



# Industry 5.0 In India And Its Environmental Impact

P.Ravichandran<sup>1</sup>

<sup>1</sup> Associate Professor and Head, Department of Economics, GTN Arts College, Dindigul-624005, Tamil Nadu, India,

## Abstract

Development is a multifaceted process involving profound shifts in socio-economic and political structures, public attitudes, national institutions, and accelerated economic growth. Its overarching objectives are to reduce inequality and eradicate poverty. However, this process wields a dual-edged sword. While industrialization is instrumental in expediting economic progress, unchecked industrialization in the name of development has inflicted hardships on communities and ecological degradation. Industrialization is essential for a nation's economic advancement, creating job opportunities and wealth. Yet, it has also birthed a slew of environmental challenges: resource depletion, air and water pollution, soil degradation, global warming, acid rain, hazardous waste generation, and adverse health effects like silicosis and pneumoconiosis. This simultaneous pursuit of economic growth and environmental preservation underscores the dynamic landscape of the 21st century. Within this context, the rise of Industry 5.0, marked by advanced automation and digitalization, presents both promise and peril. This research zeroes in on India, aiming to comprehensively scrutinize the ramifications of Industry 5.0 on the environment, specifically its impact on resource consumption, emissions, and sustainability practices. The study's primary objectives are to: Investigate how Industry 5.0 is reshaping conventional industrial practices in India. Scrutinize the environmental repercussions of Industry 5.0, encompassing its influence on resource usage and emissions. Evaluate sustainability practices linked to Industry 5.0 in the Indian context. Explore policy frameworks and technological innovations capable of mitigating environmental harm while advancing sustainable industrial growth within the Industry 5.0 framework. The research methodology comprises: An extensive review of global and Indian literature on the environmental impact of Industry 5.0. Gathering pertinent data from diverse sources, including government reports, industry publications and environmental assessments are focusing on resource consumption, emissions, and sustainability practices. Conducting in-depth regional case studies in India to provide empirical insights into the environmental effects of Industry 5.0 and understand local nuances; and examining

<sup>1</sup> Associate Professor and Head, Department of Economics, GTN Arts College, Dindigul-624005, Tamil Nadu, India, Mobile: 9150447279, Email: [gtnravi@gmail.com](mailto:gtnravi@gmail.com)

industrialization and environmental protection policies in India to identify areas for improvement. In conclusion, this study will offer a comprehensive overview of the environmental implications of Industry 5.0 in India. It will encompass findings related to resource utilization, emissions, and sustainability practices associated with Industry 5.0. It will also present policy recommendations and technological innovations aimed at reconciling industrial progress with environmental preservation.

**Keywords:** Industry 5.0, Industrialization Development, Environment and Sustainable Development

## Introduction

The phenomenon of industrialization and urbanization has exerted immense pressure on natural resources, leading to various degrees of environmental degradation. This situation has persisted for decades, necessitating urgent initiatives that ensure the sustainability of industrialization. These initiatives should encompass measures to prevent environmental damage and promote eco-friendly industrial practices. The Industrial Revolution significantly altered land use as industrial growth led to the conversion of land for industrial purposes, reducing the space available for farming. Consequently, farming itself underwent industrialization, with the adoption of machinery powered by fossil fuels and the use of harmful fertilizers and pesticides. These practices have resulted in soil degradation, air and water pollution, and increased greenhouse gas emissions. Furthermore, altered land use has diminished natural carbon sinks. Continuously accumulating evidence indicates that transitioning current industries into eco-industrial systems through the positive application of green approaches offers a feasible solution to preserve natural resources while simultaneously boosting the regional economy sustainably. Industrialization has undoubtedly brought economic prosperity but has also resulted in population growth, urbanization, and increased stress on essential life-supporting systems, pushing environmental impacts perilously close to their tolerance limits. With robust industrial growth and limited land resources, environmental sustainability has become a crucial determinant in the industrial development process. The mounting evidence underscores the importance of transitioning existing industries into eco-industrial networks through successful implementation of green strategies as a viable means to conserve the region's natural resources while fostering sustainable economic growth. Achieving this goal requires meticulous planning and an integrated framework that harmonizes with the environment, based on a thorough assessment of historical and current conditions. Empirical knowledge about affected areas is instrumental in understanding the local context and formulating action plans grounded in real-world situations. With this objective in mind, a study was conducted to examine the current state of industrial development and environmental degradation in India. A causal chain analysis revealed the severe impact of industrialization on the local environment, shedding light on both immediate and underlying causes. These findings serve as the foundation for proposing sustainable solutions to mitigate rampant pollution in the Indian economy and similar scenarios worldwide.

## Methodology

This paper was developed through a systematic literature review, which is a methodical and transparent process for identifying and analyzing all relevant studies on a particular topic. It involves gathering multiple perspectives on the same issues, allowing for a comprehensive understanding of both positive and negative findings (Nightingale, 2009). The study focused on exploring themes related to sustainability, supply chain management, and Environment, Social, and Governance (ESG) initiatives within the context of the fast fashion industry. To gather data, various sources were utilized, including scholarly articles, research papers, and reputable websites pertinent to the fast fashion sector. Stringent measures were taken to ensure the quality and authenticity of the sources used. The researcher carefully selected journals and articles from reputable publications while avoiding any sources of dubious legitimacy. Similarly, only information from reliable and credible websites was considered for inclusion in the review. The primary objective of collecting secondary data was to compile pertinent information from previous research endeavors related to the same topic. This approach helped the researcher ascertain whether high-quality research had been previously conducted on the subject matter. To analyze the qualitative data gathered from the literature review, the researchers employed thematic analysis, allowing for the identification and interpretation of key themes and patterns within the collected data.

## Society 5.0: The Social Revolution:

Remarkably, much like industrial development, social progress is believed to be on the cusp of entering its 5.0 stage. The preceding four phases were known as the Hunting Society (Society 1.0), The Agricultural Society (Society 2.0), The Industrial Society (Society 3.0), and the Information Society (Society 4.0). Society 5.0, often referred to as the 'super-smart society,' envisions the creation of a sustainable and inclusive socio-economic system, driven by cutting-edge digital technologies such as Big Data analytics, Artificial Intelligence (AI), the Internet of Things, and robotics. This paradigm shift integrates cyberspace and physical space into a cohesive technological framework, providing robust support for Society 5.0. The fifth era is envisaged as the 'smart' age.

## The Evolution of Industrial Revolutions

Throughout history, five distinct industrial revolutions have left their mark. The first industrial revolution, which unfolded in the 1780s, was characterized by mechanization, leveraging factories powered by steam and diesel engines. The second industrial revolution, commencing in 1870, ushered in the era of electrification, marked by the utilization of electricity-based machinery. The third industrial revolution emerged in the 1970s with the advent of computers and the automation of production plants. The fourth industrial revolution, also known as Industry 4.0, initiated around 2010 and revolved around digitalization and the integration of technology into the production process. The most recent, the fifth industrial revolution or Industry 5.0, began in 2020 and is centered on the convergence of technology-driven production processes with elements of environmental, social, governance, and human factors (Heartland, 2022).

## Understanding ESG: Environmental, Social, and Governance

ESG, which stands for Environmental, Social, and Governance, encompasses a set of standards governing organizational behavior. These standards aid investors in identifying potential benefits related to metrics associated with ESG (Gillan et al., 2021). ESG includes regulatory frameworks aimed at safeguarding the environment and addressing social issues. Organizations adopt ESG initiatives to enhance their brand image, increase awareness, and contribute to a better world in collaboration with other companies. Initiatives such as green energy management, waste reduction, employee diversity, data security, and human rights protection play pivotal roles in addressing environmental and social concerns. Research indicates a notable increase in studies related to ESG, particularly since 2019-2020. The inception of the Industry 5.0 concept in 2020 and 2021 saw more than 60 studies conducted in this domain.

## Balancing Progress and Environmental Impact

Undoubtedly, each of these industrial revolutions has significantly contributed to poverty reduction, lower mortality rates, and the overall growth of global GDP. However, this relentless pursuit of growth has come at a cost to the environment. Uncontrolled carbon emissions from industrial and transportation activities, reliant on fossil-based energy sources, have fueled global warming and climate change. Widespread deforestation for infrastructure development and resource extraction further threaten the planet's ecology. The increasing automation of jobs raises concerns about unemployment and potential social unrest, particularly among those engaged in routine tasks within industries like manufacturing, transportation, administration, and food preparation. Addressing these challenges is crucial to bridging the growing divide between different segments of society, whether it's the disparity between the affluent and less privileged or the rural-urban divide. Finding a sustainable balance is imperative for the well-being of both society and the planet.

## Industry 5.0: Pioneering the Next Phase of Industrial Progress

The concept of Industry 5.0 has emerged as a potential solution to address the unintended consequences of industrial development. This forward-looking paradigm offers a unique opportunity to simultaneously advance both industrial and social development, making it a promising avenue for progress. Remarkably, the transition from Industry 4.0 to Industry 5.0 has unfolded over a remarkably short span of just a decade, highlighting the rapid pace of innovation in this field. In the realm of Industry 5.0, there are two distinct versions, each poised to bring transformative changes to the production landscape. Notably, Industry 5.0 is poised to redefine the production process, granting collaborative robots greater autonomy. This shift will not only streamline operations but also infuse a renewed sense of creativity and innovation into products, as robots take on repetitive tasks. This evolution envisions a future where humans can harness their creative and intellectual potential to the fullest extent. The convergence of manufacturing advancements and the digitization of production systems is propelling the industry away from mass production, embracing a more customized manufacturing approach. As Industry 5.0 continues to evolve, it holds the promise of not only



redefining industrial practices but also addressing pressing societal challenges, ushering in an era where innovation and sustainability harmoniously coexist.

## Perspectives on Industry 5.0

In 2021, the European Commission introduced the concept of Industry 5.0 (I5.0) for the first time. I5.0 represents the futuristic fifth industrial revolution, envisioning a collaborative partnership between humans and robots to stimulate creativity and innovation. This transformation empowers robots to handle repetitive tasks, as highlighted by Miraz et al. (2022). At its core, I5.0 is underpinned by the principle of human-centricity, as emphasized by Rozanec et al. (2022). Moreover, I5.0 can be regarded as the next bio-economy-based industrial revolution, striking a harmonious balance between the environment, industry, and society, as noted by Demir and Cicibas, (2019). Bednar and Welch (2020) characterize I5.0 as a realm of "smart working practices," ushering in the "Age of Augmentation." In this age, humans and machines collaborate symbiotically within the constraints of our planet, fostering a manufacturing sector that is human-centric, resilient, and sustainable. The goal of I5.0 is to achieve mass personalization, leveraging human-robot collaboration, artificial intelligence, bio-inspired technologies, and smart materials, as articulated by Baranauskas (2019). Transitioning from mass production to custom manufacturing necessitates modern manufacturing techniques, digitization, and the intelligentization of production systems, as advocated by Vaidya et al. (2018). I5.0 introduces the concept of mass personalization, where organizations focusing on consumer data, behavioral analysis, and communication flow management are better suited, while mass customization is typically associated with product-driven organizations where changes occur at the operational management level (Baranauskas, 2019). The enablers of Industry 5.0 encompass technologies such as Big Data, the Internet of Things (IoT), and sensor-equipped machines, facilitating in-depth understanding. Artificial Intelligence algorithms empower intelligent decision-making, and the deployment of collaborative robots (cobots) ensures precision, quality, and enhanced productivity, all while accommodating higher levels of customization. Industry 5.0 ushers in a new spectrum of job opportunities, including roles focused on creative and innovative thinking, technology interface management, cobot supervision, artificial algorithm creation, and more. Although Industry 5.0 presents distinct opportunities, it also poses a unique set of challenges.

## Opportunities and Challenges of Industry 5.0

**Opportunities: Tailored Customization:** Industry 5.0 harnesses highly automated manufacturing systems to offer customers unparalleled customization, aligning products precisely with their preferences; **Fostering Creativity:** By optimizing human efficiency, Industry 5.0 creates an environment that encourages creative talents to contribute, spurring innovation; **Adaptive Machinery:** Machines in Industry 5.0 are versatile and adaptable, catering to a wide range of employee needs while delivering high-level outputs.; **Engaged Operators:** Deeper engagement of operators in the planning process enhances efficiency

and encourages innovative problem-solving; **Design Freedom:** Industry 5.0 liberates product design, enabling "design to function" and facilitating the creation of highly personalized and unique products; **Real-time Market Insights:** The integration of real-time market data empowers manufacturers to make informed decisions swiftly, adjusting production to meet dynamic market demands; **Enhanced Safety:** Cobots take on hazardous tasks, significantly improving workplace safety and reducing risks for human workers; **Customer Satisfaction:** Personalized products and services drive heightened customer satisfaction and foster long-term loyalty; **Profitability and Growth:** Improved customer loyalty and referrals contribute positively to profits and market share expansion; **Innovation Ecosystem:** Increased human-machine interaction creates a fertile ground for research and development, fostering innovation; and **Global Reach:** Quality services can be efficiently delivered to remote locations, expanding market reach and tapping into new customer segments.

### Challenges:

**Workforce Disparity:** Industry 5.0 may exacerbate workforce disparities, with highly skilled employees coexisting with lower-skilled workers, potentially widening societal divisions; **Complex Skill Development:** Embracing Industry 5.0 necessitates comprehensive skill development efforts, including workforce training, the adoption of advanced technologies, and a cultural shift towards innovation; **Autonomous Systems:** The move towards smart manufacturing systems demands a shift towards greater autonomy, challenging traditional decision-making structures and processes; **Cyber security Risks:** Greater connectivity and standard communication protocols in Industry 5.0 introduce heightened cyber security risks, demanding robust security measures to protect sensitive data; **Financial Investment:** Achieving full Industry 5.0 implementation requires a significant financial commitment, which may pose challenges for industries, particularly small and medium-sized enterprises (SMEs) and startups; **Accountability Complexities:** Automation-heavy environments can introduce complexities in assigning accountability for system failures or errors; **Adapting to Customer-Centricity:** Industry 5.0 prioritizes customer-centric operations, requiring organizations to adapt to evolving customer preferences, which can be dynamic and challenging to predict; and **Agile Business Strategies:** Sustaining competitiveness in Industry 5.0 necessitates agile and adaptive business strategies due to shifting customer expectations and market dynamics;

### The Nexus between Industrial Development and the Environment

Industrialization profoundly affects four critical environmental elements: air, water, soil, and habitats. Among these, air pollution stands out as a major concern, primarily driven by emissions from burning fossil fuels. Regulatory bodies such as the United States Environmental Protection Agency (EPA) oversee numerous toxins present in industrial pollution, from asbestos to lead and chromium (Harold, 1979). Paradoxically, despite stringent regulations, industries remain significant contributors to air pollution worldwide. Water pollution emerges as another pressing issue, particularly in areas where factories are located adjacent to natural water sources. Toxins, whether solid, liquid, or gaseous, can contaminate local water supplies. Even waste disposal sites like landfills can release toxins into the water, leading to pollution, as seen in the case of the River Nile (Clark, 1972). Soil contamination is an inherent problem associated with industrialization. Lead

pollution is prevalent, but heavy metals and toxic chemicals can also infiltrate the soil, subsequently contaminating crops (Ljubo, 2015). Additionally, industrialization has inflicted significant habitat destruction. Forests are cleared for timber, ecosystems are disrupted for infrastructure development like roads, strip mines, and gravel pits (Sandra, 2014). The loss of habitats disrupts local ecosystems, often resulting in the extinction of plant and animal species incapable of adapting to the altered landscape. Mitigating these environmental impacts necessitates multifaceted approaches. Industries can reduce their reliance on polluting materials, as exemplified by the removal of lead from gasoline in the 1970s. This reduction in lead usage significantly curtailed its release into the environment. Another approach involves treating manufacturing waste to eliminate toxic components, allowing the safe disposal of the remaining waste. While not without challenges, this approach requires factories to implement appropriate waste purification procedures. Nonetheless, it holds the potential to reduce soil, air, and water pollution originating from industrial facilities, contributing to the preservation of natural resources. The industrial revolution transformed our perspective on the world but also left an indelible mark on our planet. Recognizing the environmental challenges brought about by industrialization, it becomes our responsibility to address these issues to foster growth and progress while safeguarding our home.

### Causes and Consequences of Industrial Pollution

Industrialization, a cornerstone of economic development, brings both prosperity and environmental challenges to a country. While it generates employment and wealth, it also leads to the following environmental issues: **Depletion of Natural Resources:** Industries consume vast quantities of natural resources, depleting them at unsustainable rates. **Air, Water, and Soil Pollution:** Industrial activities release pollutants into the air, water bodies, and soil, leading to widespread pollution; **Global Warming and Climate Change:** The emission of greenhouse gases from industrial processes contributes to global warming and associated climatic changes; **Acid Rain:** Industrial emissions, especially sulfur and nitrogen oxides, result in acid rain, harming ecosystems and infrastructure; **Land Quality Degradation:** Land is degraded due to industrial activities, affecting its productivity and natural functions; **Hazardous Waste Generation:** Industries produce hazardous waste, posing challenges for safe disposal and environmental protection; **Health Impacts:** Industrial pollutants are linked to adverse health effects, including diseases such as silicosis, pneumoconiosis, tuberculosis, skin ailments, and hearing loss; **Moreover, the causes of industrial pollution are multifaceted:** **Lack of Effective Policies:** Weak environmental policies and inadequate enforcement enable industries to flout regulations, causing widespread pollution and harm to communities; **Unplanned Industrial Growth:** Many industrial areas experience uncontrolled expansion, where companies disregard environmental regulations, leading to air and water pollution; **Outdated Technologies:** Outmoded technologies generate substantial waste, as industries resist upgrading to more eco-friendly methods due to cost concerns; **Small-Scale Industries:** Small-scale industries often lack the resources for proper environmental compliance, releasing toxic substances into the environment; **Inefficient Waste Disposal:** Inadequate waste disposal practices result in water and soil pollution, affecting both the environment and

human health; and **Resource Extraction:** Industries rely on resource extraction, which can lead to oil spills and harm to marine life. Addressing industrial pollution requires a comprehensive approach that includes stringent regulations, adoption of cleaner technologies, efficient waste management, and greater corporate responsibility. Failure to tackle industrial pollution can have severe long-term consequences for both the environment and public health.

Effects of different industries on Environment

| Industry              | Effects on Environment   | Solutions  |
|-----------------------|--|--|
| Construction Industry | - Emission of carbon dioxide, methane, and other pollutants that contribute to air pollution and global climate change.  | Use sustainable building materials.  |
|                       | - Global cement industry contributes 5% of global carbon dioxide emissions.  | Implement energy-efficient construction practices.                                 |
|                       |  | Reduce construction waste through recycling and reusing materials.                 |
|                       |  | Promote green building certifications like LEED.                                   |
| Electronics Industry  | - Generation of hazardous household waste, often irresponsibly discarded, leading to toxic chemicals leaching into the ground and contaminating water and food supplies. | Promote responsible e-waste recycling and disposal.                                |
|                       |  | Encourage electronics manufacturers to design products with recyclability in mind. |
|                       |  | Support electronics recycling programs and regulations.                            |
| Chemicals Industry    | - Emission of greenhouse gases such as methane, carbon dioxide, ammonia, and nitrogen, contributing to climate change and global warming.                                | Develop and implement cleaner production processes.                                |
|                       |  | Invest in research and development of environmentally friendly chemicals.          |
|                       |  | Strictly adhere to environmental regulations and emissions standards.              |
| Textiles Industry     | High energy consumption leading to increased carbon dioxide emissions.   | Adopt sustainable and eco-friendly textile production practices.                   |
|                       | Use of toxic chemicals in dyeing, bleaching, and fabric finishing, contaminating water sources and harming wildlife.   | Reduce water usage and chemical discharge through water treatment.                 |
|                       | Pesticide use in growing raw materials like cotton harming birds, water systems, and insects.  | Promote organic and sustainable materials in textile production.                   |



|                            |   |   |
|----------------------------|---|---|
| Food and Beverage Industry | Accounts for over a quarter (26%) of global greenhouse gas emissions.                                     | Promote sustainable agriculture and organic farming.            |
|                            | Half of the world's habitable land used for agriculture, leading to deforestation and habitat loss.       | Reduce food waste through improved supply chain management.     |
|                            |   | Invest in renewable energy sources for food production.         |
| Mining Industry            | Water pollution, loss of biodiversity, soil erosion, and formation of sinkholes due to mining operations. | Implement responsible mining practices and restore mined areas. |
|                            |   | Develop and use environmentally friendly mining technologies.   |
|                            |   | Conduct regular environmental impact assessments.               |

## Conclusion

Industrialization has brought economic prosperity but also triggered rapid population growth, urbanization, and environmental stress. This has pushed the environment to its limits. However, there is hope. Evidence supports the transition of industries into eco-industrial systems through green approaches. This preserves resources and fuels sustainable growth. Industry 5.0, merging digital tech with the bio economy, offers promise. It can bring positive societal changes, economic strength, and environmental mitigation. It envisions a future of tech and sustainable living coexisting, benefiting humanity and nature. This approach can create rural employment, address pollution's health impacts, and bridge supply-demand gaps. Industry 5.0 aligns with UN sustainability goals, emphasizing "Profits, Planet, and People." Climate change demands urgent action. Industry 5.0, in its enhanced form, offers hope for sustainable development. It paves the way for economic growth, environmental preservation, and societal well-being. The time for Industry 5.0 and its positive impact is now.

## References

- Baranauskas, G. (2019). Mass Personalization vs. Mass Customization: Finding Variance in Semantical Meaning and Practical Implementation Between Sectors. *Social Transformations in Contemporary Society*, 2019(7), 6–15.
- Bednar, P. M., & Welch, C. (2020). Socio-technical Perspectives on Smart Working: Creating Meaningful and Sustainable Systems. *Information Systems Frontiers*, 22(2), 281–298. <https://doi.org/10.1007/s10796-019-09921-1>
- Bhosale, S., & Amros, M. (2023). Unravelling Industry 5.0 for Sustainable Development. *A&D*, 15, 1-7. Available at [www.industr.com.en](http://www.industr.com.en)

- Clark, R. B. (1972). The Control of Water Pollution; The Effects of Marine Pollution. *Mar Pollut Bull*, 3(3), 1-48.
- Demir, K. A., & Cicibas., H. (2019). The Next Industrial Revolution: Industry 5.0 and Discussions on Industry 4.0. In *Industry 4.0 from the MIS Perspective* (pp. 247–260). Peter Lang.
- Gillan, S., Koch, A., & Starks, L. (2021). Firms and Social Responsibility: A Review of ESG and CSR Research in Corporate Finance. *Journal of Corporate Finance*, 66(1), 101889. doi:10.1016/j.jcorpfin.2021.101889
- Global Reporting Initiative. (2022). GRI - Home. <https://www.globalreporting.org>
- Harold. (1979). Air Pollution Acronyms. *Journal Air Pollut Control Assoc*, 29(2), 189-191.
- Heartland. (2022). Industry 5.0: The Bridge Between Capitalism And Sustainability. <https://www.heartland.io/sustainability-news/industry-5-0-the-bridge-between-capitalism-and-sustainability>
- Impact of Industrialization on the Environment. (2017). Insider. <http://environmentinsider.com/impact-industrialization-environment/>
- Ljubo, P. (2015). Pollution of Basic Natural Resources with Hazardous Matter. *Economica*, 62(4), 1095-1107.
- Miraz, M. H., Hasan, M. T., Sumi, F. R., Sarkar, S., & Hossain, M. A. (2022). Industry 5.0. In *Machine Vision for Industry 4.0* (pp. 285–300). CRC Press. <https://doi.org/10.1201/9781003122401-14>
- Rozanec, J. M., Novalija, I., Zajec, P., Kenda, K., Tavakoli Ghinani, H., Suh, S., ... & Soldatos, J. (2022). Human-centric Artificial Intelligence Architecture for Industry 5.0 Applications. *International Journal of Production Research*. <https://doi.org/10.1080/00207543.2022.2138611>
- Sandra, T. (2014). Analysis of Heavy Metal Pollution in River. *Am Ind Hyg Assoc J*, 6(1), 129-149.
- Sekaran, A., Dadwal, S. S., & Ali, A. (2023). Industry 5.0 and Environmental, Social, and Governance Initiatives in Supply Chain Sustainability: A Study of the European Fast Fashion Industry. doi:10.4018/978-1-6684-6403-
- Vaidya, S., Ambad, P., & Bhosle, S. (2018). Industry 4.0 - A Glimpse. *Procedia Manufacturing*, 20, 233–238. <https://doi.org/10.1016/j.promfg.2018.02.034>