

A study on impact of small-scale industrial development on the employment opportunities, specifically the Khaza industry in Nalanda District

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ABSTRACT

Small-scale industries are essential for increasing employment possibilities and promoting socio-economic development, especially in rural and semi-urban regions. This study examines the Khaza industry in Nalanda district, aiming to assess the effects of small-scale industrial development on local employment creation. 'A descriptive and analytical study design was employed, utilizing both primary and secondary data. Primary data was gathered via structured questionnaires distributed to 200 participants, comprising Khaza owners and employees, while secondary data was sourced from governmental reports, scholarly articles, and industry publications. Descriptive statistics were utilized to examine demographic factors, while regression analysis was applied to assess the correlation between small-scale industry development and employment opportunities.' The results indicate that most respondents are within the economically active age bracket, with a predominance of male workers in the labor force, and the majority of participants has extensive experience in the industry. Regression analysis reveals a robust positive and statistically significant correlation between small-scale industry development and job prospects, with industrial development explaining 57% of the variance in employment levels. The study suggests that the Khaza sector is a vital source of livelihood in Nalanda district and that its continued development can significantly augment job creation. The study underscores the necessity for enhanced infrastructure, financial aid, skill enhancement, and governmental backing to optimize the employment capacity of small-scale enterprises.

Keywords: Small-scale industries, Khaza industry, Employment opportunities, Industrial development, Nalanda district



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INTRODUCTION

Small-scale industries (SSIs), often defined by little investment, labor-intensive operations, and geographic distribution, are integral to India's economic framework. They have developed into catalysts for job creation, inclusive economic advancement, and regional equilibrium, especially in rural and semi-urban regions. Small Scale Industries (SSIs) have significantly contributed to national economic progress by creating employment, reducing regional inequities, and improving export potential, despite encountering hurdles such as infrastructural deficiencies and restricted access to institutional financing (Arora, 2023). Similarly, (Shah, 2022) underscores their capacity to facilitate equitable wealth distribution and endorse varied production, rendering them essential to both rural and urban economies.

Significantly, SSIs are regarded as the cornerstone of the Indian economy. these industries represent around 95% of the nation's industrial units, employing over 17.5

million individuals and contributing in excess of 30% to the GDP. Cottage and small-scale enterprises account for around 40% of gross industrial value added, underscoring their significant economic impact (Pandey, 2016).

In the wider framework of economic advancement and societal improvement, SSIs function as accelerators for poverty reduction, rural industrialization, and social equity. Small-scale industrialization promotes entrepreneurship, creates employment opportunities, and alleviates poverty in both rural and urban environments, while concurrently tackling challenges such as talent shortages and restricted access to capital (Kumari, 2023). The MSME sector employs more than 110 million individuals, following agriculture, highlighting its vital contribution to alleviating unemployment and empowering marginalized communities (Yogendra & Kumar, 2023).

Problem statement

Small-scale industries are regarded as essential catalysts for economic growth and job creation, especially in rural and semi-urban regions. These sectors are sometimes characterized as labor-intensive, offering employment possibilities to a substantial portion of the population. Notwithstanding their significance, these businesses encounter numerous obstacles, including inadequate infrastructure, insufficient financial resources, limited technological adoption, and inadequate governmental backing. These difficulties impede their ability to generate sustainable and high-quality employment opportunities. The Khaza industry in Nalanda district is a notable small-scale sector that employs a considerable number of local workers, particularly unskilled and semi-skilled laborers. Despite the industry's growth, its capacity to offer secure, consistent, and adequately compensated employment remains ambiguous. Issues including inconsistent salaries, the seasonal nature of employment, restricted possibilities for skill development, and inadequate working conditions persistently impact the workforce. Moreover, there is scant empirical evidence assessing the direct influence of small-scale industrial development on employment prospects within this sector. The fundamental issue, therefore, is ascertaining the degree to which small-scale industrial development in the Khaza industry enhances employment chances in Nalanda area. Comprehending this link is essential for evaluating the impact of these industries on local economic growth and for devising effective measures to enhance their contribution to livelihood creation.

Objectives

- To study about small scale industries.
- To evaluate impact of small-scale industrial development on the employment opportunities in Khaja industry of Nalanda district.

Hypothesis

H₀: "There is no significant impact of small-scale industrial development on the employment opportunities in Khaja industry of Nalanda district."

H₁: "There is no significant impact of small-scale industrial development on the employment opportunities in Khaja industry of Nalanda district."

LITERATURE REVIEW

(Pankaj Vyas, 2024) This research aims to provide a better understanding of the common strategies employed by small-scale enterprises as they strive for expansion and improvement. study utilized a literature research, primary data, and secondary data methodologies to gain a better understanding of the aspects of this study. In specifically, the article reviews the characteristics, challenges, and potential of SSIs, highlighting their advantages in generating employment, raising incomes, and decreasing poverty. The small-scale industry plays a vital role in the country's economy.

(Rastogi, 2024) Starting a small-scale industry (SSI) is mainly driven by a desire to alleviate poverty. Both developed and developing countries rely on these areas heavily since they form the backbone of their

economies. Benefits to society and the economy from SSI include increased use of domestic raw materials, more job opportunities, and a stronger economy as a whole. The country's GDP grows as a result of increased development in both metropolitan and rural regions. Roughly 40% of the industrial value of India's GDP comes from SSI. Because of the resources and money they contribute to the economy per capita, SSIs are a major enterprise from both a financial and social perspective. This might encompass both the service and industrial industries. Industries that operate on a smaller scale still make good use of both human and financial resources. Using secondary data gathered from various sources such as books, magazines, newspapers, and the Ministry of Micro, Small, and Medium Enterprises (MSME) website, this research paper seeks to examine how small-scale industries (SSIs) contribute to alleviating poverty, creating jobs, and evaluating government initiatives aimed at SSI units.

(Namdeo, 2022) The small-scale industrial sector increases industrial productivity, which in turn increases national exports and the number of jobs created. In a similar vein, this sector has a tremendous effect on GDP. That is why SSIs are the new growth engine, according to the Indian government. If the small-scale industrial sector wants to experience sustainable growth, financial aid for SSIs should be priority. When it comes to manufacturing and selling their goods and services, the federal and state governments should make it easier for small and medium-sized companies (SSIs) to grow. Due to their low capital intensity and high labor absorption rate, SSIs have been a boon to rural industrialization and employment development. This sector has the potential to boom with the help of innovative marketing, new capital, cutting-edge technology, and knowledge of its past. Because to the recent changes, India's small-scale industry is now a thriving and active economic force.

(Charvi & Roshita, 2019) A country's degree of industrialization is a good indicator of its economic growth. The small-scale industries sector has a significant impact on economic growth, rural industrialization, and job production. The exports, employment rate, and manufacturing production of the nation are all being affected by SSIs. Many people see SSIs as a way to grow the economy in the future. Because of their great labor intensity, low capital cost, and huge employment potential, SSIs are the best. More than 50% of India's overall exports are from the SSI industry. The tremendous operational potential of SSIs means that they will contribute to the development of the nation's economic assets throughout time. Because of the rapid changes in the economy, SSIs are facing problems such as an increasing population, a scarcity of suitable jobs and capital, and so on. This article aims to evaluate the consequences of SSIs on the national economy and explore the current and future prospects of SSIs. The study's author also delves into the workers' level of familiarity with SSIs, their importance, their impact on the economy, and their role in Rajasthan's progress. Without cost and In order to achieve this, the author picked 350 employees from 64 SSIs in Rajasthan.

Finding and assessing: Analysis is carried out using several statistical approaches, including t-test, chi-square, factor, multiple regression, etc. According to the results, employees at certain SSIs understand their role, why they're important, and how they contribute to India's economic growth and development.

(Banik, 2018) Small scale industries (SSI) include micro-level production, manufacturing, and service firms as well as sole proprietorships. A large part of India's economic and social development since independence has come from the country's many small-scale industries. The inventive, efficient, adaptive, and successful entrepreneurial spirit of small-scale industries is the backbone of a thriving economy. No one disputes that SSI units are the ones really making the world economy go forward and fighting for equitable development. There has been tremendous benefit to India's economy from SSIs in the following areas: job creation, export development, leveling of regional playing fields, inter-sectoral linkages, and equitable economic growth. This industry employs over 80 million people, contributes about 8% to the GDP, and accounts for 45% of the country's manufactured output and 40% of its exports. 'Its product line includes over 6,000 items, ranging from traditional to high-tech, and it distributes more than 36 million units across the country. Not only could the SSI sector be a key player in pushing comprehensive growth forward, but it could also help spread industrial expansion all over the country. Supported by SSI units, the planned National Manufacturing Policy aims to achieve the following: doubling India's GDP from \$2 trillion to \$20 trillion; creating 100 million employments by the end of 2022; and boosting the manufacturing sector's contribution to GDP to 25%. In an attempt to discuss the importance of small-scale enterprises in economic development, this paper attempts to analyze the various difficulties faced by such businesses.'

(Mounika, 2017) National development is dominated by small-scale industries. It is responsible for producing almost 40% of the gross industrial value of India's GDP. The SSI sector has been significant in rural industrialization and employment development because of its low capital intensity and high labor absorption rate. A large population, high rates of unemployment and underemployment, insufficient funding, and other issues are only some of the ways in which SSI is struggling to adapt to the changing economic landscape. Consequently, the government has been providing particular facilities through a variety of policies and programs to address these concerns and encourage the creation and expansion of small-scale enterprises. The government's programs have caused the Supplemental Security Income (SSI) enrollment rate to skyrocket. Furthermore, many initiatives and financial incentives were put in place by the government to promote SSIs. Government support in the form of infrastructure development, fiscal policies, and monetary policies has allowed the SSI sector to flourish and become an important element of India's economy. In the previous 60 years, the sector has grown and evolved at a

remarkable rate. It is now a leading nation in terms of social and economic development. It kept showing signs of improvement even when other areas of the economy were expanding at negative or nominal rates. As is well known, a flourishing small-scale sector is crucial to an economy like India's. But SSI has been sick and struggling with a lot of problems that have made it uncompetitive. The article aims to highlight the importance of SSI to the Indian economy within this paradigm.

(Kumar, 2015) The rise of "giant MNC's and dwarf Indian enterprises" has created an uneven playing field in the marketplace brought about by globalization. Nationally, the manufacturing sector is highly dependent on the small-scale industry. Production, exports, and employment in India's industrial sector are all dominated by the small scale industry. Research in this area thus focuses on the effects of globalization on India's small and medium-sized enterprises. Finding out how SSI fared following globalization and how it affected employment is the primary goal of this study.

(Kasturi & Subrahmanya, 2014) The growth of small-scale industries (SSIs) has been seen by Indian officials as essential to the country's capacity to generate employment opportunities, increase industrial production, and promote exports ever since India's independence in 1947. Thus, policies and institutions formed the basis of India's strategy to promote SSI. Most of the money for SSI, including new businesses, has come from banks and other institutional sources, and governments and businesses frequently collaborate to foster an entrepreneurial spirit. The number of start-ups in India's economy has grown, albeit slowly, thanks to the support of different financial institutions. We may conclude that SSI's net increase in institutional loan flow favorably affects startup growth based on our findings from the Granger causality tests and vector autoregression (VAR) models. Although new company expansion helped SSI exports, it did little to boost SSI employment or production. Based on these findings, it would be wise to encourage the launch of new enterprises and increase the amount of financing accessible to them up to the 20% of turnover that the Reserve Bank of India (India's central bank) has stipulated in order to improve SSI export performance.

Research methodology

A descriptive and analytical research design was used in this study to investigate how employment opportunities in the Khaza industry of the Nalanda district are affected by small-scale industrial development. For a thorough grasp of the research problem, both primary and secondary data sources were used.

Research design

The study design is both descriptive and analytical in nature. A descriptive design was utilized to analyze the demographic attributes of the respondents, including age, gender, occupation, and duration of participation in the Khaza industry. This facilitated the profiling of respondents and the contextualization of their responses.

An analytical design was employed to investigate the correlation between small-scale industry development and job prospects. Regression analysis was employed to assess the statistical significance and the strength of the association between the independent variable (small-scale industrial development) and the dependent variable (job opportunities).

Research Approach

A quantitative approach was primarily employed in the study. The use of quantitative techniques allowed the researcher to objectively measure variables, identify patterns, and establish causal relationships. Primary data was gathered using a structured questionnaire designed on a five-point Likert scale.

Universe of the Study

The universe of this study comprises all individuals associated with the Khaza industry in Nalanda district, including both owners and workers engaged in different stages of production.

Sample Size

A total of 200 participants were chosen for the study. This comprised 43 Khaza owners (21.5%) and 157 Khaza employees (78.5%). The sample size was deemed sufficient to reflect the principal stakeholders in the sector and to facilitate significant statistical analysis.

Sampling Technique

The research utilized a purposive sampling method. This was considered suitable because the research necessitated replies exclusively from those directly involved in the Khaza industry. Owners and employees were deliberately chosen to guarantee their insights represent both managerial and labor viewpoints.

Data analysis

The data gathered from 200 respondents in the Nalanda district was methodically coded, tabulated, and analyzed utilizing SPSS software. 'Descriptive and inferential statistical methods were utilized to fulfill the research objectives. Descriptive statistics, including frequencies and percentages, were employed to delineate the demographic profile of respondents concerning age, gender, occupation, and duration of participation in the Khaza industry. Graphical instruments, such bar charts and pie charts, were utilized to visually depict the distribution of participants, hence facilitating the interpretation of results.' Regression analysis was conducted to investigate the correlation between small-scale industrial development and job prospects for hypothesis testing.

RESULTS

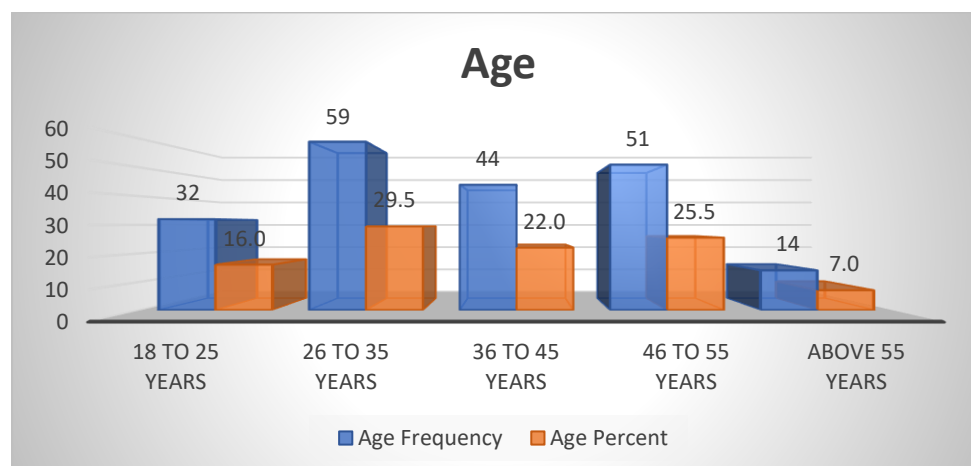
The research's findings regarding how small-scale industrial development affects job prospects in the Khaza sector of the Nalanda district are shown in the results section. The analysis is based on information gathered through structured questionnaires from 200 respondents, including Khaza employees and owners.

"Table 1: Age wise distribution of participants"

"Age"	"Frequency"	"Percent"
"18 to 25 years"	32	16.0
"26 to 35 years"	59	29.5
"36 to 45 years"	44	22.0
"46 to 55 years"	51	25.5
"Above 55 years"	14	7.0
"Total"	200	100.0

According to the respondents' age profile, the majority of participants are in their early working and productive years, with the largest group (29.5%) falling into the 26–35 age range. The next two age groups, 46–55 years (25.5%) and 36–45 years (22.0%), indicate that a sizable

portion of respondents are also middle-aged working adults, indicating experience and job stability. Only 7.0% of the population is over 55, with 16.0% of the population being between the ages of 18 and 25.

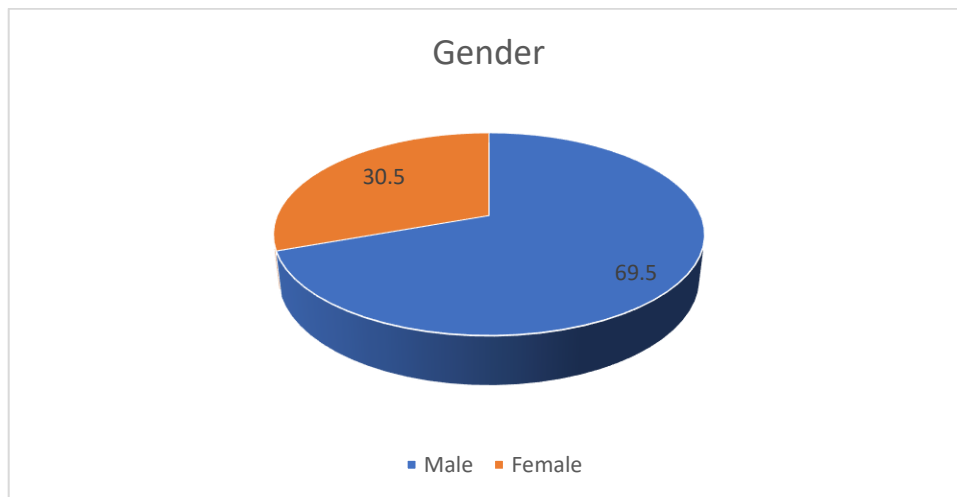


Graph 1: Graphical representation of age wise distribution of participants

“Table 2: Gender wise distribution of participants”

“Gender”		
	“Frequency”	Percent
“Male”	139	69.5
“Female”	61	30.5
“Total”	200	100.0

The data indicates that the majority of respondents are male (69.5%), while female respondents constitute 30.5% of the total sample.

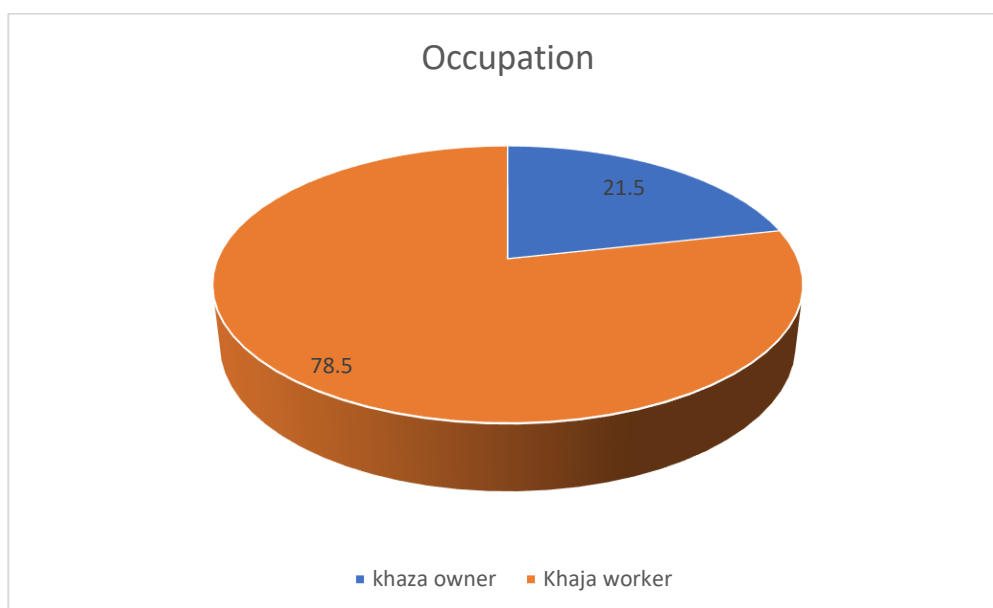


Graph 2: Graphical representation of gender wise distribution of participants

Table 3: Occupation wise distribution of participants

Occupation		
	Frequency	Percent
Khaza owner	43	21.5
Khaja worker	157	78.5
Total	200	100.0

The data shows that the vast majority of respondents are Khaza workers (78.5%), while only 21.5% are Khaza owners.



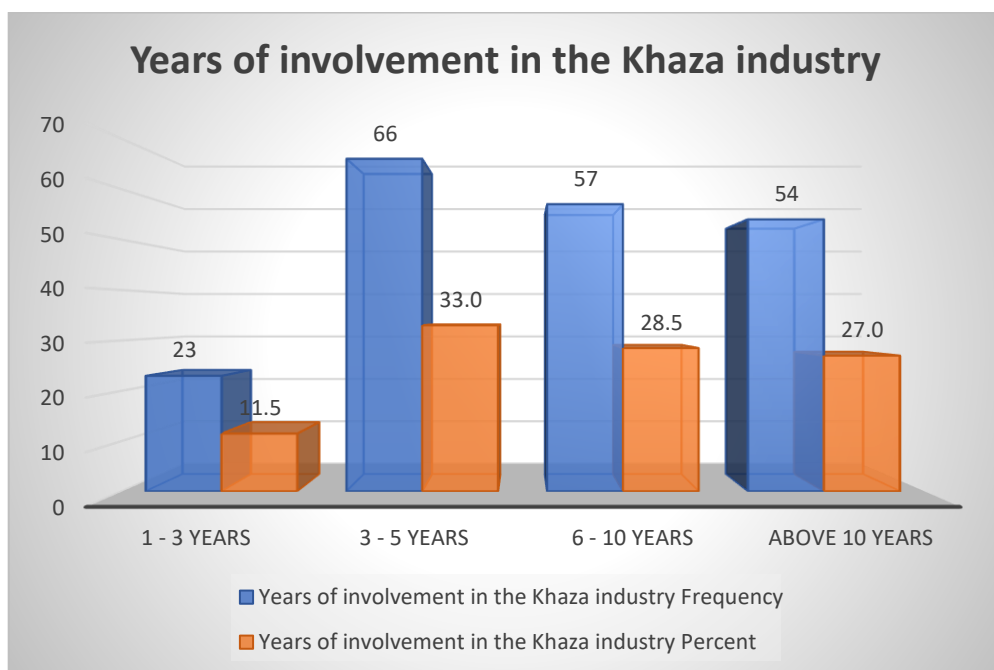
Graph 3: Graphical representation of occupation wise distribution of participants

Table 4: Years of involvement in the Khaza industry

Years of involvement in the Khaza industry		
	Frequency	Percent
1 - 3 years	23	11.5
3 - 5 years	66	33.0
6 - 10 years	57	28.5
Above 10 years	54	27.0
Total	200	100.0

According to the data, the majority of respondents (33.1%) have worked in the Khaza industry for three to five years, indicating that many participants are relatively recent arrivals. With 28.5% having 6–10 years of experience and 27.0% having more than 10 years, a

sizable portion of respondents have more experience, suggesting that there is a stable and seasoned workforce as well. The fact that only 11.5% of respondents have less than three years of experience suggests that newcomers are underrepresented.



Graph 4: Graphical representation of Years of involvement in the Khaza industry

Hypothesis testing

Hypothesis 1: There is no significant impact of small-scale industrial development on the employment opportunities in Khaza industry of Nalanda district.

“Model Summary”				
“Model”	R	“R Square”	“Adjusted R Square”	“Std. Error of the Estimate”
1	.755 ^a	.570	.568	4.95096
a. Predictors: (Constant), Small-Scale Industrial Development				

“ANOVA” ^a						
“Model”	“Sum of Squares”	df	“Mean Square”	F	“Sig.”	
1	“Regression”	6431.904	1	6431.904	262.398	.000 ^b
	“Residual”	4853.376	198	24.512		
	Total	11285.280	199			
a. Dependent Variable: Employment opportunities						
b. Predictors: (Constant), Small-Scale Industrial Development						
“Coefficients” ^a						
Model\	“Unstandardized Coefficients”			“Standardized Coefficients”	t	Sig.
	B	Std. Error		Beta		
1	(Constant)	5.904	1.322		4.465	.000

	Small-Scale Industrial Development	.764	.047	.755	16.199	.000
a. Dependent Variable: Employment opportunities						

The effect of small-scale industrial development on job opportunities in the Khaza industry of the Nalanda district was investigated using regression analysis. 'With a R value of 0.755 and a R Square of 0.570, the model summary demonstrates a strong positive correlation between the two variables, suggesting that small-scale industrial development accounts for 57% of the variation in employment opportunities. The model's significance is further supported by the ANOVA results, which indicate that it is statistically significant at the 5% level with a F value of 262.398 and a p-value of 0.000.' The coefficient results show that employment opportunities are positively and significantly impacted by small-scale industrial development ($B = 0.764$, $t = 16.199$, $p = 0.000$), meaning that for every unit increase in small-scale industrial development, employment opportunities increase by 0.764 units. Consequently, the null hypothesis, which holds that employment opportunities in the Khaza industry are not significantly impacted by small-scale industrial development, is rejected. Therefore, it can be said that improving employment opportunities in the study area is largely dependent on small-scale industrial development.

CONCLUSION

This study aimed to investigate the effects of small-scale industrial development on job prospects within the Khaza industry in Nalanda area. The results indicate that small-scale industries, especially the Khaza sector, are vital for providing livelihoods to numerous local households. The demographic study indicates that most respondents belong to the economically active age group, with men comprising the predominant portion of the workforce, but women are also represented in significant numbers. The majority of respondents were employees rather than proprietors, underscoring the labor-intensive characteristics of the industry, and a considerable fraction had prolonged engagement, indicating the sector's function as a reliable source of income. The results of the regression analysis indicate that small-scale industry development has a substantial and statistically significant effect on job opportunities. This signifies that as the industry advances in infrastructure, technology integration, and organizational backing, it directly enhances job opportunities and elevates living standards for the local populace. Nonetheless, obstacles such as inconsistent salaries, fluctuating demand, restricted training opportunities, and insufficient legislative backing continue to impede the industry's capacity to fully achieve its employment potential. The study concludes that the Khaza industry is a crucial component of small-scale industrial growth in Nalanda district and significantly contributes to the enhancement of employment prospects. Enhancing this sector via improved infrastructure, financial support, skill development programs, and legislative measures can

augment its role in sustainable livelihood creation. The findings have significant implications for policymakers, industry stakeholders, and local communities, highlighting the necessity for tailored efforts to optimize the employment potential of small-scale companies.

Suggestions

- Facilitate accessible credit, micro-financing, and low-interest loans for small business owners.
- Implement regular skill enhancement and training initiatives for employees, particularly targeting adolescents and women.
- Promote the utilization of contemporary technology and energy-efficient kilns to enhance productivity.
- Ensure equitable remuneration, prompt disbursements, and employment stability for laborers.
- Enhance female involvement by establishing secure and nurturing workplace settings.
- Enhance the execution of governmental programs, subsidies, and incentives aimed at small-scale industries.
- Enhance market connections and establish cooperative organizations to facilitate producers' access to broader markets.
- Implement sustainable techniques and technologies to mitigate environmental issues within the Khaza industry.
- Perform regular study and monitoring to evaluate industry expansion, obstacles, and employment effects.

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