World Bank and the United Nations Industrial Development Organisation define SEZ as “an industrial area that constitutes an enclave with regard to customs tariffs and the commercial code in force in the host country and are intended to provide an internationally competitive duty-free environment and quality infrastructure for the Promotion of exports at a lower cost.” According to the Ministry of Commerce and Industry, “Special Economic Zone (SEZ) is a specifically Delineated duty free enclave and is a deemed foreign territory for the purpose of trade operations, duties and tariffs.” As per the EXIM (Export Import) Bank of India, SEZ is a geographically distributed area or zone where the economic laws are more liberal as compared to other parts of the country. They are self-contained and integrated, having their own infrastructure and support services. SEZs are considered as industrial zones with special incentives, in which imported materials or data, undergo some degree of processing before being (re)-exported again.

Global Perspective
The very first example of Fenced-in area of business was established in Italy near Bay of Genoa situated in North West of ITALY and termed as Free Ports. After the Great pause in economic development in the end of 1920’s decade, a new kind of Fenced-in business area was developed in Spain and is termed as Manufacturing SEZ. The Foreign Trade Zones (FTZs) have played a pivotal role in establishing the US as a hub for manufacturing. In China, the first four SEZs set up in 1980 were Shenzhen (32,750 hectare (Ha)), Zhuhai (12,100 Ha), and Shantou (23,400 Ha) in Guangdong Province and Xiamen (13,100 Ha) in Fujian Province, which are multi-product SEZs. Mauritian EPZs, established in 1971, were geared towards separating the EPZ activities from the rest of the economy by reducing the cost of doing business through tax and duty exemptions, access to concessional finance, fast-track approvals for all administrative procedures, and preferential market agreements and marketing support. In the case of African countries, Madagascar started to develop an EPZ in 1989 to attract FDI. In the case of South East Asian Region, Cambodia follows the international best practice of avoiding different tax incentives for firms located in SEZ/EPZ.

Indian Perspectives
In case of Indian Special Economic Zones, Table 9.1 exhibits that, since the promulgation of SEZs Act in 2005, the SEZs have shown mixed trends of significant achievements and shortcomings in the performance of SEZs in the country. Around
3800 units are approved within the SEZs as on September, 2014. In eight years since the SEZs Act and Rules were notified in February 2006, formal approvals have been granted for setting up of 491 SEZs, out of which 352 have been notified and 33 have been given In-Principal Approvals as of 5th December, 2014. While 196 SEZs are operational.

Table -9.1: Status of SEZ in India as on September 2014.

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Functional SEZs (Prior to SEZs Act)</td>
<td>19</td>
</tr>
<tr>
<td>Formal Approvals</td>
<td>491</td>
</tr>
<tr>
<td>Number of notified SEZs</td>
<td>352</td>
</tr>
<tr>
<td>Number of In-Principal Approvals</td>
<td>33</td>
</tr>
<tr>
<td>Operational SEZs</td>
<td>196</td>
</tr>
<tr>
<td>Units approved in SEZs</td>
<td>3864</td>
</tr>
</tbody>
</table>

Source: Special Economic Zones in India, Ministry of Commerce and Industry, Department of Commerce www.sezindia.nic.in

State-Wise SEZs

While, one of the significant objectives of establishing SEZ is to achieve balanced growth across all regions of the country. However it is noted that 5 States, Maharashtra, Telangana, Karnataka, Tamil Nadu, Andhra Pradesh collectively constitute 55% of the total formal approvals 60% of the notified SEZs and around 55% of In-principal approvals by the government as on 2014. On the other hand 35% of the SEZs established in other states of India viz. Gujarat, Haryana, Kerala, and Uttar Pradesh. The spread of SEZs within the State is also in specific locations. For instance, in Andhra Pradesh most of its SEZs are situated to vicinity of Capital city Hyderabad. This scenario is similar in other States as well. This might have been because of the States could not be fully involved in the SEZs scheme and have not even framed their respective SEZs Act/Policy.

Table - 9.2: Operational SEZ in India (2007-2014)

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Number of formal approval</td>
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<td>589</td>
<td>577</td>
<td>584</td>
<td>572</td>
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<tr>
<td>Number of notified SEZs</td>
<td>207</td>
<td>325</td>
<td>353</td>
<td>338</td>
<td>381</td>
<td>389</td>
<td>386</td>
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<tr>
<td>Number of In Principal approvals</td>
<td>136</td>
<td>146</td>
<td>149</td>
<td>42</td>
<td>48</td>
<td>49</td>
<td>45</td>
</tr>
<tr>
<td>Units approved in SEZs</td>
<td>226</td>
<td>328</td>
<td>503</td>
<td>290</td>
<td>340</td>
<td>358</td>
<td>181</td>
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<td>Operational SEZs</td>
<td>87</td>
<td>111</td>
<td>133</td>
<td>153</td>
<td>170</td>
<td>181</td>
<td>185</td>
</tr>
</tbody>
</table>

Source: Special Economic Zones in India, Ministry of Commerce and Industry, Department of Commerce. www.sezindia.nic.in
Rajasthan Economy

Rajasthan is India’s largest state by area 342,239 square kilo meters or 10.4% of India’s total area. The state is located on north western part of the country and it comprises most of the wide “Thar Desert” (also known as the “Rajasthan Desert” and “Great Indian Desert”) and shares an international border with the Pakistani provinces of Punjab to the northwest and Sindh to the west, along the Satluj Indus river valley. The neighboring states are, the Punjab to the north; Haryana and Uttar Pradesh to the northeast; Madhya Pradesh to the southeast; and Gujarat to the southwest.

Rajasthan’s economy is primarily agricultural and pastoral. Wheat and barley are cultivated over large areas, as are pulses, sugarcane, and oilseeds. Cotton and tobacco are the state’s cash crops. Rajasthan is among the largest producers of edible oils in India and the second largest producer of oilseeds. Rajasthan is also the biggest wool-producing state in India and the main opium producer and consumer. There are mainly two crop seasons. The water for irrigation comes from wells and tanks. The Indira Gandhi Canal irrigates northwestern Rajasthan. The main industries are mineral based, agriculture based, and textile based.

Rajasthan is earning Rs.150 million per day as revenue from crude oil sector. The government of India has given permission to extract 300,000 barrels of crude per day from Barmer region which is now 175,000 barrels per day. Once this limit is achieved Rajasthan will become leader in Crude extraction in Country. Bombay High leads with a production of 250,000 barrels crude per day. Once the limit if 300,000 barrels per day is reached, the overall production of the country will increase by 15 percent. Cairn India is doing the work of exploration and extraction of crude oil in Rajasthan.

As per Census 2011, the population of Rajasthan was 6.86 crores, out of which 75.11 per cent was rural population. If we look at the decadal growth rate of the population, it was lower during the decade 2000 (21.44 per cent) as compared to during 1990 (28.41 per cent). The population density in the State has increased by about 22 percent, i.e. from 165 per square kilo meter in 2001 to 201 in 2011. The overall sex ratio of the population of Rajasthan was lower (926) than all Indian average (940) in 2011. The literacy rate of Rajasthan was 67.06 percent, of which the male and female literacy rates were 80.51 percent and 52.66 percent respectively. In Rajasthan there are almost 300 industrial estates developed by RIICO. Industries developed by RIICO, are mostly focused on high growth industries such as Gems & Jewellery, Agro-Processing, Bio-Technology and Apparels. Department of Industries is working for the development of industries and handicrafts in the State and providing necessary guidance, assistance and facilities for industrial activities. At present, 36 District Industries Centres and 7 sub-centres are working for providing inputs and other facilities to entrepreneurs. The Bureau of Investment Promotion (BIP) has been
providing investment facilitation services, mainly for large projects by acting as an interface between the investors and the government for speedy clearances and redress of issues. The “Rajasthan Enterprises Single Window Enabling and Clearance Act, 2011” has been introduced in the state with the objective to provide time bound grant of various licenses, permissions and approvals to the investment proposals. “Rajasthan Industrial and Investment Promotion Policy-2010” & “Rajasthan Investment Promotion Scheme-2010”, are being followed to achieve global competitiveness, accelerating the overall pace of industrial growth, increasing employment opportunities, ensuring sustainable development and strengthening small, medium and large industries. Under the phase-I of the Delhi Mumbai Industrial Corridor (DMIC) Project, Khushkheda-Bhiwadi-Neemrana Investment Region is being developed. RIICO is engaged in fostering growth of industrialization in the State.

Legislative Aspects

According to Government of India Guidelines, SEZ can be developed in public, private or joint sector, or by the state Government. They are expected to promote establishment of large, self-contained areas supported by world-class infrastructure oriented towards export production. Exploiting the full potential of the concept, SEZ would bring large dividends to the state in terms of economic and industrial development and generation of new employment opportunities.

The SEZs Act and Rules were notified in February 2006 and formal approvals have been granted for setting up of two SEZs, in the year 2014-15, three SEZs operational, six SEZs have been notified and 19 SEZs have been given In-Principal Approvals. The numbers of operational SEZs were three and numbers of units approved in SEZs were 171.

Table- 9.3: Current status of SEZ in Rajasthan (As on March 2015)

<table>
<thead>
<tr>
<th>Particular</th>
<th>numbers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Functional SEZs (Prior to SEZs Act)</td>
<td>3</td>
</tr>
<tr>
<td>Formal Approval Granted</td>
<td>2</td>
</tr>
<tr>
<td>number of notified SEZs</td>
<td>6</td>
</tr>
<tr>
<td>Number of In-Principal Approvals</td>
<td>19</td>
</tr>
<tr>
<td>Operational SEZs</td>
<td>3</td>
</tr>
<tr>
<td>Units approved in SEZs</td>
<td>171</td>
</tr>
</tbody>
</table>

Source: Ministry of Commerce and Industry, SEZ Section, RIICO.

District-Wise SEZ

Out of 33 districts in Rajasthan, SEZs established in only five districts. Further out of these five districts Jaipur has highest number of SEZ in it, followed by Alwar (7), Jodhpur Bikaner and Udaipur share one each in them. It
is also very interesting to note that in these five districts also there are a few Tahsils where SEZs are being established. In Jaipur there are three functional SEZs, four notified SEZs and 5 In principal Apprved SEZ. In Jodhpur there are six In principal Approved SEZs only. In Alwar and Bikaner there are notified SEZ one in each. Similarly in Dhoulpur and Udaipur there are In principal approved SEZs one each.

Special Economic Zones in Rajasthan

The Gems & Jewellery SEZ Sitapura located in Industrial Area. Sitapura is approximately 23 Kilo Meters from Jaipur railway station. This is the largest Gems & Jewellery SEZ in Rajasthan. Rajasthan State Industrial Development and Investment Corporation Limited (RIICO) developed an integrated business location which is 8 Kilo Meters away from Sanganer Airport and 10 Kilo Meters away from bus stand and situated near National Highway-12. It is in the close proximity to the proposed Delhi Mumbai Industrial Corridor (DMIC) and Dedicated Rail Freight Corridor (DRFC). The project is located approximately 260 kms from Delhi and near to the proposed

Department of Commerce, Government of India approved SEZ at Boranada, Jodhpur for Handicraft units on July 22, 2003. Boranada Jodhpur was in possession with RIICO, the Department of Commerce & Department of Revenue. The Govt. of India had notified it on September 25, 2003. The State Government has also notified the area for SEZ, Boranada Jodhpur on July 26, 2003. RIICO had been declared as a Developer / Promoter for this SEZ. Applications for land allotment have been invited at an allotment rate of Rs. 500 per Sq M. Allotment commenced on “First come first serve basis”. The area of about 2228.80 Square Meter had been booked for 144 plots by 70 Handicraft units. After the SEZ act 2005, there were some proposals from private sector received to establish Special Economic Zones in Rajasthan. One of the leading Public Private Partnerships (PPP Mode) SEZ developed by Mahindra World City Jaipur Limited and RIICO Jaipur. The Mahindra World City is a multipurpose ‘integrated industrial city’ which is 25 km away from Jaipur, is supposed to include the largest IT-SEZ in India. Mahindra SEZ Jaipur is India’s largest Special Economic Zone (SEZ) with a total area of 3000 acres. It has a dedicated IT/ITES zone spread over 750 acres in the SEZ. Mahindra World City is a well planned business city designed on a Work-Learn-Play concept.

Handicraft SEZ notified in 2007 and operational in Mahindra World City. Here companies like Ratan Textiles, Jaipur Handicrafts Private Limited, Laxmi International Limited, Samurai Nitpro, Gravita, Kirat Enterprises, started production in their respective units. The handicraft Special Economic Zone have 386 acres Notified land area and have total 29 plots and the total land area is 386 acres.
The Engineering SEZ has 550 acres Notified land area which is a part of 3000 acres Mahindra World City. Engineering zone have total 12 plots in phase-I and land area is 33.97 acres of the land allotted. The approved Master Plan has the total Area of 254.94 acres in engineering SEZ.

Employment Generation:

The key objective of SEZ is to generate employment. The contribution of SEZ in generating employment is very significant. The employment effect of SEZs is analyzed through the following three channels:
1. Direct Employment Generation
2. Indirect Employment Generation

In this study the analysis of employment generated by EPZ/SEZs from 1966 to 2014 exhibits that the total employment increased from 70 workers in 1966 to around 89,000 workers in 2002. Employment per zone on an average also increased from 70 to over 12,000. However, the average annual growth rate in employment is fluctuating; hence the EPZs/SEZs could not maintain the rate of growth after an initial phase of rapid expansion. It is to be noted that after the SEZ Act came into operation in 2005 the new generation SEZs provided more employment, the total employment almost doubled between 2002 and 2006 registering an average annual increase of about 20% during 2008-09 to 2014-15.

In 2004-05 the only operating SEZ in Rajasthan was the Gem & Jewellery SEZ. Total employment in this SEZ amounted to 191 workers. There were two SEZs operational by 2005-06. As a result, the level of employment also increased to around 2275 by 2007-08. Thereafter, the Introduction of SEZ Bill 2006, SEZ activities showed improved employment generation. Total employment in the SEZ sector jumped to over 4981 in November 2008 from 7173 in March 2009. The total number of directly employment persons in the SEZs up to march 2015 was 11600.

The indirect employment generated by Jaipur SEZ was 2877. The employment in Rajasthan as well as from SEZs in Rajasthan, increased rapidly during the period 2003-04 to 2015-16. The employment generated has grown from 191 in the year 2004-05 to 15648 in the year 2014-15. The average employment was 7561. The average total employment growth rate from 2003-04 to 2014-15 is 66.91%.

Employment in State/Private sector SEZs, established prior to 2005 was 10602 persons during 2011-12, which reduced to 10054 during the period of 2015-16 (up to June 2015). The one obvious reason of decreasing employment is reductions in the number of SEZ. The number of SEZ reduced from 3 upto 2013-14. However, the number of units in the SEZ reduced from 157 in 2012-13 to 142 in 2013-14 and again started increasing from 144 in 2014-15 to 171 in 2015-16 (upto June 2015).
Employment in notified SEZs after SEZ Act, 2005 increased from 4138 in 2011-12 to 9327 in 2015-16 (upto June 2015). In percentage term, this increase is noted from 28.07 percent in 2011-12 to 48.12 percent in 2015-16 (Upto June 2015) Total employment in both kinds of SEZs increased from 14740 to 19381, which is an increase in employment to the extent of 31.41 percent.

The sector-wise employment generated during 2014-15 in Special Economic Zones in Rajasthan was 17282 people. The Gem & Jewellery Sector was providing maximum employment to 8618 which is 49.86% of total workers and minimum employment was provided by handicrafts sector i.e. 417 which is 2.41% of total workers. The average sector-wise employment was 5760. In the year 2014-15, the total sector-wise employment generated by SEZs was 12906. The Gem & Jewellery sector was leading employment provider which employed 11543 persons which was 89.43% of total workers and minimum employment was provided by Engineering SEZ to 81 persons and this was only 0.62% of total employment. There were 191 workers in the 2004-05 and out of this 22 women (11.12%) were employed in Sitapura Gems and Jewellery SEZ-I. The maximum direct employment was provided to 15648 in the year 2014-15 in which Gems and Jewellery SEZ-I was the leading provider of employment to 2409 persons and minimum employment was provided by Boranada SEZ to 53 persons in the year 2007-08.

Indirect employment was 111 in the year 2004-05 that increased to 3765 in the year 2015-16. The total indirect employment increased to 1400 and total growth was 83.21 percent in the year 2006-07. The maximum indirect employment was provided by Gems & jewellery SEZ which was 75.28 percent and minimum indirect employment were provided by Boranada SEZ which was 13.71 percent in 2007-08. In 2008-09 total indirect employment was increased 23.04 percent as compared to 2007-08. The maximum indirect employment was provided to 1883 persons which were 67.91 percent by Gems and jewellery SEZ-I Sitapura and minimum indirect employment was provided 3.4 percent by Boranada SEZ.

SEZs-Wise Exports in India

There are three categories of SEZs in India viz. Central Government SEZs, State Government/Private SEZs, established prior to SEZs act and SEZs notified under SEZs Act 2005. One of the criticisms SEZs face is that exports are mainly from old SEZs which were formerly Free Trade Zones (FTZs). But the recent information in this regard shows that the exports from new SEZs i.e. SEZs notified under the SEZs Act 2005 have grown rapidly over the years. The total exports from SEZs were of Rs. 22840 crores in 2005-06. The Central Government SEZs contributed Rs. 19657 crores (86.1 Per cent) and State Government /Private SEZs Rs.3183 crores (13.9 Percent). The contribution of Central Government SEZs, State Government/Private SEZs and SEZs notified
under SEZs Act 2005 in the total SEZs exports (Rs. 220712 crores) were 26.3 percent, 20.3 percent and 53.4 per cent respectively in 2009-10.

Exports from SEZs in Rajasthan
The Government of Rajasthan had identified export as one of the thrust area. Export promotion Cell has been set up in the state Commissionorate of Industries. The Rajasthan Small Industries Corporation identified as Export house. The export increased rapidly during the period 2004-05 to 2015-16. The highest export were of Rs. 2763 crores in the year 2014-15 and the lowest level of Export was Rs. 5.28 crores in the year 2004-05. The highest export from Rajasthan was of Rs. 252275 crores during 2014-15 and the average of export was Rs 1175 crores. The annual growth rate of export grown over the previous years has been fluctuating. The lowest growth rate was 0.82% in the year 2004-05 and the highest average growth rate of export was 50% in the year 2011-12. During last few years, export from Rajasthan is much higher than exports from SEZs of Rajasthan. These decreasing trends have some reason like- the attraction towards jewellery is reducing due to high cost and inflation.

In India, the exports from SEZ was Rs. 13854 crores in the year 2003-04 which increased to Rs. 18314 crores in the year 2004-05. It was 32% higher compared to year 2004-05. After the enactment of SEZ Act, 2005, exports from SEZ rose sharply and increased to Rs. 34787 and Rs. 66638 crores in the years 2006-07 and 2007-08 respectively. In 2008-09, exports reached to Rs. 99689 crores which were more than 11 times higher from the 2000-01 exports. India’s export increased from Rs. 293367 crores to Rs. 840755 crores during the period 2004-05 to 2008-09. During 2010-11, the export from SEZ increased to Rs. 315868 crores which were 23 times more in comparison to export during 2003-04. During 2014-15 export from SEZ stood at Rs. 506752 which is 34% of the total export. The sector-wise export was Rs.1296.41 crores in 2015-16. IT sector had maximum export of Rs 978.53 crores which was 75.48% of total export and minimum export were by Mahindra SEZ (Handicrfts) which was 31.52 crores and 3.96% of total exports. The Sector-Wise export from 5 SEZs as on March 2014 was Rs.2092.87 crores. The IT SEZ was providing maximum export of Rs. 979 crores which was 46.13% of total export and minimum export by Mahindra SEZ (Handicrfts SEZ) Rs.51.78 crores which was 2.52% of total exports from Rajasthan.

Investment
Total investments generated in the Indian SEZ have grown from Rs. 185 crores in the year 1990-91 to Rs. 370145 crores in the year 2011-12. The average investment mobilized by Indian SEZ in one year was Rs.109566 crores and from foreign source it was Rs. 75599 crores. The highest investment mobilized was Rs.370145 crores in year 2011-12 and lowest total investment
was Rs.185 crores in the 1990-91. The average total investment from FDI was Rs. 61.87 % and from domestic source, it was 38%. Recently Rajasthan organized Investors Summit known as “Resurgent Rajasthan partnership Summit 2015 in which lots of Investment MOUs signed between companies and Government of Rajasthan. The summit was organised in 17-19 November 2015 in Jaipur.

Investment in SEZs in Rajasthan was Rs. 2626 crores in notified and formally approved SEZs of Rajasthan. The highest investment occurs is Rs. 2377 (90%) crores in Mahindra Word City and lowest Investment was Rs. 91 crores (3.45%) in Gems & jewelry SEZ Phase-I. In Mahindra world City SEZ Jaipur, the total investment was Rs.766 crores. The Infosys BPO Limited attracted highest percentage of investment about 13 percent. This was followed by Infosys limited which attracted about 7 percent of the total investment. Combined together, these two companies attracted more than 20% of the total investment. Investment in state government/private sector SEZs set up prior to SEZ Act, 2005 increased from Rs 240.77 crores in the year 2011-12 to Rs. 248.21 crores in year 2015-16. The highest value of investment was Rs. 248.21 crores mobilized in the year 2015-16 and lowest value of investment was Rs. 240.77 crores mobilized in year 2011-12. In SEZs notified under the SEZ Act, 2005, the investment was of Rs. 1014 crores in the year 2011-12 which increased to Rs 2507 crores in 2015-16. Share of notified SEZs after SEZ Act, 2005 have increased in Rajasthan. The highest value of investment was Rs 2507 crores mobilized in year 2014-15 and lowest value of investment was Rs 1014 crores mobilized in year 2011-12.

There is wide variation of investment among zones. Large amount of investment was attracted by Mahindra World City SEZ of Rs 2507 crores and minimum amount was attracted by Gems & Jewellery SEZ-II of Rs.124.91 crores in the year 2014-15. Total investment was increased from Rs 825.23 crores in the year 2008-09 to Rs. 1116.69 crores in 2010-11. Minimum amount was attracted by Boranada SEZ (Handicrafts) of Rs. 27.4 crores. In the year 2011-12 to 2013-14, the average investment was very low in Boranada SEZ and highest investment was in Mahindra SEZ.

Rajasthan has attracted a large number of multinational companies to set up projects in the State. Industrial houses of India and multi-national alike have set up ventures in the fields as diverse as Information Technology, Electronics, Textiles, Chemicals Agro-processing, cement, Granite and Engineering. Multinational companies like Ericsson, Corning, GE Capital, Ford, Bosch & Lomb, Mico, Electrolux, Gillette etc, has chosen the state for setting up their projects. Recently Honda motors, Saint Gobain, and Laffarge has set up their plants of two Wheeler, Glass and cement in the State with huge investment attracting of Rs. 2000, 1000, and 1600 crores respectively. SEZs of Rajasthan attracting investments from both domestic as well as foreign sources and the
majority of investments are in the form of domestic sources. Investment mobilized from the foreign sources has been increasing only after the enactment of SEZ Act 2005. Hence an attempt is made to find out the trends in the foreign investment by the Rajasthan SEZ which will be useful for predicting the future investment also.

The foreign investment mobilized by the Rajasthan SEZ was lowest at Rs 0.3 crores in the year 2012-13 and the highest Rs 21.85 crores in the year 2010-11. The total foreign investment mobilized for the period under study was Rs 90.68 crores and annual average amount was Rs 8.24 crores. The projected investments that will be mobilized for the year 2015-16 at investment generating capacity (foreign investments) is not on par with other SEZs in Rajasthan.

Estimated Amount of Investment, Employment and Export

The estimated values of investment, export and employment for the year 2015-16 to 2019-20 on the basis of past data are calculated by regression method. The results arrived at are now explained below.

(a) Export

The forecasted values of export from SEZs for the years of 2015-16 to 2020-21 given in table 9.6. The trend value of exports from SEZ for 2015-16 is Rs. 2956.6 crores. This amount is increased to Rs. 4455.45 crores during 2020-21. The mean value of exports (a) comes to Rs. 1157.98 crores. The value of b (rate of growth) is Rs.299.76 crores.

(b) Direct Employment

The estimated direct employment in Rajasthan is going to increase from 1874458 during 2014-15 (Actual) to 1934158 during 2015-16. It will increase every year with the 85463 persons. At the end of 2020-21 the total employment in Rajasthan will be 2361474 persons. Table 9.7 shows the actual employment in Rajasthan while Table 9.8 shows the estimated value of employment in Rajasthan. Figure 9.1

(c) Indirect Employment

During 2004-05 the number of persons employed was only 111 that increased to 3461 and further in 2014-15 this reached to 3696 persons. The number of persons estimated for 2015-16 is 3953. The rate of increase per year is 257. Therefore the estimated number of person in indirect employment will be 5097 during the year 2020-21. Table 9.11 gives the actual value of employment in SEZ in Rajasthan and Table 9.12 gives the estimated value of employment in SEZ in Rajasthan.
(d) Women Employment
There was uneven increase in the level of employment to woman. The number of women employment was 22 in the year 2004-05. This number is increased to 2253 in 2010-11. The number of women employment further increased to 4026 in 2014-15. The estimated employment for 2015-16 is 4473 which increased to 6261 in 2019-20. Table 9.13 gives the Actual amount of women employment in SEZ in Rajasthan and Table 9.14 gives the estimated value women employment in Rajasthan.

(e) Investment
Total investment in Rajasthan was Rs. 406941 crores in 2004-05 which increased to Rs. 1255250 crores during 2010-11. In the year 2014-15 this amount of investment stands at Rs. 2330244 crores. The amount of investment is estimated for the period 2015-16 is Rs 2930928 crores. The estimated value for the year 2019-20 comes to Rs. 3717254 crores.

FINDINGS:

- It has been observed from the study that SEZ policy is driven by the objective of increasing: investment, export, employment, infrastructure and economic activity. All issues are correlated each other. Investment and infrastructure would be prerequisites for this to happen. It is evident that with the country’s GDP growth being fuelled by the service sector, particular IT and IT- enabled service, it is necessary to promote manufacturing activity “and location for the new SEZs should be selectively done so that they spread development and addresses the exiting regional imbalances” It should be noted that creating SEZs not only bring capital, but also more advanced technology and provides important policy implications for many developing countries. The SEZs are extremely attractive for exporters, industrialists and entrepreneurs because of different application of laws and favorable tax concession.
- Public Private Partnership Model is more successful then Government SEZs in Rajasthan in terms of Infrastructure development, export promotion, employment generation and attracting investment. Better amenities are provided by Mahindra World City SEZ then government SEZs.
- Continuous growth has been reported in number of SEZs in Rajasthan since 2003. There were only 3 SEZs which were established in 2003. On the other hand in 2014, 13 SEZs are operational and 171
production units installed in these SEZs. The Boranada SEZ has been De-notified and looses its SEZ status in July 2014.

(a) Findings regarding Employment:

- The SEZ played an important role in employment generation in Rajasthan. The rate of employment generation in Rajasthan is less than the average of employment in country.
- The SEZ is continuously a big player to provide employment in Rajasthan. Although it has the share of 0.72% of total employment generation in state but as compared to amenities and percentage allotted land, its contribution is significant for the state.
- In 2014-15 the employment increased by 32.25% as compared to previous financial year 2013-14.
- In sector wise contribution of employment, Gems and Jewellery sector is the leading employment provider followed by IT/ITES SEZ. These provide 49.86% and 33.72% of the total SEZ employment respectively.

- As per Zone wise study, the average employment generated by Sitapura SEZ Phase-II was leading among all the SEZs followed by Mahindra SEZ. Up to 2014-15 Sitapura SEZ phase-II generated about 41% of total employment in SEZs in Rajasthan.

- The Indirect employment is neither increasing nor decreasing hence it is seems to be in a stable condition which shows that the developmental process is in saturation level at these SEZs.

- The women employment seems to be satisfactory in SEZs of Rajasthan. Total women employment in SEZs is approximately 4000 upto 2014-15. The SEZs in Rajasthan has empowered women, increased their mobility and expended their individual choice. Women’s access to income earning opportunity had many implications for their position in household relationships. But this, they have achieved at the cost of lack of freedom of association, lack of social transformation and increased risks of harassment. Hence the process is complex, and there is both decomposition and composition of women’s subordination through employment in the SEZ. It is important to emphasize that those who are working in the SEZ are the first generation of women wage worker. They did not have a role model to
follow as they have not seen an older generation of women working in such jobs.

- The range of wages paid to employees is from 3000 to 30,000 Rs only which is not satisfactory.

- Further PF, Medical protections and other amenities are not up to the mark.

(b) Findings regarding Export promotion

- The trends of exports show that there is continuous growth in export after establishing the SEZs. But after 2011-12, the growth rate seems to be stable.

- Category wise export data reveals that the SEZs which were established prior the SEZ act perform better then the SEZs established after the SEZ act 2005.

- Sector wise export exhibits that the IT/ITES SEZ has exported more than 52% of export from SEZ Rajasthan. This was followed by Gems and Jewellery SEZ Phase-I. The smallest share of exports was from Handicraft SEZs.

c) Findings regarding Investment:

- The study reveals that the investment status in SEZs in Rajasthan has a positive impact. The investment by entrepreneurs who install their units in respective SEZs is largest as compared to government and other sources.

- The total investment in SEZs, as compared to entire state investment is only 1% of total investment.

- Category wise analysis explains that the SEZs which are established after SEZ Act 2005 had attracted more investments then the SEZs established prior to SEZ Act 2005.

- The sector wise study of SEZs explain that the IT/ITES sector have got highest investment and the lowest investment is achieved by Handicraft SEZ.
The largest investment is done by Mahindra SEZ in Zone wise SEZs as followed by Gems and Jewellery SEZ Phase-I Sitapura Jaipur.

The FDI inflow in Rajasthan SEZ is very small. Only Rs. 2 crores and Rs. 0.8 crores invested by FDIs in Sitapura SEZ and in Boranada Jodhpur SEZ respectively.

Suggestions

It seems that SEZ area is developed substantially at the expense of non SEZ area. This is likely to accentuate the already rising regional disparities. There is likely to be diversion of resources from non-SEZ area to the SEZs. Migration to urban areas will rise and urban infrastructure will face enormous pressure. The excess land bring allotted to SEZ will result in the creation of new landlords.

Appending SEZ to existing large cities may not be a good policy, given the reason and the fact that some of the cities, to which these SEZs are being appended, have already gone beyond the optimum city size of around 1-4 million. The absorption of agriculture labour is necessary for sustained economic development of a developing country. “SEZ” constitute a medium for such substances.

The current size of SEZs at 5000 hectares does not facilitate the full exploitation of economy of scale in service oriented SEZs and should be scrapped. There are other ways of minimizing peasant unrest during the process of land acquisition for SEZ Development.

The cost of SEZs in terms of human rights violation, lose of livelihood, slack rehabilitation and environment degradation will in the long run, prove to very high cost. Therefore, government should rethink its policy of SEZs and should implement it only on an experimental basis with caution in the backward area where no development has taken place.

The conversion of fertile land into industrial land may create food crisis in near future. The use of waste land available in India (around 552692 sq. km) for SEZ development will ensure that the farmers are not displaced from their farmland, the development not concentrated near cities and the fertile land will continue to be used for agriculture use. Only non cultivable or waste land may be acquired for SEZ so that agriculture production will not hamper. The government should encourage the SEZs like Agriculture SEZs.
The SEZ act, 2005 is anti-democratic and unconstitutional as it violates the right to life and livelihood of the people, who are being forcibly displaced for the implementation of these projects. The Act promotes large scale privatization and monopolization of resources into the hands of a few private developers at costs to the state exchequer as well as the economy and environment of this country.

At a time when displacement, relief and rehabilitation issues were not clearly resolved for government projects such as dams, roads and bridges, SEZs posed a serious challenge to the regulatory framework governing the acquisition of land. Different states have adopted different strategies to promote SEZs in their state. But there is a need for a self-sufficient administrative system at all levels of its implementation. (Centre, State and Local) Ensuring coordination between various factors involved in its implementation, greater participation of the state government and greater accountability is required. To unleash the potential of SEZs, policy-makers need to identify the relevant issues and adopt a systematic opportunities offered by SEZs.

The performance of has been reasonably good despite some criticism. However, it is widely recognized that the future of SEZs critically hinges on effectively resolving the issues concerning land acquisition and human displacement. The government should not take any decision which would harm the Indian public at large. It should not result in environmental recession, economic trouncing, and halting of small scale industries at any cost. It should be noted that it is unsafe to achieve economic development by stagnating the national culture and psychological values.

SEZs can improve the economic activity in the country, make the country’s export competitive and globally noticeable, be net foreign exchange earner and provide immense employment opportunities. But this should not be done at the cost of bringing down the agricultural activities. As compared to China, where majority of SEZs were setup by the government, similar should be adopted in India, if not fully, it should be a public-Private-Partnership (PPP) and regulatory bodies should be properly managed to weed out fallacies.

With above analysis, findings, and suggestions my research on “The Contribution of SEZs in Economic Development of Rajasthan” is completed. And I pray almighty to show his blessings upon me in confirming the degree of Ph.D. Thanks God.