An Analysis of Special Economic Zones in India: A Case Study of Haryana

Abstract

This study aims at examining the performance of Special Economic Zones (SEZs) in employment generation, export promotion, attracting investment (both foreign and domestic), infrastructure development, technology upgradation and skill formation in India. The study also undertakes an in-depth analysis of SEZ scheme in India; origin and growth of SEZs; analysis the state-wise, sector-wise, type-wise and size-wise distribution and composition of SEZs in India; and examines the working environment in SEZs. Empirical findings reported in this study are based on the data collected from both secondary sources and primary survey. The primary survey based data was generated through extensive interviews of entrepreneur and workers across the three selected SEZs in Haryana state: DLF Cyber City Developers Ltd., Gurgaon Infospace Ltd., and Reliance Haryana SEZ Limited. The study finds that there is concentration of SEZs in few stats and few sectors in the economy. It is evident from the analysis that SEZs are providing direct employment, indirect employment and employment to women work-force in India. The significant of SEZs in export promotion can be realized from the increasing trend in the value of SEZs exports in Rupees terms and the share of SEZs exports in country's total exports. These are also playing an important role in attracting domestic as well as foreign direct investment. The analysis examine that the role of SEZs in infrastructure development, technology upgradation and skill
formation has been quite limited. But there is a good environment in the selected SEZs. The study argues that there is a lack of proper monitoring and reviewing the activities and performances of SEZs. The Government can introduce a performance based exit policy for the SEZs developers.