

ANALYZING THE IMPACT OF GLOBALIZATION ON INDUSTRIAL DEVELOPMENT IN TELANGANA: SOME EMPIRICAL EVIDENCE

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Abstract

The government of India made changes in its economic policy in 1991 by which it allowed direct foreign investments in the country. As a result of this, globalization of the Indian Industry took place on a major scale. The various beneficial effects of globalization in Indian Industry are that it brought in huge amounts of foreign investments into the industry especially in the BPO, pharmaceutical, petroleum, and manufacturing industries. As huge amounts of foreign direct investments were coming to the Indian Industry, they boosted the Indian economy quite significantly. The broad objective of the paper is to measure the impact of Globalization of industry in Telangana state. It is found that The effects of Globalization on industry in Telangana are identified and arranged in the descending order of endorsement (Strongly Agree) which include Pull factors are playing important role in the industrialization process, Increase in enterprising habits among the public, Growth of intercontinental business, Phenomenal growth of domestic industry, Wide scope for sustainable growth of industry, Unprecedented technology transfer, Declining industrial employment, Exposure for international market risks, Only big can survive and Significant growth of trade related services.

KEY WORDS: GLOBALIZATION, TRADE RELATED SERVICES, SUSTAINABLE GROWTH OF INDUSTRY, AND PULL FACTORS FOR INDUSTRIAL GROWTH.

INTRODUCTION

Globalization of the Indian Industry took place in its various sectors such as steel, pharmaceutical, petroleum, chemical, textile, cement, retail, and BPO. Globalization means the dismantling of trade barriers between nations and the integration of the nations economies through financial flow, trade in goods and services, and corporate investments between nations. Globalization has increased across the world in recent years due to the fast progress that has been made in the field of technology especially in communications and transport. The government of India made changes in its economic policy in 1991 by which it allowed direct foreign investments in the country. As a result of this, globalization of the Indian Industry took place on a major scale. The various beneficial effects of globalization in Indian Industry are that it brought in huge amounts of foreign investments into the industry especially in the BPO, pharmaceutical, petroleum, and manufacturing industries. As huge amounts of foreign

direct investments were coming to the Indian Industry, they boosted the Indian economy quite significantly. The benefits of the effects of globalization in the Indian Industry are that many foreign companies set up industries in India, especially in the pharmaceutical, BPO, petroleum, manufacturing, and chemical sectors and this helped to provide employment to many people in the country. This helped reduce the level of unemployment and poverty in the country. Also the benefit of the Effects of Globalization on Indian Industry are that the foreign companies brought in highly advanced technology with them and this helped to make the Indian Industry more technologically advanced. The broad objective of the paper is to measure the impact of Globalization of industry in Telangana state. Towards this end, data are collected from 83 industrial entrepreneurs drawn from Karimnagar, Nizamabad and Nalgonda districts mostly by adhering to the principles of stratified random sampling methods. Data are collected directly from the respondents with the help of structured questionnaire/ schedule.

RESULTS AND ANALYSIS

Table-1

Impact of Globalization on industry-Phenomenal growth of domestic industry

Level of agreement	Frequency	Percent	Cumulative Percent
Strongly agree	41	49.4	49.4
Agree	32	38.6	88.0
Disagree	10	12.0	100.0
Total	83	100.0	

Source: Field study

Table-1 deals with the distribution of the sample industrial entrepreneurs by their level of agreement with reference to the impact of Globalization on Indian industry in Telangana state in terms of 'phenomenal growth of domestic industry'. It is observed that Globalization of Indian industry in Telangana state has resulted in 'phenomenal growth of domestic industry' which is strongly agreed by 49.4 percent of sample industrial entrepreneurs and the same is agreed by 38.6 percent and disagreed by 12 percent of the respondents.

Table-2

Impact of Globalization on industry-Exposure for international market risks

Level of agreement	Frequency	Percent	Cumulative Percent
Strongly agree	26	31.3	31.3
Agree	49	59.0	90.4

Disagree	8	9.6	100.0
Total	83	100.0	

Source: Field study

Table-2 deals with the distribution of the sample industrial entrepreneurs by their level of agreement with reference to the impact of Globalization on Indian industry in Telangana state in terms of 'exposure to international market risks'. It is observed that Globalization of Indian industry in Telangana state has resulted in a situation where Indian industry is compelled for 'exposure to international market risks' which is strongly agreed by 31.3 percent of sample industrial entrepreneurs and the same is agreed by 59 percent and disagreed by 9.6 percent of the respondents.

Table-3

Impact of Globalization on industry-Significant growth of trade related services

Level of agreement	Frequency	Percent	Cumulative Percent
Strongly agree	19	22.9	22.9
Agree	59	71.1	94.0
Disagree	5	6.0	100.0
Total	83	100.0	

Source: Field study

Table-3 deals with the distribution of the sample industrial entrepreneurs by their level of agreement with reference to the impact of Globalization on Indian industry in Telangana state in terms of 'significant growth of trade related services'. It is observed that Globalization of Indian industry in Telangana state has resulted in a 'significant growth of trade related services' which is strongly agreed by 22.9 percent of sample industrial entrepreneurs and the same is agreed by 71.1 percent and disagreed by 6 percent of the respondents.

Table-4

Impact of Globalization on industry-Declining industrial employment

Level of agreement	Frequency	Percent	Cumulative Percent
Strongly agree	26	31.3	31.3
Agree	48	57.8	89.2

Disagree	9	10.8	100.0
Total	83	100.0	

Source: Field study

Table-4 deals with the distribution of the sample industrial entrepreneurs by their level of agreement with reference to the impact of Globalization on Indian industry in Telangana state in terms of 'declining industrial employment'. It is observed that Globalization of Indian industry in Telangana state has resulted in 'declining industrial employment' which is strongly agreed by 31.3 percent of sample industrial entrepreneurs and the same is agreed by 57.8 percent and disagreed by 10.8 percent of the respondents.

Table-5

Impact of Globalization on industry-Wide scope for sustainable growth of industry

Level of agreement	Frequency	Percent	Cumulative Percent
Strongly agree	40	48.2	48.2
Agree	34	41.0	89.2
Disagree	9	10.8	100.0
Total	83	100.0	

Source: Field study

Table-5 deals with the distribution of the sample industrial entrepreneurs by their level of agreement with reference to the impact of Globalization on Indian industry in Telangana state in terms of 'wide scope for sustainable growth of industry'. It is observed that Globalization of Indian industry in Telangana state has resulted in 'wide scope for sustainable growth of industry' which is strongly agreed by 48.2 percent of sample industrial entrepreneurs and the same is agreed by 41 percent and disagreed by 10.8 percent of the respondents.

Table-6

Impact of Globalization on industry-Only big can survive

Level of agreement	Frequency	Percent	Cumulative Percent
Strongly agree	23	27.7	27.7
Agree	53	63.9	91.6
Disagree	7	8.4	100.0

Total	83	100.0	
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Source: Field study

Table-6 deals with the distribution of the sample industrial entrepreneurs by their level of agreement with reference to the impact of Globalization on Indian industry in Telangana state in terms of 'only big can survive'. It is observed that Globalization of Indian industry in Telangana state has resulted in a situation where 'only big can survive' which is strongly agreed by 27.7 percent of sample industrial entrepreneurs and the same is agreed by 63.9 percent and disagreed by 8.4 percent of the respondents.

Table-7**Impact of Globalization on industry-Increase in enterprising habits among the public**

Level of agreement	Frequency	Percent	Cumulative Percent
Strongly agree	47	56.6	56.6
Agree	29	34.9	91.6
Disagree	7	8.4	100.0
Total	83	100.0	

Source: Field study

Table-7 deals with the distribution of the sample industrial entrepreneurs by their level of agreement with reference to the impact of Globalization on Indian industry in Telangana state in terms of 'increase in enterprising habits among the public'. It is observed that Globalization of Indian industry in Telangana state has resulted in a situation where 'increase in enterprising habits among the public' which is strongly agreed by 56.6 percent of sample industrial entrepreneurs and the same is agreed by 34.9 percent and disagreed by 8.4 percent of the respondents.

Table-8**Impact of Globalization on industry-Unprecedented technology transfer**

Level of agreement	Frequency	Percent	Cumulative Percent
Strongly agree	34	41.0	41.0
Agree	43	51.8	92.8
Disagree	6	7.2	100.0
Total	83	100.0	

Source: Field study

Table-8 deals with the distribution of the sample industrial entrepreneurs by their level of agreement with reference to the impact of Globalization on Indian industry in Telangana state in terms of ‘unprecedented technology transfer’. It is observed that Globalization of Indian industry in Telangana state has resulted in ‘unprecedented technology transfer’ which is strongly agreed by 41 percent of sample industrial entrepreneurs and the same is agreed by 51.8 percent and disagreed by 7.2 percent of the respondents.

Table-9

Impact of Globalization on industry-Growth of intercontinental business

Level of agreement	Frequency	Percent	Cumulative Percent
Strongly agree	44	53.0	53.0
Agree	31	37.3	90.4
Disagree	8	9.6	100.0
Total	83	100.0	

Source: Field study

Table-9 deals with the distribution of the sample industrial entrepreneurs by their level of agreement with reference to the impact of Globalization on Indian industry in Telangana state in terms of ‘growth of intercontinental businesses’. It is observed that Globalization of Indian industry in Telangana state has resulted in ‘growth of intercontinental businesses’ which is strongly agreed by 53 percent of sample industrial entrepreneurs and the same is agreed by 37.3 percent and disagreed by 9.6 percent of the respondents.

Table-10

Impact of Globalization on industry-Pull factors are playing important role in the industrialization process

Level of agreement	Frequency	Percent	Cumulative Percent
Strongly agree	48	57.8	57.8
Agree	29	34.9	92.8
Disagree	6	7.2	100.0
Total	83	100.0	

Source: Field study

Table-10 deals with the distribution of the sample industrial entrepreneurs by their level of agreement with reference to the impact of Globalization on Indian industry in Telangana state in terms of ‘pull factors are playing important role in the industrialization processes’. It is observed that Globalization of Indian industry in Telangana

state has resulted in 'pull factors are playing important role in the industrialization processes' which is strongly agreed by 57.8 percent of sample industrial entrepreneurs and the same is agreed by 34.9 percent and disagreed by 7.2 percent of the respondents.

Table-11

Testing the null hypothesis between size of the industrial entrepreneurs and their perceptions about the impact of Globalization of industry in Telangana state by using chi-square statistic at LOS=0.05 and DF=6

Size of the industrial entrepreneurs	Perceptions about the impact of Globalization on industry in Telangana state	Decision
Size of the industrial entrepreneurs	Phenomenal growth of domestic industry	Ho is accepted
Size of the industrial entrepreneurs	Exposure for international market risks	Ho is rejected
Size of the industrial entrepreneurs	Significant growth of trade related services	Ho is accepted
Size of the industrial entrepreneurs	Declining industrial employment	Ho is accepted
Size of the industrial entrepreneurs	Wide scope for sustainable growth of industry	Ho is accepted
Size of the industrial entrepreneurs	Only big can survive	Ho is accepted
Size of the industrial entrepreneurs	Increase in enterprising habits among the public	Ho is accepted
Size of the industrial entrepreneurs	Unprecedented technology transfer	Ho is accepted
Size of the industrial entrepreneurs	Growth of intercontinental business	Ho is rejected
Size of the industrial entrepreneurs	Pull factors are playing important role in the industrialization process	Ho is accepted

Table-11 reveals that the relationship between size of the industrial entrepreneurs and their perceptions about the impact of Globalization on industrial development in Telangana state is found to be statistically independent except with reference to exposure for international market risks and growth of intercontinental business.

CONCLUSION

The effects of Globalization on industry in Telangana are identified and arranged in the descending order of endorsement (Strongly Agree) which include Pull factors are playing important role in the industrialization process, Increase in enterprising habits among the public, Growth of intercontinental business, Phenomenal growth of domestic industry, Wide scope for sustainable growth of industry, Unprecedented technology transfer, Declining industrial employment, Exposure for international market risks, Only big can survive and Significant growth of trade related services.

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