge industries are binge over many acres of land, agrarian lands and forests are often cleared to stain available the required land.

**B.4 Pollution:** Big industries release many destructive gases into the environment. The introduction of harmful chemicals into air leads to air-pollution, the noises that produce leads to noise-pollution.

**B.5 Growing war-like situation:** the controversy was born due to disintegrating effects of heavy industries. In developed nations, most of these loaded industries are engaged in the production of war materials. With a lot of hostility weapons in hands, there has been a growth in battle-like situation among kingdoms.

### Advantages & Disadvantages of Industrialization:

S.N.	Advantages	Disadvantages
1	Large scale of production & easy access with minimal cost	Gradual vanishing of natural resources – air, water, land, etc.
2	Saving of time & labour	Various forms of pollution, dust & smoke
3	Considerable rise in the living standard of people	Unhygienic & unhealthy environment & increased diseases-epidemics
4	Choices for selection	Increased cases of child labours
5	Huge opportunities for employment with poverty alleviation strategy	Gradual displacement of manpower on the way to lead unemployment
6	Quick services for export &	Decline in spiritual values and well-being

	import for making business worldwide	of man upon the growth of materialistic civilization brought by industrialization
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## CONCLUSION:

Advanced use of technology & science has overcome with the fast growing & heavy industries. Human progress now-a-days is measured in terms of industrial potentialities and prosperity. Besides, the ecological imbalances and greenhouse effects have posed serious threat to human kind and its survival is questioned. It is span that prominence is put on a designed and properly balanced industrialization keeping in view the conservation of surroundings.

A less dependency should be stressed on machines, once the human is being its slave, tends to become the master. Over weightage dependence on the appliance makes man unhealthy for ample things and concentrates him a helpless creature.

If a state wants to be in touch with the sustainable development, then the heavy & large level cottage industries should be in touch each other. It would be a move in the right direction. It will hire local and regional manpower and utilize the local and regional resources.

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