



# “ IMPACT OF INDUSTRIALIZATION ON AGRICULTURE FARMERS IN KARNATAKA ”

## 1.1 Introduction

Economic development is necessary for developing countries like India because, they can solve burning problems like poverty, unemployment, low production etc. The Government at various levels have been using various strategies to modernize agriculture, development of small and large industries, development of service sector, promotion of internal and international trade, etc., which have encouraged continuously to achieve economic development. The important aims and objectives of industrialization

as a process which accelerated economic growth: affects structural changes in the economic, particularly in respect of resource utilization, production functions, income generation occupational pattern, population distribution and foreign trade; and include social changes. It means, the industrialization aims to remove the problems such as unemployment, poverty, hunger and farmers suicide. Agriculture contributes about 16% of gross domestic product.

The contribution of agriculture to foreign trade and foreign exchange earnings is very significant. Agriculture contributes about 10.67 percent of India's total export earnings. The foreign exchange to import trade comes from the export of the agriculture commodities.

Moreover agriculture contributes to the development of rural area. Role of agriculture in protecting environment and in maintaining ecological balance is immense. India is primarily an agrarian economy, after independence. It is one of the great industrial power of the world. The large investments have been made in building up capacity over a wide spectrum of industries.

In certain sector productivity is falling and consequently the cost of production are rising because of the great demand. It leads to Agricultural Food inflation. The conflicts between Agricultural sectors and industrial sector, pose difficult problems to compromise by a proper trade of between them, keeping in mind larger- long term interest of the nation.

Karnataka is India's eight largest state in Geographical area covering 1.92 lakhs sq km and accounting for 6.3% of the geographical area of the country .. A total of 1,23,100 km of land is cultivated in Karnataka constituting 64.6% of the total geographical area of the state

Till date, Karnataka Industrial Area Development Board (KIADB) has developed 170 Industrial Areas in 30 Districts of the State. Karnataka is one of India's most progressing a vibrant and productive industrial ecosystem.

## 1.2 Review of Literature

**Vaid, K.N.(1963-64)** studied the 'Influence of industrial work on workers of a factory in Kota in Rajasthan'. He found that the factory system initiates changes in the attitudes and values of its workforce. The industrial experience increases expectations and aspirations and the worker wants good wages, housing facilities job security and opportunities for advancement. His study indicates that basic security against unemployment, illness, and incapacity was provided by the joint family. He concludes that industrialization influences social structure value system, motivations and norms and in turn is also influenced by them .

**Balogh (1966)**, studied the impacts of industries on employment in developing countries revealed that more than 70% of the working population is employed in the agricultural sector and not the industrial sector. Also, industries don't always create employment for rural people as some industries require entrepreneurial and managerial talent which lacks amongst the rural people .

**Sheth, N.R.(1968)** made a sociological study of workers in a factory named "oriental" at the District place of Rajnagar in Gujarat state; from July 1956 to July 1958. He asserts that "it is considered traditional institutions are a hindrance in the way of economic growth", but the study of oriental shows that it is not so in all cases. So the values of a pre-industrial society seem to co-exist with those of industrial society, producing an intermixture of traditionalistic and rationalistic norms".

**Tolley and Kripalani (1974)** Modern urbanization is mainly based on higher productivity which comes from industrial and service sector activity. The "pull factor" such as, higher job or income opportunity motivate people to move from rural to urban areas. However, even if a country is highly urbanized and produces good amount of urban production, a good amount of its labour force has to remain in rural areas unless agriculture can provide the necessary productivity gains to feed the urban population

**A.B. Parameswarappa,(1988)** - examines the impact of industrialization on the village community and rural exodus in Maggadhalli, a small village of Dharwad district in Karnataka. The study reveals that industrialization has dismantled several traditional occupations in rural India and created footloose processes for a large number of occupational groups. Industrialization and migration have an inward relationship. Rural-urban migration distributes the population in two communities and leads to rapid urbanization and family change. The old migrants have been the source for new migrants. They are a source of social change in Maggadhalli.

**ANA MARIA POP (2006)** First, one needs to take into account the appropriate industrial development at the regional and local level in order to improve the exploitation and the capitalization of the natural and the anthrop potential. That is why one should insist on the involvement of the local, the regional, and the

national factors and they should be made responsible for the initiation of a development project for that particular region. As far as local actors are concerned, we enumerate the following: public authorities (local authorities, research institutes, and universities), private authorities (trade unions, banks, small and medium-sized industrial units, chambers for commerce, professional associations, etc.) and community authorities (leaders of the community and NGOs).

**Dr. B.K. Murthy ( 2010)**- in his article of "Kurukshetra" published in July 2010 (Dr.B.K.Murthy, 2010) as put forth about the standstill in the production of Indian agriculture sector and warned that after 1996-1997 to 2004-2005, the country has been facing an acute shortage input supply and if it is not set right within a short time it will lead to a disaster.

**Motamed et al. (2010)** found that the geographical areas with more favorable natural agriculture endowments tend to get urbanized sooner. Historically, higher agricultural productivity with less manpower has helped to shift labour out of agriculture and move to industry based urban areas.

**M. J. Prabhu (2011)** - The agriculture correspondent of The Hindu, in his article "importing food grains will not solve the problems" (M.J.Prabhu, 2011) has said that government cannot neglect agriculture and if it's does so then it will have an adverse impact on economy of the nation. In the same way, he has argued that if there is deficit in food production then the nation cannot depends on foreign imports to meet its domestic food requirements. Because of new agricultural strategy, proper land utilization, green revolution and easy availability of chemical fertilizers made the changes in crop pattern in India.

**Behera P K (2015)** The NALCO, with its huge profit base, could have done much better to these marginalized people. The data shows very clearly that the most vulnerable sections, viz. the Scheduled Tribes and Scheduled Castes, who have lost lands, houses, and other assets, were not able to get back their livelihood status as a result of the cash compensation policy. The other infrastructural facilities promised by NALCO were not adequately provided, and there are still loose ends in the whole approach. Though NALCO has undertaken some initiatives for the affected people in terms of providing jobs, shelter, free education, and free health and infrastructure including community hall, school building, roads and drainages, etc., there is still a feeling among the affected population that problems such as job security to all, shelter, access to free health and education facilities, basic amenities, and other infrastructure facilities, remain. It is time for the NALCO to rethink about the affected people's problems and conduct some welfare activities for them in terms of livelihoods promotion, health and education, skill development activities, infrastructure facilities.

**Dr. Suresh Ramanna mayya& Preetam Shetty K (2015)** in his Article of "A Study on Impact of Industrialization on Agriculture" published in 2015 industrialization is widely recognized as one of the important means to usher in economic and social transformation in developing countries. At the same time, there are controversies about the weightage to be given to industrialization as an element of the development mix. The industrial revolution which enabled the advanced countries of today to take off to economic prosperity yet, industrialization, hard task as it is indispensable for survival and growth. Due to

uncontrolled industrialization in India migration of the rural people to urban area, shortage in housing, decrease of ground water, excessive air pollution, heat dust, problems of disposal of solid waste have been occurred. Industrial development caused the migration from Rural to Urban Area.

**Dr. Aliya Z.Isiksal (2016)** In his Article of “Impact of Industrialization in Nigeria” Published in the year of 2016 The objective of this study is to analyze the relationship between GDP, agriculture (AR), industry (ID) and services sector (SV) in Nigeria. The Johansen co-integration testing approach demonstrates a significant long-run relationship between these three variables. The results reveal that agriculture, industry and services have a significant positive relationship with GDP. The Causality results demonstrate a bidirectional causal relationship between GDP, AR, ID and SV. It is suggested therefore that it is important to develop the agricultural sector to provide the needed support to the industrial and services sectors. Such a strategy can be expected to encourage the development and economic growth of a developing country.

**Jelilov & enwerm (2016)** In his Article of “The Impact Of Industrialization On Economic Growth” published in the year of 2016 focused on the Impact of Industrialization on Economic Growth: The Nigeria Experience (2000-2013). The study sets three major objectives, which include investigating the effect of fiscal and monetary policy on Gross Domestic Product (GDP), determining the relationship between government spending and industrial development and to determine the effect of budget on investment or employment generation. The study only utilized secondary data from the 2011 Central Bank of Nigeria Statistical Bulletin and the Nigerian National Bureau of Statistics. The study specified a workable model, which has GDP as the dependent variable while industrial output, foreign direct investment, interest rate, foreign exchange rate and inflation rate were independent variables. Ordinary least square (OLS) technique, F-test was used as analytical techniques. The study revealed that industrialization has a negative impact on economic growth in Nigeria in the long run. This was confirmed by the F-test value (559.02). The study recommends amongst others, that the government should redirect its industrial and investment policy so as to increase output of the domestic production (RGDP), flexible exchange rate and control inflation rate since that showed that increase in exchange and inflation rate, decreased output, industrial and investment policy should be flexible on infant industries so as to encourage productivity and improve GDP.

**Baburao (2016)-** In a recent study done in the rural Marathwada region in Maharashtra showed how Urban Industrialization impacted the region. People have many problems such as- Over-population, Health, No clean water supply, Electricity, Education, Jobs, Roads, Lack of security, Illiterate administration, etc. 79 percent of rural households do not have access to credit facilities. Due to poor sanitation and lack of toilets, the people are facing hygiene-related and illness problems. Most of the schools in villages don't have proper classrooms, teaching equipment, playgrounds and even basic facilities like clean toilets

**Cisse ndiaya (2018)** In this article Role of Industrialization on Economic Growth: The Experience of Senegal (1960-2017) published in the year of 2018 .The aim of this study is to contribute to the investigation of the impact of industrialization on economic growth by analyzing the Senegalese manufacturing firms. The paper utilized the secondary data drawn from the World Bank (WDI 2015) and the National Agency of Statistic and Demography in Senegal (ANSD) and covered the period between 1960 and 2017. It will employ the Ordinary Least Square (OLS) techniques in estimating the relationship between industrial output, inflation rate, FDI, Foreign Exchange Rate and economic growth, after which ADF unit root test was conducted using Breusch-Godfrey serial correlation LM test and Breusch-Pagan-Godfrey heteroskedasticity test. The econometric analysis has shown that the increase of industrial output will increase economic growth in Senegal. Therefore, there is significant relationship between industrial development and Senegalese economy growth. However, the result revealed that industrialization will go a long way in stimulating economic growth. Based on these results, we have recommended some policy measures in order to boost industrial output by improving the overall productivity of all the sectors and ensure sustainable development

**Zaid Ashiq Khan (2021)** In his Article of “Dynamic linkage between industrialization, energy consumption, carbon emission, and agricultural products export of Pakistan” published in the year of 2021.focused on This study aims to contribute to the literature and examine the causal relationship between Pakistan’s agricultural products export, industrialization, urbanization, transportation, energy consumption, and carbon emissions. For the last four decades, time-series data were used to employ short-run and long-run nexus between the selected variables by analyzing the Autoregressive Distributed Lag Model (ARDL). The Granger causality test was analyzed to estimate the causality directions. The unit root test results indicate that all the selected variables are stationary at the level and first difference. The bound test confirmed that all variables are cointegrated at a 1% significance level. Long-run estimates suggest that an increase in energy consumption will increase the export of agricultural products. An increase in urbanization, transportation, and carbon emission resulted in a decrease in agricultural products export in Pakistan. In the short run, an increase in industrialization, transportation, and energy consumption leads to an increase in agricultural products export. Increasing urbanization and carbon emission decrease the agricultural products export of Pakistan. Based on our findings, we recommend sustainable agricultural production, renewable energy consumption, low carbon emission technologies, and a green portfolio for sustainable agricultural products export.

### 1.3 Research Gap

It has been studied in different topics relating to industrialization like future problems of food , improper utilization of resources ,issues on employment , more using traditional methods in industrialization , environmental pollutions ,mining effect on earth , issues on ground water etc but no one studied about farmers perception on like feelings ,thoughts ,opinions about giving a land to industrialist . also on what would be the level of utilizing an Agriculture land after the industrialization .

#### 1.4 Statement of The Research Problem

Industrialization is a prerequisite for economic development. Rapid industrialization has resulted in the development of urban centers. Karnataka is one of the industrialized states in India. Urban centres are growing rapidly due to rapid industrialization. Growth of urban centres has a great impact on agriculture. Karnataka is one of the most Industrialized state of in india. Karnataka government has offered more for industrialist in forming industries in a state it needs to give employment opportunity to its people . when industries increases automatically farmers will not get any chance to cultivate on land and hence they are ( industrialist & farmers) prefer good environment .

#### 1.5 Research Questions

1. What is the farmer's perception on industrialization in Karnataka ?
2. What are effects on Farmer's after Industrialization ?
3. What are the measures and support given by industrialist ?
4. How to get support by the industries to an Agriculture Sector

#### 1.6 Objectives of the Study

1. To study the farmer perception towards Industrialization in Tumkuru.
2. To examine the effect of Industrialization on socio economic status of farmers.
3. To study effect of Industrialization on productivity and production of food crop in Tumkuru district . .
4. To study the local industries support to Agriculture after acquisition of Land .
5. To examine the effect of industrial wastage on agriculture activity in Tumkuru District

#### 1.7 Scope of the study

To examine and analysis the research problem in karnataka. In this purpose selecting a Tumkuru district only .

#### 1.8 Significance of the study

In this study more importance is given to the farmers thoughts and feelings on Agriculture land and more Important to industrialist which means to know the level of utilizing a agriculture land in the time of acquiring a agricultural land for industrialization ,another important significant is an economical performance after industrialization in a State .

## 1.9 Hypotheses

Based on the objective of study the following objective have been formulated .

**Ho1 :** Farmer's does not have positive perception Towards industrialization in Tumkuru District.

**Ho2 :** There is no significant difference in productivity and production of food crop before and after industrialization .

**Ho3 :** There is no significant effect of Industrial wastage on Agriculture activity in Tumkuru district

## 1.10 Research Design

Research design for this study is Empirical in nature , where research is based on measurement and observation . for achieving the research objectives , the current study is considering mixed research choice that involves combination of quantitative and qualitative research methods .

## 1.11 Sources of data

Using a primary data and secondary data

- Study includes primary as well as secondary data.
- To provide good foundation to study its also referred many books, research publications and government journals etc.,
- The study proposes to use sample survey method to collect primary data of large number of farmers in study .

## 1.12 Sampling design

Descriptive field studies require collection of first hand information or data pertaining to the units of studies from the field the units of study may include the area covered under Karnataka state

## Sampling

“The process of drawing sample from large population is called sampling “

In this study have An using stratified random sampling technique is used .

## Tools for data collection

The questionnaire and direct interview is usedfor collecting a required information .

## 1.13 Tools of data analysis

The data is extracted from personnel interview with questionnaire and other sources it is processed for the purpose of study the processed data are presented in tabular form , the data or information from the tables is further graphically represented to make a pictorial and enable the reader to grasp better and

the study incorporate various statistical tools like mean , standard deviation , chi square and Z test for analysing the data .

### Sampling size calculation

Districts	No of Respondents
Tumkuru	400
<b>Total</b>	<b>400</b>

Variance of population attribute -400

Confidence Level – 5% = **1.96**

Margin of Error – 5

#### Formula :

$$n = Z^2 \times \text{standard deviation}^2 / e^2$$

$$n = (1.96)^2 \times (400)^2 / (5)^2$$

$$n = 3.8496 \times 1,60,000 / 2500$$

$$n = 6,15,936 / 2500$$

$$n = \mathbf{246}$$

#### 1.14 Limitation of the study

- This study is restricted to Tumkuru district only.
- The opinion of the respondents may not represent the whole population.
- This study has been limited to only 400 individuals.
- The result of this study is completely depend on the basis of data given by the Respondents, it is not sure that they gave accurate data.
- Majority of the respondents are illiterates so data may be not 100% accurate



## 1.15 Chapter Schemes

### 1. Introduction & challenges and issues of industrialization in a state

In first chapter will have covering a complete information about Agriculture industries history background , policies ,features , needs , importance etc . completely studying major challenges and issues faced by industries in A state data completely based on primary as well as secondary sources .

### 2. Research Design

It explains the methodology of present study and outlines brief review of literature essential for the purpose of study

### 3. Industrial profile and Agricultural profile in a Karnataka

In this chapter full covering of a complete industries in A state and agriculture in a state according to chronological order or district wise .

### 4. Farmer perception towards industrialization Farmers life style after industrialization in a state

In this chapter complete studying a farmer perception on industrialization . this chapter completely based on primary data through a various sources and will have covering farmers life style after giving a land to industrialist which means covering welfare of the farmers after industrialization

### 5. Impact of Industrial productivity after Acquiring Agriculture land

In this chapter covering a complete industrial performance in a state when industries acquiring a Agriculture land .

### 6. Summary of Findings , suggestions & Conclusion

It shows major findings and suggestions and conclusion transpired from the present study.

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