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A STUDY ON SOCIO-ECONOMIC CONTRIBUTIONS OF ANTHARASANAHALLI INDUSTRIAL AREA: PERCEPTION OF THE COMMUNITY

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ABSTRACT

Industrial sector plays a vital role in boosting the economic growth and development of the country. It contributes, 29.7% of Gross Value Added (GVA) to the Indian economy. The Micro, Small and Medium Enterprises (MSMEs) which is estimated to be at 42.50 million, registered & unregistered together contributes to a staggering 95% of the total industrial units in the country. They not only provide huge employment opportunities but also ensure regional balance by taking industrialisation to rural and backward areas (about 20% of MSMEs operate out of rural & backward areas – CII). Thus, reduced regional economic imbalances leads to equitable distribution of national income and wealth. Thereby, the industries contribute enormously to the socio-economic development of the country.

The present study aims at understanding the socio-economic contribution of Antharasanahalli industrial area, Tumakuru, Karnataka from the point of view of the community. A sample of 50 respondents has been selected from the community using non-probability sampling. A structured questionnaire has been administered to collect the data necessary to draw conclusion. The data has been analyzed using various statistical tools like factor score and friedman test. The study reveals, Antharasanahalli industrial area has positively contributed to the socio-economic development of the region as well as the community around it. But it was evident from the field survey that the respondents are not too convinced with their efforts towards infrastructure, local employment and environmental protection and they expect better responsibility in coming years.

Keywords: Industrial area, Socio-economic development, Community

Introduction

The Micro, Small and Medium Enterprises (MSME) sector has emerged as a highly vibrant and dynamic sector of the Indian economy over the last few decades. It contributes significantly in

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the economic and social development of the country, especially in the rural part of the country. As per the National Sample Survey (NSS) 73rd round, conducted by National Sample Survey Office, Ministry of Statistics & Programme Implementation during the period 2015-16, there were 633.88 lakh unincorporated non-agriculture MSMEs in the country engaged in different economic activities like manufacturing with 31%, followed by Trade and Other services with 36% and 33% respectively. There are more enterprises in rural (324.88 lakh) compared to urban (309 lakh)[1]. These Industries, not only create employment opportunities, but also impacts on the life of the community around it. They improvise the social infrastructure such as education, health, housing, access to drinking water etc, reduce regional imbalances and leads to more equal distribution of wealth, hence, making it a major contributor to the socio-economic development of the country.

Industrial areas can be referred to industrial park or region, where large numbers of industries are located. Industrial area means, any area declared to be an industrial area by the State Government by notification which is to be developed and where industries are to be accommodated (and industrial infrastructure facilities and amenities are to be provided) and includes an industrial estate; which means, any site selected by the State Government where factories and other buildings are built for use by any industries or class of industries[2].

Industrial areas are considered as a development tool. The popularity of industrial estates and areas stems from the fact that their introduction often brings a number of benefits to a country or a region. On the one hand industrial estates and parks contribute to industrial and economic development and, in addition, they can be used as an important tool for the urban and regional planning policies of the country[3]. These industrial areas and estates are economically advantageous. They promote industrialization, provides employment, attract new investments, attain more balanced distribution of production and employment within the region by spreading out industries to smaller towns and rural areas.

Review of Literature

Socio-Economic Development and Industries

Socio-economic development could be defined as the process that seeks to identify and develop both social and economic needs of the community. In another words, it emphasises on the progress of geographic unit in terms of economic and social factors. Together, it can be seen as the development of community and geographic unit, in terms of social and economic factors. The

[1] MSME Annual Report, 2017-18

[2] Karnataka Industrial Areas Development Act, 1966

[3] United Nations Industrial Development Organization (UNIDO, 1997)

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below detailed summary literature review provides a view on Industries and the socio-economic development.

Davis, Kingsley and Golden Hilda H (Oct 1954), conducted the study based on cross-cultural studies of cities and urbanization which was necessary to understand the processes of change in pre-industrial areas. They found the relationship between urbanization and economic development and the degree of urbanization increases sharply as industrialism increases. **Kenneth C. Land (1975),** has reported various socio-economic development indicators in the study, such as health and illness; social mobility; the physical environment; income and poverty; public order and safety; learning, science and art; quality of life; and participation and alienation to measure social change. In the same study, authors, in order to describe social conditions and trends in United States, eight socio-economic indicators were mentioned: Morbidity & health, public safety, education, employment, income, poverty, transportation, mortality, housing, leisure and recreation, and population. **Ramphul Ohlan (Dec 2013),** defines socio-economic development as a multi-dimensional process which improves the quality of life of the people and it requires the satisfaction of social, economic, political and cultural rights, equitable distribution of development benefits and opportunities, dignified living environment, gender equality and empowerment of poor and marginalized i.e. "upward movement of entire social system".

Vishal Pinto (Dec 2014), has studies the socio-economic impact of Jasmine cultivation, as a micro entrepreneurial activity in enhancing income and providing employment opportunities to the SHG members. The researcher used parameters such as income, poverty reduction, better living conditions, and good status in society in order to assess the socio-economic impact of micro entrepreneurial activity i.e. Jasmine cultivation. The result shows that all SHG members agreed entrepreneurial activity improves their socio-economic development by improving income level. Around 78% of respondents agreed that it helped them to reduce their poverty level, 33% accepted that they could afford better living conditions and 7% said that they enjoy better status in society. **Lukasz Wroblewski (2014),** analysed the influence of creative industries on the socio-economic development of region in Poland. Secondary data i.e. reports from Central Statistical Office and Institute of Structural Research in Warsaw has been used for the study. The results show a positive effect on the socio-economic development of the region. Study revealed creative industries created lot of jobs for the people of the region, directly as well as indirectly and has contributed to a creating a gross value addition (GVA) of about 2.5% of the value, which is directly related to GDP (GVA + taxes –subsidies for the production = GDP). These industries have also increased the expenses on households and thereby contributing to economy. The study says creative industries have formed an environment for knowledge and creating a metro-politan function, along with building a positive image for the region. The local revenues have gone up due to payment of taxes like property tax, and personal income, corporate tax at large which led

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to the revitalization of municipal and country. This led to the improvement in the quality of life of residents and helped in reconstruction of social bonds. Investments have been attracted in the regions as well.

The above literatures describe variables which measure socio-economic development like employment, income level, health, social status, poverty, public safety, transportation, education, population, investments, quality of life, housing, social bonds etc. All these variables have been considered for the study along with few others based on other literatures. Few reviews also display positive relationship of industries with socio-economic development. Apparently, no similar studies have been undertaken in Karnataka. Hence, this research, the study on socio-economic contribution of industries in Antharasanahalli industrial area, Tumakuru, Karnataka, assumes importance.

In Karnataka, the Karnataka Industrial Development Board (KIADB) has developed nearly 145 industrial areas and allotted lands to over 16,960 units. The Karnataka Small Scale Industrial Development Corporation (KSSIDC) has allotted industrial sheds or plots to 13,513 units in its 174 industrial estates. Tumakuru district has nine industrial areas and ten estates. Table 1, shows the list of industrial areas in Tumakuru district.

Table 1: Table showing the Status of Industrial Areas in the Tumkur District

Sl. No	Name of Industrial Area	Land acquired (In hectare)	Year of Acquisition	No. of Plots Developed	No .of Plots Allotted	No. of units Allotted	No. of vacant Plots
1	Antharasanahalli I-Phase	208.00	1984	136	136	131	Nil
2	Antharasanahalli II-Phase	256.00	1998-99	142	142	141	Nil
3	Sathyamangala	54.50	1984	46	46	37	Nil
4	Hirehalli	160.86	1984	101	101	89	Nil
5	Kunigal I-Phase	112.57	1984	90	90	65	Nil
6	Kunigal II-Phase	52.97	2006-07	11	11	13	Nil
7	Vasanthanarasapura I-	782.22	2007-08	365	365	365	Nil

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	Phase						
8	Vasanthanarasapura II-Phase	1263.78	2009-10	657	-	-	657
9	Vasanthanarasapura III-Phase	1598.00	2009-10	-	-	-	-

Source: DIC/KIADB, 2014

As seen in the Table 1, there are nine industrial areas developed through 1984 to 2010, covering a land of 4488.9 hectares with 841 allotted numbers of units. Antharasanahalli industrial areas have been chosen for the study, as it was developed as one of the earliest industrial area developed in the year 1984 and then expanded in 1998-99. The Antharasanahalli industrial areas is spread around 464 hectares (Phase I and II) with 131 units in operation, while Phase II

Objectives of the Study

1. To study the perception of community towards the socio-economic contributions of Antharasanahalli industrial area.
2. To examine the expectations of community from the Antharasanahalli industrial area.

Research Methodology

For the purpose of study, "community" is defined as:

- Resident of the place or,
- Running/owning a business establishment (shops, hotels etc.) in the region or,
- Running an institution (banks, schools and colleges, training institutions etc.) in the region

The data is empirical in nature and exploratory research methodology is used for the study. A structured questionnaire has been administered to collect the data necessary. A sample of the study is 50 respondents, which consist of 30 residents, 15 business establishments and 5 institutions operating in and around the Antharasanahalli industrial area. The variables chosen for the study are based on available literatures. The reliability test has been conducted to measure the internal consistency (reliability), using Cronbach's alpha. Below table shows the reliability scores for one of the table used with Likert scale:

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Table 2: Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	No. of Items
.716	.703	24

An alpha score of above 0.7 is considered to be acceptable. Factor Score and Friedman Test have been applied to analyse the data. Under Factor Score analysis, each scale is given weights and multiplied with the number of responses to the particular variable to arrive at the factor score. Friedman Test is used to attain the mean ranks for the variables, since the variables are categorical in nature.

Profile of the Residents

Residents form the main part of the community. Thirty residents have been interviewed, of which 63% (19 respondents) are male and 37% (11 respondents) are female. Below Tables 3 and 4 shows, majority of respondents (57%) are aged 41 and above and are living for more than 16 years respectively. Around 56% of the respondents don't have any of their family members working in the particular industrial area.

Table 3: Age of the Respondents

Age	**Frequency**
20 and Below	1
21-30	5
31-40	7
41-51	9
51 and Above	8
Total	**30**

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Table 4: Duration of Stay in the Area

Tenure	Frequency
0-5 Years	1
6-10 Years	3
11-15 Years	4
16-20 Years	8
More than 20 Years	14
Total	**30**

Profile of the Institutions and Business Establishments

Five institutions and 15 business establishments were interviewed for the purpose of the study. Out of 15 business establishments, ten are manufacturing or trading oriented and the rest five are service in nature. All the institutions are service in nature. Eighty per cent of the respondents said, industries in the area are the reason for their establishment. Below Table 5 shows, nearly 60% of these respondents are aged between 0-5 years and more than 20 years, while Table 6 shows, 15 respondents have agreed, either they are dependent or completely dependent on the industrial area for their business.

Table 5: Number of Years of Existence in the Area

Years of Existence	Frequency
0-5 Years	6
6-10 Years	4
11-15 Years	1
16-20 Years	3
More than 20 Years	6
Total	**20**

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Table 6: Level of Dependency of Institutions and Business Establishments on Industrial Area

Dependency	Frequency
Complete Dependent	2
Dependent	13
Neither Dependent nor Independent	4
Independent	1
Completely Independent	0
Total	**20**

Below Table 7 shows, out of 50 respondents, 36 were either familiar or completely familiar with the industrial area, while 13 were neither familiar nor unfamiliar (less familiar).

Table 7: Level of Familiarity of Respondents with Industrial Area

Familiar	Frequency
Completely Familiar	16
Familiar	20
Neither Familiar nor Unfamiliar	13
Unfamiliar	1
Completely Unfamiliar	0
Total	**50**

Objective 1: Factor Score Analysis

Factor score analysis is a statistical method used to arrive at the factor score and mean for each variable, based on the number of responses and weights allocated to the scales. Highest factor score or mean represents the highly preferred or positioned variable among others. In simple, it

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helps to identify the position of variables in terms of respondents' preference. This analysis is similar to mean analysis done using SPSS to arrive at the mean scores for each variable.

Factor score analysis is used to analyse the factors chosen for the study. Table 8, shows the perception of respondents (community) towards the contribution of industrial area for the growth of Antharasanahalli. A 5 point Likert scale has been used and each scale is given weights from 5 to 1, while 5 being highest and 1 being lowest. Score 5 represents scale of "highly positive", which means respondents have positively agreed that industrial area has contributed to the development of the region.

It can be seen from the below table that Reduced poverty level of the people of region (239), positive image of the region (238), Real estate prices (236) and construction activities (235) and have high factor scores and mean compared to other factors. It shows, respondents felt that Antharasanahalli industrial area has contributed mainly to the development of transportation facility, creating positive image, construction activities and power and lighting facilities in the region. While, it has not contributed much towards the development of education and training institutions, followed by cleanliness and easy accessibility of basic goods & services in the region. Respondents are quite satisfied with overall contribution of industries to the growth of the region.

Table 8: Respondents' Perception towards Contribution of Industrial Area for the Growth of the Region

Factors	Highly Positive	Positive	Neither Positive nor Negative	Negative	Highly Negative	Factor Score	Average
Drinking water	28	17	4	1	0	222	4.44
Construction activities	37	12	1	0	0	235	4.72
Communication e.g. Postal, telephone lines, mobile towers	35	13	1	1	0	232	4.64
Employment generation (local people)	7	29	11	3	0	190	3.24
Educational and training institutions	10	15	5	17	3	162	3.80
Easy accessibility of basic goods and services	20	26	0	4	0	212	4.24

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Hotel facilities	14	30	4	2	0	206	4.12
Hygiene of the region	9	23	7	9	2	178	3.56
New business establishments like new stores, shops etc.	19	29	2	0	0	217	4.34
Population	34	16	0	0	0	234	4.68
No. of Houses	32	18	0	0	0	232	4.64
Positive image of the region	39	11	0	0	0	238	4.78
Real estate prices	36	14	0	0	0	236	4.72
Public safety and law & order	29	17	4	0	0	225	4.50
Power facility and lighting e.g. Street lights	24	23	3	0	0	221	4.42
Reduced crime and violence	20	26	3	1	0	215	4.30
Transportation facility	19	29	2	0	0	217	4.34
Reduced slums	33	15	0	2	0	229	4.58
Road facilities	12	33	3	2	0	205	4.10
Sewage and sanitation	18	20	6	4	2	198	3.96
Reduced poverty level of the people of region	42	8	0	0	0	239	4.84
Over all development of the region	24	22	3	1	0	219	4.30

Table 9: Respondents' Perception towards Contribution of Industrial Area for the Growth of People in the Region

Factors	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree	Factor Score	Average
Education level	16	31	2	1	0	212	4.24
Consumption level	23	25	2	0	0	221	4.42
Empowerment of women	26	22	2	0	0	224	4.48
Health status	3	34	8	4	1	184	3.68
Income level	27	20	3	0	0	224	4.48
Public spending (expenditure level)	20	28	2	0	0	218	4.36

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Purchasing power	19	27	4	0	0	215	4.30
Social behaviour	19	30	1	0	0	218	4.36
Savings level	7	30	10	3	0	191	3.82
Safety level	15	28	5	2	0	206	4.12
Social status	11	27	12	0	0	199	3.98
Standard of living	20	24	6	0	0	214	4.28
Over all development of people of the society	17	27	4	2	0	209	4.18

Table 9, indicates perception of community towards the role of industrial area in the growth of people of the region. Like before, each scale is given weights from 5 (highest) to 1 (lowest) i.e. strongly agree as 5 and strongly disagree as 1. Table shows, respondents strongly agreed that industrial area has improved the income level, consumption level and has empowered women in the region. But the health status, savings level, social status and safety level of the people were not improved much after the establishment of industrial area. The overall development of the people, due to the industrial area contribution is quite satisfied and agreed by the respondents.

Objective 2: Friedman Test

Friedman test is a non-parametric test used to arrive at the mean rank and the hierarchy of the factors based on their ranks.

Hypothesis Testing

H0: There is no difference between the expectations of the respondents from the industrial area
H1: There is difference between the expectations of the respondents from the industrial area

Table 10: Friedman Test Statistics

N	50
Chi-Square	186.079
Df	5
Asymp. Sig.	.000

a. Friedman Test

From Table 10, it is evident that at 5% level of significance, the value under χ^2 (chi-square) is below 0.05. Thus, the null hypothesis is rejected and alternate hypothesis is accepted. Hence

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statistically, there is difference between the expectations of the respondents from the industrial area.

Table 11: Respondents' Expectation from the Industrial Area

Factors	N	Mean Rank	Std. Deviation	Minimum	Maximum
More employment to local people	50	1.44	.577	1	3
Improve infrastructure	50	1.74	.751	1	4
Community development	50	4.90	.789	3	6
Environment Protection	50	3.88	1.003	2	6
Training facilities	50	5.38	.901	3	6
Improve educational facilities	50	3.60	1.069	2	6

From the above Table 11, it is evident that respondents are expecting more employment to the local people, which has a mean rank of 1.44 and all the respondents have either ranked it as 1, 2 or 3. While one can notice that the respondents i.e. community are expecting industries to improve the infrastructure of the region, involving and promoting environmental activities, improving educational facilities and overall development of the community by participating in more community based developmental activities.

Findings and Conclusion

In general, industries especially MSMEs plays a vital role in the development of any region. As we can make out from the study that industries not only generate employment opportunities, but also contributes to the growth of place and its people in many ways. Similarly, in and around of Antharasanahalli industrial area, there are quite a few institutions and business establishments have started their operations. These businesses are adding up to the economy of the region. They have created further employment in the region and this is the indirect employment creation from the any industrial area.

Antharasanahalli industrial area, as seen by the community, has definitely reduced poverty of the region and improving the social status of people along with contributing mainly to the development of construction activities, communication, public safety, power & lighting and

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drinking water, which in turn has created positive image about the region. Apart from the contribution to the region, it has also helped in the overall development of the people in the region. Income, purchasing and consumption levels of the people have been improved. Women are being empowered and are getting exposure to various opportunities like employment, business etc. But the major concern of the respondents is lack of employment to their own people and inattention towards the environment, is quite evident in the study. The respondents are expecting more employment to local people along with various community development activities like skill development, awareness programmes and improvement in the educational facilities. It can be concluded that, even though respondents are happy with the industrial area's contribution in general, they expect higher local employment with better infrastructure and greater community development activities in the future.

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