CHAPTER - 3

SURVEY OF LITERATURE

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SURVEY OF LITERATURE

3.1 THE ONGOING DEBATE:

The research scholar has used all the available secondary sources of data to examine the nature of work carried out in context of SEZs and its socio-economic implications in context of Indian economy as well as the state of Gujarat. Following is the scheme of such study.

**Aradhna Aggarwal’s** (Indian Council for Research on International Economic Relations) study aims at examining the impact of Special Economic Zones (SEZs) on human development and poverty reduction in India. It identifies three channels through which SEZs address these issues: employment generation, skill formation (human capital development), and technology and knowledge up gradation. It examines how the impact of SEZs is passed through each of these channels. The study finds that the modality differs significantly according to the characteristics of the SEZs, in particular, the level of their development as reflected in the composition of economic activities. Within this framework, the study examines the scrotal and economic composition of SEZ activities in India. It finds that labour intensive; skill intensive and technology intensive firm’s co exist in India’s zones and, therefore argues that all the three effects described above are likely to be important in the Indian context. Empirical findings reported in the study are based on the data collected from both secondary sources and primary surveys. The primary survey based data was generated through extensive interviews of entrepreneurs and workers across the three largest
SEZs (in terms of their contribution to exports and employment): SEEPZ, Madras and Noida. The analysis reveals that 'employment generation' has been the most important channel through which SEZs lend themselves to human development concerns, in India. Employment generated by zones is remunerative. Wage rates are not lower than those prevailing outside the zones. Besides, working conditions, non monetary benefits (such as transport, health and food facilities), incentive packages and social security systems are better than those prevailing outside the zones, in particular, in the small/informal sector. The role of SEZs in human capital formation and technology up gradation is found to be rather limited. The study argues that the zones' potential could not be exploited fully in India. This could primarily be attributed to the limited success of SEZs in attracting investment and promoting exports. The new SEZ policy gives a major thrust to SEZs. However the creation of SEZs alone does not ensure the realization of their potential. The government will need to play a more proactive role for effective realization of the full range of benefits from SEZs.

Dharminder Singh (2009) writes in Mainstream (Vol. XLVII, No 38, September 5, 2009) in his article ‘Impact of Special Economic Zones on the Agriculture Sector’ states that today all countries of the world are in the race to enhance their socio-economic development. They are using different methods and policies to achieve socio-economic development. Of these methods and policies, the policy of Special Economic Zones (SEZs) is a new one and is adopted by many countries like Brazil, China, Pakistan, India, Iran, Jordan, Poland, Russia etc. to enhance their socio-economic development.
A Special Economic Zone is a geographical region which has economic laws that are more liberal than a country’s general economic laws. It is a specifically delineated duty-free enclave treated as a foreign territory for the purpose of industrial, service and trade operations, with exemption from customs duties and a more liberal regime in respect of levies, foreign investment and other transactions. In fact, the SEZ is a development tool, with the goal of promoting rapid economic growth by using tax and business incentives to attract foreign investment and technology. The policy of SEZs was first adopted by China in 1978 as part of its economic reforms. On seeing the success of this policy in China, India adopted this scheme in April 2000.

The concept of SEZs is not a new one and it is an improvement over the concept of Export Processing Zones (EPZs). India was one of the first in Asia to recognize the effectiveness of the EPZ model in promoting export, with Asia’s first EPZ set up in Kandla in 1965. Seven more EPZs were set up thereafter. The policy provides for setting up of SEZs in the public, private, joint sector or by the State Government. There is also a provision in this policy that some of the existing Export Processing Zones would be converted into Special Economic Zones.

The SEZ Act 2005, supported by the SEZ rules, was passed by Parliament in May 2005 and came into effect on February 10, 2006, providing for drastic simplification of procedures and for single-window clearance on matters relating to the Central as well as State governments. Prior to the SEZ Act 2005, there were only 19 operational SEZs in India. But after the SEZ Act 2005, the number of SEZs increased at a very fast speed. As on May 15, 2008, 462 formal approvals and 135 principal approvals had been given for
the setting up of SEZs by the Government of India. Out of these 462 formal
approvals, notifications have been issued to 222 SEZs. This happened due to
the incentives and facilities which were offered by the government under the
SEZ Act, 2005 to the developers of the SEZs like duty-free import, 100 per
cent income tax exemption on export income for SEZs, exemption from
minimum alternate tax, external commercial borrowing by the SEZ units up
to US $ 500 million in a year, exemption from Central sales tax and service
tax, single-window clearance for Central and State level approvals,
exemption from State sales tax etc.

SEZs of India are of three types: (a) multi-product SEZs occupying a
minimum 1000 of hectares (2500 acres) of land; may produce garments to
automobiles; (b) sector-specific SEZs occupying minimum of 100 hectares
(250 acres) of land, in which there are garment, leather, electronics SEZs
etc.; (c) gems and jewellery; IT-BPO and biotech SEZs occupying a
minimum of 10 hectares (25 acres) of land in backward States such as
Assam, Meghalaya, Mizoram, Manipur, Tripura, Himachal Pradesh,
Uttaranchal, Sikkim, J&K and Goa and the UTs.

To set up such a large number of SEZs there is a need for land on a large
scale to be acquired. The total land area of India is 29,73,190 sq km out of
which 16,20,388 sq km area is used for agriculture (agricultural area). The
share of the agricultural area in the total area is 54.5 per cent and the non-
agricultural area in India is 13,52,802 sq km. The total area for proposed
SEZs (formally approved and in principle approved) is approximately 2061
sq km which would not be more than 0.069 per cent of the total land area
and not more than 0.12 per cent of the total agricultural land in India
[Ministry of Agriculture].
If SEZs are set up on non-agricultural land, especially on barren land, then they play an important role for the social and economic development of the country. They can generate employment, enhance export and attract foreign direct investment (FDI) and technology at low social cost. In case of China SEZs are set up on non-agricultural land. Therefore they have played an important role for the economic development of the country. From 1980 to 1995, the annual rate of economic growth of China was near about 10 per cent.

On the other hand, if SEZs are set up on agricultural land then they create obstacles for the social and economic development of the country. If fertile land is used for the establishment of SEZs, then the area under agriculture will decline. This will lead to decrease in the production of agriculture. India at present is facing a food problem (leading to import of wheat) and this problem will become more severe if the area under agriculture declines due to the setting up of SEZs.

But in India SEZs are being set up not only on non-agricultural land but also on agricultural land. In case of Punjab, Haryana, UP, West Bengal, Maharashtra and some other States of the country, SEZs are being set up on fertile land. For example, the land of West Bengal is basically good for agriculture but even then the West Bengal Government is allowing SEZs in Nandigram and Singur. Those SEZs, which are set up on fertile land, adversely affect our agricultural production. The social cost of such SEZs is more than the benefits one gets from these SEZs.

For the setting up of SEZs the government acquires land forcibly from the farmers at a price lower than what is prevailing in the market and gives this
land to the developers of SEZs at a subsidized rate. Farmers organize agitations against the government for such a move on the latter’s part and there is often loss of public property and lives in these agitations as happened in Singur and Nandigram.

When land is acquired from the farmers, the farmers and agricultural labourers lose their employment, as they are not skilled labourers to relocate them to other jobs. The problem of displacement and rehabilitation of farmers and agricultural labourers also comes to the fore. Indian farmers are mostly uneducated, so they cannot get high-rank jobs in SEZs; they can work only as labourers in SEZs. But farmers are not ready to work as labourers in SEZs. Already farmers and agricultural labourers are facing a bad situation in India and when there will be no work for them their economic conditions will become worse.

On the other hand, if the farmers invest their money (which they get as compensation for land) in a proper way, they can get more profit. If they spend their money on the education of their children then their future will be bright. The labourers, who work in the agricultural sector, can also work in SEZs when an industry is set up under the SEZ scheme. The wage rate is high in SEZs as compared to the agricultural sector. So there can be improvements in the economic conditions of agricultural labourers. Thus SEZs can play an important role for the transformation of labour from the agricultural sector to the industrial sector. Then the burden of the population on the agriculture sector will decline and this will be beneficial for both the development of agriculture and industry. Due to this disguised unemployment in the agriculture sector would disappear and lead to proper utilization of our manpower.
For the last 60 years, we are claiming that we have a democratic country. But, where has our democracy gone when the land of the farmers is grabbed forcibly by the government at low prices? No policy, no scheme can be successful without the cooperation of the people. If the government wants to ensure the success the SEZ scheme in India, then SEZs must be set up on non-agricultural land and the government must consult with the farmers before acquiring their land. One thing which should always be borne in mind is that agriculture and industry are the main wheels of the country’s economy and so there is a need to strike a fine balance between them.

Describe the economic rational for sez’s examines India’s experience with, discuss us the contact’s in which is sez policy in been promoted in the country, review the arguments for and against sez, analysis what went wrong from the prospective of the promotions of scheme and finally draw’s lessons.

Prof. Timothy Beasley of LSE Economics in his JOB MARKET PAPER analyses how large is the benefits of Special Economic Zones and what are the channels of these benefits? To shed some light on these questions, he has collected a unique dataset of Chinese municipality economic statistics from 1978 to 2007 and used it to evaluate the impact of a Special Economic Zone experiment which aimed at attracting foreign direct investment. Guided by three predictions from a theoretical model, he found the Special Economic Zone policy: 1) increases per capita foreign direct investment by 58%, mainly in the form of foreign-invested and export-oriented industrial enterprises; 2) does not crowd out domestic investment and domestically owned capital stock and 3) increases total factor productivity growth rate by 0.6 percentage points. The results suggest that creating Special Economic
Zones not only brings capital, but also more advanced technology, and provide important policy implications for many developing countries

Man Mohan (2009) writing in The Tribune dated 12/10/2009 under the heading ‘NGOs to launch people’s audit of SEZs’ informs that some social groups and NGO’s have decided to launch people’s audit of SEZ. More particularly in Maharashtra, Haryana, Goa, Gujarat, Andhra Pradesh etc. states the people audit are aimed at examine the Impact of the projects against stated objectives as well as the impact of the on the people of area.

The audit will be conducted by eminent panel of social activities will examine issues concerning large SEZs land acquisition. Displacement of locals, corruption environmental impact compensation for land acquired as well as question of development and economic growth and the panel was the opinion that many SEZs in different parts of the country have generated controversy and become a bone of contention between the state Government, developers and local residents resisting acquisition of their land.

Girish Kober (2007) writing in The Times News Network of 5/6/2007 entitled ‘Sadly, affected people come last in the SEZ list’ informs that the Mumbai based ‘Tata institute of social science attempted a study of socio economic impact of the SEZs and it observes that displacement is not restricted to just the inhabitants of a village but to all the system. It has further observed report in that all are equally affected and get deprived directly or indirectly of there means of livelihood. The rehabilitations should include the groups of people and accordingly it is suggested that relief and rehabilitation package should be made are the project affected people[ PAP].
It insists and also suggested in relation to compensatation issue that the sadly affected the villagers should be given appropriate money management training and their money should give reliable returns.

Jayati Ghosh in (2008) ‘Assessing the Economic Impact of SEZs’ published in Labour File of October 2008 (Vol. 6) makes the assessment of SEZs regarding it’s economic impact’s including the issue of land acquisition for SEZs, sources of livelihood of the people generation of employment from SEZs attracting investments and concluded that there are problems with ensuring that the SEZs meet there promises generating benefits and increasing better quality employment people over time. Clearly this cannot be the only state industrialization, even with in a broader strategy the specific for of this policy need a systematic re – examination.

Deepak Shah (2009) in his paper titled ‘Special Economic Zones in India : A Review of Investment, Trade, Employment Generation and Impact Assessment’ published in Indian Journal of Agricultural Economics (Vol. 64, no.3 July- Sept. 2009) analyses not only the potential benefits of SEZs but also the likely impact of establishment of SEZ’s on agricultural production, employment, water and food security and specifically focuses on benefits of establishing SEZ, their current status in terms of employment , investment and exports , bottleneck in their functioning , adverse effects, and likely threats to the farming community in general and society in general and concluded that although the SEZs policy announced by the Government of India in April 2000 aims at promoting export of goods and services , investments from domestic and foreign sources, creation of employment opportunities, infrastructure , facilities with emphasis to counter the socio – economic consequences of the scheme. The policy assumes that a significant
rise in private investment in SEZs and consequent increase in exports would result in higher employment opportunities. The estimates reveal that about 22-25 lakh jobs would be created in new generation SEZs with an investment of Rs. 1,00,000 crore. However, this works out to less than 0.5 per cent of the total work force in India. Which is estimated at 45 crore this means that the SEZs may not have major impact on employment pattern in India. On the export front, the SEZs have to do a lot of catching up to make their significant presence as so far exports from these Zones have not exceeded 5 percent of the total exports of India. The lack of infrastructure and other bottlenecks are the main reasons for the promotion of SEZs policy. Therefore need to be promoted but not at the expense of farming community and development of agriculture sector in the country.

Ishita Dey (2008) in her SEZs: A Closer Look (Main Stream, 18/7/2008) reviews the book written by Patil and Bhattarcharjee on Special Economic Zones in India- Myths and Realities. The authors address in the book that whether the proposed SEZs would generate Export and FDI flows, with the existing Infrastructure. The study under line that in the case of China though on one hand, the coastal bias of the SEZs policy proved to be beneficial in terms of accessibility and other benefits, there grew an Economic chasm between the hinterland and coastal areas. Owing to our already existing regional disparities in other sectors due to disparities in per capita income between the states especially when five states sharing the highest SEZs fall under higher per capita income category. This, in a sense, would be "circulation of capital and goods" rather than "distribution of goods and services" and predicts that the real estate developers are going to have high stake in real estate business with all the countries leading real estate developers filing in SEZs application. Another viable issue that faces SEZs
is whether the industrial units will be the answer to the rising unemployment figures.

It is against this back drop that the study suggests that the SEZs indeed have quite a bumpy road ahead considering that domestic banks are not keen on financing the SEZs for fear of building up non-performing assets. Apart from finding financial guarantors for the projects, the SEZs developers in certain places will have to develop linkage routes. The connective factor is going to be crucial in the success story of SEZs. Thus SEZs will definitely not aid the industrially back ward areas.

Sheetal Sharma (2007) in her "DISPLACING LIVELIHOODS LAND ACQUISITION FOR SPECIAL ECONOMIC ZONES" (Main Stream, 2/11/07) highlighted arguments against the viability of establishing SEZs in terms of ‘trade, revenue lost, [un] employment etc. but the issue of displacement of rural population is one of the major concerns in the recent past. Large tracts of prime agricultural land measuring thousands of acres are acquired from farmers for developing SEZs. This acquisition have immense implications on the agricultural sectors in terms setback to farming, agricultural and allied activities, productive opportunities lost, rising un employment in rural areas and displaced livelihoods farmers are not adequately compensated for the land acquired from them for the purpose. Even before this zones are ready to deliver any financial or developmental benefit they displace the natives of land, leading to economic hard ships and pauperization with no alternative source of livelihood and raise the questions/voice of farmers claming that;
“If we give up our land, what we will eat?” They will not give us any jobs, and finally we will have to give up our homes. People are willing to sacrifice their lives to oppose these SEZs. Our land is productive and fertile why should we give it up for a private company?” The villagers have formed a farmer’s action committee to oppose forceful acquisition of land on the name of public interest with discontent growing out of proportion the central and state governments acting defensively put forward that they want to strike a balance between farmers, interest and industrial development. But is it really the case? What sort public interest such acquisition would serve is highly debatable and also high lighted governments made for SEZs in India the policy majors included like the government decided to locate SEZs on the wasteland. But, what is perceived as wasteland from urban – industrial perspective has multiple utility especially for people in habiting the rural areas. Land usage in rural India in not merely restricted to farming and agriculture activity. For three-fourth of the population living in rural areas the utility and reliance on land for meeting daily requirements of survivals, Consequence of development schemes and projects influence. The lives of rural people enormously. A large population in rural areas often faces among of displacement of SEZs, hydro power projects etc. and the fruits of development are not equally shared by all. The socio- economic and psychological problems of the displaced have never been given thought to in the process of fuelling economic development spatial relocation of rural people influences, individual lives, house hold, communities and leads to loss of identity, securities and belongingness.
Preeti Sampat (2008) in her ‘Special Economic Zones in India’ (Economic and Political Weekly, dated 12/7/2008) explores some strands in the political schema of SEZs in India. With specific references to one immediate fall out of serious concern and contestation the imminent displacement of thousands of people and livelihoods in the country side where these SEZs are slated to come up and the researcher attempted to employ a anthropological praxis. While examine an important phenomenon of neoliberals growth in the “Competitive” “free market” enclaves of SEZs in India. That threaten to dispossess and displace thousands of people of their livelihoods ,clusters and lands in the exercise of “ public purpose” handing their land over to private corporation for economics growth and development indeed for the “ greater common good of all” and also observed that despite over whelming evidence of “ immiserisation” due to displacement and the democratic process , neoliberals paradigm remains dominant in India.

MATHEW AERTHAYIL (2008) in his article “AGRRIAN CRISES IN INDIA IS A CREATION OF THE POLICY OF GLOBLISATION” published in (Mainstream, dated 14/3/2008) emphasizes a need for analyzing the reasons for the crises to whether there is any connection with globalization and if so, what measures could be adopted to face this challenge and observed that very often it is fertile / and which has been acquired five million hectors of land for purpose other than agriculture between 1991 and 2003. This is almost half of what was acquired during the last 40 years. It was in the news that the government decided to acquire 10,120 hectors of land near MUMBAI. [ALMOST ONE THIRD AREA OF MUMBAI] for the reliance company and reduced it 5000 hectors due to public pressure. Since the SEZs deprives the farmers of their land and livelihood. It is harmful to agriculture. In order to promote export and industrial
growth in line with globalization the SEZs was introduced in many countries and he suggested to remove theorizes in agriculture that the government should revise the policy on special economic zones as it goes against the interest of farmers and the agriculture sector, it should not acquire fertile agricultural sector. It should not acquire fertile agricultural land for SEZs. When it does take over land for essential public utilities it should give just compensation and initiate comprehensive rehabilitation measures. The recommendations of the swami Nathan commission not to acquire land suitable for agriculture for non agriculture purpose, to give adequate compensation for the acquired land and to distribute landless farmers should be seriously taken into account when the policy of SEZs is reframed. Over and above the policy of SEZs, there is a need for constitutional structures and mechanism which will mandate the government, both central and states, to implement the policy of relief and rehabilitation of people displaced due to SEZs and development projects.

Sheetal Sharma and Kishan Pratap (2007) writing in the Mainstream (dated 23/3/07) in their article titled “THE PROSPEROUS FEW AND THE PAUPERISED MANY: A PERSPECTIVE ON SPECIAL ECONOMIC ZONES” have tried to examine the issue related to merits and demerits of SEZs and observe that no doubt that SEZs. Operating in China, Russia and other countries too provide valid ground to consider the SEZs as the most viable option for economic growth and development and conclusively go full throttle on implanting the SEZs policy. There has been an unprecedented pace to set up SEZs. Never the less, we need planned and cautious approach before continuing with the rate at which the SEZs related proposals have been sanctioned in the last couple of months. Overwhelmed by the growth rate achieved in the last couple of years and partial success of the policy of
liberalization, the UPA government envisaged SEZs as the best possible approach to development. However, the point contention is this: is SEZ an appropriate route to development? And lastly he concluded that in sum taking away the source of the hapless farmers to create huge profitable enterprises for the capitalist by the state is anti-people and unethical. The state abets pauperization of local populace, by taking away their only practical source of income, to ensure the further prosperity of large business houses like the Ambanis, Tatas and the Mahindras. This, according to Bishnoi, is not only unethical but might also not be the without a motive. Dealing in property in favor of the big business houses against the interests of the common man is not the government’s job — certainly not of democratic dispensations. SEZs yes but not by stifling poor farmers at the hand of democratically elected governments. Locations from the point of value of the land and correction of regional developmental disparities need to be factored in.

ARUN KUMAR (2007) in Mainstream of 27/4/07 wrote an article titled ‘SEZs: One More Anti-Bharat Act by India wherein he has raised the questions against the successes of SEZs policy in India. Raising a question that if China can succeed through such a policy then, it is argued, why not India? In this connection writer argued that today, the government has adopted the policy ‘growth at any cost’ with the cost falling on the deprived and marginalized sections of the population. The benefits are being taken by the better-off sections of the society and the big businessman. It is argued that the SEZs policy would lead to a rise in the investment rate in the economy to achieve a 10 percent rate of growth. It is suggested that there would be trickle down and that would lead to the poor also benefiting. The question is: is this the only way to increase investment and the rate of
growth in the economy? It is further argued in his paper that employment generation in SEZs will not be able to compensate for the loss of employment in the activity the SEZs will displace and in the small scale sectors which are likely to be hit hard. Further the output increase will be much less than claimed and investment will be at the expense of the non-SEZ areas and less than claimed since there will also be destruction of capital. Finally, it is pointed out that the more successful the SEZs the more would be loss of revenue to the government due to the tax concessions. There is likely to be large scale smuggling and new possibilities of transfer pricing and siphoning out of profits. At the same time he also suggest that if SEZs are the logical culmination of the current Indian strategy of ‘growth at any cost’ with the cost falling on Bharat, then one needs to not only scrap the SEZ policy but the development strategy itself.

Sunanda Sen and Byasdeb Das Gupta (2007) in “SEZs: Modern Enclaves to Reward capital by Exploiting labour and Displacing Livelihoods in the Agrarian Economy” (Mainstream 27/4/07) draw their attention in this note to one more aspect of the current SEZ policy in India which affects the status of labour employed, within these zones. The arguments we provide are based on a recent field study we conducted in there major SEZs in India. The findings confirm a state of sever insecurity in terms of jobs contracts, income and other labour status for those employed in these highly subsidized and growth-oriented enclaves of SEZs. We would like to bring these aspects of labour exploitation in the public domain of debates and policy – making as aspects which are of no less concern. It is observed in these paper that despite the opportunities offered by the SEZs in terms of job working conditions and the level of security availed of by the workers seem to be at a critically low level. Do
the new special economic zones envisaged in the current drive for
industrialization promise a better future for workers who would be fortune to
get jobs? And suggest alternating that India’s drive towards industrialization
by setting up a large number of SEZs in different parts of the country needs a
rethinking. Unconditional benefits to capital as are offered to these
privileged zones along with the sanctions to expropriate labour on a legal
basis while making space for these huge landscapes by displacing the
agrarian community open up the need to revisit India’s current
industrialization policy.

Bharat Dogra (2007) writing in Main Stream (15/6/07) under the title
‘SEZ: TINKERING WON’T HELP - THE LAW SHOULD BE
REPEALED’ raises a questions against the law of SEZs and notes that
protests Special Economic Zones (SEZs) have been reported from several
parts of the country. These are basically the struggles of people trying to
protect their land and livelihood. These sporadic struggles and their demand
are highly justified, but these are not adequate. what is needed is nothing less
than a complete repeal, a definite nullifying of the piece of legislation
called the special Economic Zones Act , 2005 (Act No.28 of 2005, dated
June 23 ,2005) . It is such an undemocratic piece of legislation that it can not
c- exist with a healthy democracy – either the law will have to go sooner or
later, or else the health of our democracy will suffer grave damage. In fact it
is not a questions of whether this law would be repealed, but when. it is for
the government to decided whether it will repeal this law after much more
massive discontent {than has already been seen} has spread far and wide, or
whether it will learn suitable lessons from the experiences and viewpoints
already available and observed that so unjust and arbitrary is this law that it
should be called economic terrorism against the common people of India.
Anurag Viswanath & Manoranjan Mohanty (2008) in ‘SEZ lessons from China’ (Business Standard 2008) say that India seeks to emulate China’s SEZ policy thought it is increasingly under attack there, observing from the SEZs lessons from china that china’s Zone fever – showing off prosperity in selected areas – has abated or at least there is cautious optimism. The focus has since moved to industrial and innovation clusters, with science, technology and innovations as the new by line, As China grows in dynamic. New ways, we in India are debating about an experiment that is open to question. Trying to replicate China’s success in India without taking into account the unique historical and geographical context – of 1949 – 1976, of overseas Chinese investment, a strong social sector, rural reforms, internal debates about the development process and finally, a state and leadership that formulates cohesively and implements firmly – is fraught with India repeating the mistakes.

Amit Laddha and Ankush Bhadoriya (2008) have attempt in their article “Movement against SEZ” to throw light on the topic of SEZ coupled with its rebellion movement, which are rising in the present stage of SEZ. They also highlighted the positive as well as negative effects of the SEZ. In the one way SEZ leads to development of country by bringing new technology and giving employment to people whereas in the other way the humiliation losses suffered by the farmers and poor people is leading to protest to the extent of loss of living of common man with the loss of national property. In one way our country is attracting foreign investors with huge investment and by creating better infrastructure for the whole India with the IT development whereas in the other way SEZ is violating the rights of our country only by taking the fertile agricultural land of poor people by not providing proper rehabilitation to the poor and also by doing injustice to them. The recent
example of Nandigram (W.B.) proves the injustice, which is done with the poor farmers by not providing proper treatment to them. The slogan of activists of Nandigram that “We will give you our blood but not our land” proves the importance of land, which the possessors have.

Dharmendra Singh Mohta and Pawan Singh (2008) in their paper “Special Economic Zone or Special Exploitation Zone” studied what are SEZ and complication arising out due to its existence. It basically deals with various aspects of SEZ and it’s after affect. SEZ is basically privileged area secured for economic activities. India which is turning in to super Asian power determined to boost up its economy, picked up SEZs system into its economic domain. SEZ in India is at its infancy stage, which has to be nurtured and brought up so that it can provide support to India’s economy. With liberal approach and got an act enacted, where government has waived its responsibility of middle person, where private company and farmer could deal with each other without any discrepancies. Since countrywide development of infrastructure is expensive and implementation of structural reforms would require time, due to given socio-economic and political institutions, the development of SEZ is seen as an important strategic tool for expediting the process of industrialization. There will be a free market in land for once, without interference from the state. In a country like India, where the number of different owners the acquiring company has to deal with complicates the acquisition of large chunk of contiguous land in a farmed area, the transaction costs for the company are substantial. It is an invitation of India to all nations for setting up company on its land, with certain exemptions.
Sampat Kale (2008) in his article “SEZ: Displacement and People’s Struggle against SEZ with Special Reference to Maharashtra” highlights the issues of displacement, forced land acquisition and farmers protests against SEZ and farmers alternatives to SEZ. The growth in GDP is new mantra of development and everything under the globe is meant for growth and development. Since the last two years land acquisition for SEZ has raised many questions regarding ‘development’ but government has not paid enough attention to it yet. Over the past one year the issue of land acquisition sparked all over the state through forced land acquisition by SEZ and MIDC. Maharashtra has largest number of SEZs approved and being notified besides the people’s resistance, then the question arises that the SEZ is for whose benefits and at whose costs?

Shobhit Agarwal and Lakshya Pal Shekhawat (2008) in their paper tried to lay emphasis on pros and cons of this economic policy by putting forward the basic questions ranging from economy to social issues. In the later part, the authors have tried to put forth loopholes existing of the administrative and legislative level which many a times leads to unsocial, unethical, and other mishaps. There are many issues which the authors had tried to deal with, and have given their own ways to redefine SEZ because in spite of the progress made, there are many challenges ahead for achieving balanced development, but issues of good governance still remain a vision, as on many occasions administration has failed to deliver the required level of service to the people. Government is continuously acquiring the agricultural land and not providing an appropriate remedy to farmers to have a say and agriculture, being the backbone of an Indian economy so this policy of Government can result into crumbling of edifies into ashes...
Bharat Ratna and Nilesh Pius Kujur (2008) aiming in their paper “Marginalization of Workers” to discuss the exclusive rights of the workers in the Indian labour market who are eventually marginalized due to the Special Economic Zones (SEZs) policy of ‘growth at any costs’. The main object behind forming of the SEZ Act, 2005 was to foster economic growth via increased foreign trade. However, the Government has failed immensely to provide solutions to the ongoing problems faced by the farmers, tribal, labourers in those zones because of the loopholes present in the legislation. There are various judicial pronouncements given by different High Courts of the states and by the Supreme Court of India dealing with the opposition to SEZ’s policy that are dealt in the paper. Finally, the authors have attempted to give viable suggestions so as to balance the continuing conflicts between the ‘right to livelihood’ and the ‘right to economic development’.

3.2 CONCLUSIONS FROM THE SURVEY OF LITERATURE:

After having reviewed the above stated literature, the research scholar has come to the following conclusions:

Very few works have touched upon the aspect of socio-economic impact of SEZs

1. There have been major problems related to land acquisition policies putting the farmers at the receiving end and this is a grave concern of the whole issue related to analyzing the benefits of SEZs. This is also one of the important causes leading to the opposition of SEZ policy at many places in India, especially Nandigram which was the burning issue some months back.
2. There are inherent limitations of the SEZ policy itself. It has led to the withdrawal of projects by some firms.

3. Concrete results proving that employment generation has marginally or significantly increased or poverty drastically reduced is not substantiated by any of the studies.

4. Whether the foreign investment has been attracted handsomely, infrastructure developed or not as per believes etc... issues are not highlighted much.

Keeping all these facts in view, the researcher has taken upon the incomplete task of analyzing socio-economic impact of SEZs in India, specifically taking a case study from the state of Gujarat.

3.3 OBJECTIVES OF THE STUDY:

From the above discussion of two chapters objectives of the study can be drawn to be the following:

1. To examine social effects of SEZs in Gujarat economy.
2. To examine economic effects of SEZs in Gujarat economy.
3. To examine the theoretical validity of establishing SEZs in Gujarat Economy.
4. To draw and suggest policy implications from the evaluation of SEZs experience.
In the perusal of the above stated objectives the research scholar is going to follow the methodology stated here under.

### 3.4 METHODOLOGY OF STUDY:

In this study an objective assessment will be made of the following:

1. To survey the literature related to the experience of SEZs in India and particularly its socio-economic impact in the state of Gujarat.
2. To examine the theoretical validity of establishing SEZs in Gujarat’s economy.
3. To draw and suggest policy implications from the evaluation of SEZ’s experience.

With the above on hand, the researcher has relied on the following database and reference materials:

(a) Secondary sources - books, case studies, research journals, magazines and newspapers

(b) Theme-related websites

The study in the subsequent chapter takes up the socio-economic impact of SEZs in context of the Gujarat economy.