INTRODUCTION

The review of literature in this chapter is divided into three parts. The first part consists of the review at studies conducted at global level. The second part of the review is related to national studies and last part of the review is related to studies conducted in Rajasthan.

1.1 Experiences of SEZs: Global

Wong, (1984) examined the general concept of free zones which include customs bounded warehouses/factories, EPZs and SEZs to free ports or comprehensive free trade zones. Special emphasis is placed on discussing the objectives and characteristics adopting a strategy of export led growth by way of establishing EPZ/SEZs in the Asian region. Major difference between EPZs in countries with market economies and SEZs in socialist country (China) are brought out. Performance of Asian EPZs/SEZs is evaluated in terms of achievements in attracting foreign investments, earning foreign exchange, exports, employment generation, and transfer of technology, backward and forward domestic linkages and regional development. Common problems encountered by the Asian Zones include inadequate infrastructure provision, social problems due to high percentage of female workers and the exploitation of the indigenous labour force, inefficient government administrations and low standard of management. Despite great regional variations in the source of EPZs/SEZs, the continuing growth in the number of such zones indicates an increasing interest on the part of Asian governments to adopt the EPZ.

Stoltenberg, (1984) in him study examined that SEZ have begun to bear fruit for China. Indeed, these represent the focus of a substantial share of all foreign investment to date. While the source of the vast bulk of such investment has been Hong Kong and overseas Chinese, there are indications that the base is broadening. Although gaps remain in the framework of administrations and significant uncertainties continue to confront potential investors. The flexibility shown by the Chinese in responding to problems as they arise must be encouraging from the investors’ point of view. Such a response is not surprising in view of the support the central leadership has voiced for continued SEZ development. The SEZs provide environments for structural reforms and learning about the law of value and market forces and have also provided employment opportunities. The degree to which the zones will serve to filter
foreign capital, technology, and equipment to other regions, remains to be seen as generators of economic growth.

Wang, (1986) in his study examined the role of SEZs along China’s coast zone and their place in the progress of modernization in Chinese industry. A special case study is made of Shenzhen SEZ where the Chinese government has attempted to promote the inflow of foreign capital and technology, while at the same time maintaining control over direction and types of development taking place. The state has developed joint ventures and local firms as the platform into which new technology is injected and from which new industries in the interior of country will be spawned. Total investment in Shenzhen increased from $120 million in 1979 to $1130 million in 1983 due to government efforts. Shenzhen’s manufacturing employment grew from 5000 persons in 1978 to 25000 persons in 1980.

Warr, (1989) is of the opinion that EPZs are economic enclaves within which manufacturing for export occur under virtual free trade conditions. Many developing countries have established EPZs with the hope of reaping economic gains through employment, foreign exchange earnings and technology transfer. This article studies the benefits and costs of EPZs in Indonesia, the Republic of Korea, Malaysia and the Philippines and explains the relationship between the welfare effects of EPZs and the host country’s economic policies.

Johansson, (1994) Studied the EPZs’ direct contribution to total exports, the possibility of a catalyst effect and the fact that a prosperous EPZ could induce additional trade reforms. By using the traditional cross-sectional gravity model, he found that EPZs have increased total exports of several developing countries. The effect varies across countries, and those countries with an outward-oriented trade strategy are more likely to experience a positive impact on exports. Also conducted Cost-benefit analysis to compare the benefits arising from SEZs with the cost of establishing these in the form of subsidies, administrative costs, social costs and infrastructure costs.

Ling, (1994) in his research paper “Foreign Direct Investment, Economic growth and Temporary Migration the case study of Shenzhen China (1979-1994)” uses OLS method and found that there exist a correlation between FDI and Temporary migration. He also found that foreign direct investment and development are inter related. In Shenzhen the FDI is increasing very fast. In USA there is 6.3% of World’s foreign direct investment while in HongKong and in Japan it is 20%. So it can be concluded that the maximum foreign direct investment inflow is in China.
Tahir, (1998) in his study found that EPZ have become increasingly important as country seek to attract foreign investment for purposes of promoting growth, increasing export and earning foreign exchange and employment, as well as the transfer of technology. There are likely to be substantial gain for the host economies through the creation of trade. Even though EPZ in the Arab countries offer relatively similar fiscal and financial incentive and their performance differ from country to country. Jebal Ali zone is considered the most successfully among Arab countries in terms of investment attracted to the zone, to level of export and foreign exchange, employment opportunity as well as backward linkage with the domestic economy. Other free zones in the area have showed sign of different level of success and of failure in the achievement of their objectives. He found that the ability of some free trade zone such of those in Egypt Jordan and Syria in attraction of FDI was very limited and so these remained as storage and warehousing area. Also ability of these zones to compete in the international market through export was weak which led most of these to direct their export to domestic market.

Jenkins, (1998) study explains that Asian EPZs account for a smaller share of manufacturing employment and exports than their Latin American counterparts. On the other side, Asian governments have been successful in promoting linkages between EPZ firms and the rest of the domestic economy, while in Latin America these linkages have remained very small. Activity in Asian EPZs and other export-oriented regimes has increased rapidly during most of the 1990s in Central America. EPZs and other similar regimes currently account for a large share of manufacturing employment and exports in the region. The analysis in this paper has important policy implications. First, for most the development of export-oriented activities in Central America, however, has not been uniform across countries. There are numerous and striking differences in legislation and industry ownership distributions. With regards to legislation, some countries in the region have a specific EPZ Laws, while in others the EPZ regime is included in a Law that encompasses several other regimes. It is important to make a determined effort to diversify the industry composition of export-oriented activity. In some Central American nations, EPZ industry is highly concentrated in the textile industry, a sector which is very sensitive to trade restrictions abroad. Diversification into electronics and some types of services is particularly desirable and plausible since these activities are less “footloose,” and they generate more backward linkages with the domestic economy. Central American governments need to encourage the development of more and stronger backward linkages between export-oriented firms and the rest of their local economies.
Bhattacharya, (1998) examined the ownership of enterprises in the zones as well as investment trends that are showing an increasingly high profile of foreign investors and found that, vast majority of employees in the EPZs are of local origin and out of these female workers constitute the major proportion of the workforce. The data show a positive relationship between foreign capital and the labour intensity of certain operations. An analysis of the cost and benefits has revealed that the EPZs have yielded positive economic effects with the single, largest benefits accruing to labour.

GE, (1999) studied the implications of SEZ in China’s economic transactions; and attempted to draw some policy lessons for economic liberalization in a more general context. Establishing the zones has been the first and most crucial step that China took to reform and open its economy since 1979. The zones establishment, performance and impact on China’s transition are examined in addition to related reform efforts and policy issues. It is argued that the zones may serve as a policy means in facilitating trade and financial liberalization, enhancing resource utilization and promoting economic growth and structural changes. During the period 1980-95, the overall Chinese economy expanded at an annual average rate of 10 per cent, while Shenzhen SEZ has grown at an astonishing 35.5 per cent in real terms He also studies the benefits and costs of EPZs in Indonesia, the Republic of Korea, Malaysia and the Philippines; and found the relationship between the welfare effects of EPZs and the host country’s economic policies.

Madani, (1999) debated the merits and demerits of this trade policy tool for the last 30 years, using the neo-classical, cost-benefit and new growth theory methodologies. The neo-classical analysis suggests that EPZs have a negative welfare effect on the country. The creation of zones will increase inefficiency by distorting production away from its comparative advantage. The neo-classical school is based on a Hecksher-Ohlin two goods - two factors – two countries framework. The results finds depend critically on the factor intensity of the two sectors.

Zohir, (2001) examines the Gender Balance in the EPZ. “A Socio-Economic Study of Dhaka Export Processing Zone in Bangladesh” The analysis is based on primary data from a survey of Dhaka EPZ. A random sample method was used to select the factories. He suggests that employment in the EPZ has definitely provided employment in good working conditions. It has also empowered women, increased their mobility and expanded their individual choice. Women’s access to income-earning opportunities had many implications for their position in intra household relationships. But this they have achieved at the cost of lack of freedom of association, lack of social transformation and
increased risk of harassment. Hence the process is complex, and there is both decomposition and recomposition of women’s subordination through employment in the EPZ. It is important to emphasize that those who are working in the EPZ, are the first generation of women wage workers. They did not have a ‘role model’ to follow as they have not seen an older generation of women working in such jobs.

Armas. (2002) found evidence of increased productivity and efficiency in the maquila sector and conclude that although there has been technological progress in the maquila, not only in organization but also in human resources and technical processes. The bulk of the activities is still mainly of assembly type production. There is still primarily unskilled labour intensive production therefore; he concluded that maquila is not apt to induce modernization of the whole economy. He argues that maquila will not be able to be the engine of sustained and equitable growth, but its contribution so far is positive. The analysis of main economic indicators which may affected by EPZs as well as the impact of EPZs on the modernization of the host countries taking Mexico as an example. It seems that the maquila industry has been very successful in its aim of creating and alleviating unemployment. It has been less successful in its role as a foreign exchange earnings source. Due to its high import composition, that does not seem to be changing much over time, the potential of the maquila industry in providing for much-needed foreign exchange is very limited.

Committee on Employment and Social Policy, (2002) Examined employment and social policy in respect of export processing zones (EPZs). EPZs have been highly effective at employment creation in some countries. EPZ’s Total employment was calculated at 4.5 million in 1997, which by conservative estimates had risen to at least 7 million by 2002. Zones have created an important avenue for young women to enter the formal economy at better wages than in agriculture and domestic service. Women make up the majority of workers in the zones, reaching up to 90 per cent in some of these. However, there is a suggestion that as the nature of employment in zones evolves, with higher technology inputs, the gender profile of the workforce changes. Mexico saw employment in increase from 446,000 in 1990 to 1,285,000 in 2000. However, the number had fallen to 1,086,000 by May 2002, partly as a result of increased competition from China. Job loss alongside job creation has also been documented in the footwear industry of Ceará, Brazil, which pursues an EPZ-like approach. For EPZs to fully achieve their economic and social potential, governments should have a clear and comprehensive industrial and investment strategy, consistent with the need to promote economic development and respect for fundamental workers’ and employers’ rights as defined in ILO Standards. Public and private resources should be utilized to ensure good basic education
and job-related training and retraining. Skill development could be promoted through a levy fund which compensates government agencies, employers’ and workers’ organizations which undertake training and retraining initiatives. Lifelong learning, multi skilling and career path systems should be encouraged. The ILO should develop advisory services and technical assistance projects to assist EPZ-operating countries in improving labour and social conditions.

Akhter, (2003) found that it would be difficult to make a comprehensive cost-benefit analysis of KEPZ in Pakistan. The benefits, coming out of such zones, depend upon the dynamic gains overtime, stemming from structural contributions to national economy like Pakistan. These also depend upon the efforts towards learning and absorbing foreign technologies and shifting the growth pattern of Pakistan to an outward looking economy traditionally from an inward one. There exists a great potential in Pakistan to achieve success and growth through export-oriented strategy activated through EPZs. The success in this requires the coordinated efforts of various agencies, sustainability of incentives, and provision of internationally competitive levels of infrastructure.

Jayanthakumaran, (2003) analyzed number of objectives of SEZs. He used cost benefit theory and shadow price estimate in study. In Singapore, which have free from trade restrictions, the EPZs were used to attract investment and FDI. Transition economies such as Malaysia, Korea, Chinese Taipei, and Thailand used EPZs as a catalyst to shift from inward to outward-oriented policies: The EPZs are one of several steps taken to integrate in the world economy. The EPZs in Korea and Chinese Taipei also evolved and integrated well in the domestic economies. In Thailand, a major aim was to move industry from Bangkok to overcome problems of congestion and pollution. In inward-oriented countries like India, Indonesia and the Philippines, EPZs were introduced to create island of business friendly areas free from the significant distortions plaguing domestic industry. China initiated its ongoing economic reforms by experimenting with Special Economic Zones (SEZ) to attract FDI in selected areas. He suggest that zone in south korea, Malaysia, Sri lanka, china and Indonesia are economically efficient and generate returns well above estimated Opportunity costs. These zones are important source of employment in all country.

Mondal, (2003) concluded that in Bangladesh, the growth of employment in the SEZs is much faster than that in the total organized manufacturing sector. It was over sixteen times than that of the organized manufacturing sector during 1983-84 to 1987-88 and over four times higher during 1988-89 to 1999-2000.
Ota, (2003) analyzed the changing role of SEZs in the context of China’s economic development and some of the emerging problems that SEZs were confronted with at the new stage of development. An attempt is trade here on study of policy and performance of the SEZs in comparison with those of Asian EPZs which managed to shift their industrialization strategy from the import-substitution to the export-orientation. The SEZs were in a better position to elicit lessons from the experiences of Asian EPZs, despite various conditions and limitations prevailing in China’s socialist market economy. The study also finds that since the implementation of economic reform policy in 1979, China’s economic development is quite impressive with the average annual rate of economic growth of over 10 per cent between 1980 and 1995, increasing the GDP from 451.8 billion yuan to 5826 billion yuan. SEZs apparently triggered the economic growth.

Mohammad, (2003) uses primary data and examines various aspects of Krachi EPZ in Pakistan in the study of comprehensive cost-benefit analysis of KEPZ in Pakistan. He found that there were 90 firms in total operating at KEPZ, 31 being local and 38 as foreign with a total investment of $ 81.041 million. The benefits coming out of such zones, depends upon the dynamic gains overtime, stemming from structural contributions to national economy like Pakistan. These also depend upon the efforts towards learning and absorbing foreign technologies and shifting the growth pattern of Pakistan to an outward looking economy traditionally from an inward one.

Adhikary, (2006) examines the linkage between FDI, trade openness, capital formation, and economic growth rates in Bangladesh over a period 1986 to 2008 using time series analysis. FDI and level of capital formation are found to have significant positive effect on changes in real GDP. The degree of trade openness unleashes negative but diminishing influence on GDP growth rates. He used “ADF (Augmented Dickey- Fuller) test and recession analysis” and conclude that Bangladesh should formulate FDI-led polices and ensure higher degree of capital formation to enhance his economic growth rates at large.

Aggarwal, (2006) found that the share of EPZs in a country’s exports is an indicator of the relative importance of the zones. In India, EPZ exports to a modest 5 per cent of total exports, while the share reaches a fifth and a third, respectively, in Bangladesh and Sri Lanka. The role EPZs have played in export performance varies also by zone and product concerned. Products from some of the sectors where substantial exports from EPZs can be observed were already exported by Bangladesh, Sri Lanka, and India even before EPZs were set up. Analysis shows that EPZs can play a supportive role in export performance in those cases where products of a given sector were already exported. Finally,
EPZs can also induce a relocation of activities from the mainland to the zones, due to the favorable business environment provided there. Bangladesh, India, and Sri Lanka have a long tradition of operating export processing zones. The favorable fiscal, infrastructure, and regulatory conditions under which firms in these zones operate have made it possible to attract substantial foreign direct investment and thereby bring new economic activities and employment opportunities to the countries.

Gopalakrishnan, (2007), analyzed negative aspects of SEZ in China. The general impression that China’s SEZ are a remarkable success is an incomplete one. Left out of the picture are inequities in development, arable land loss, real estate speculation and labour violence. Most of all, in China the truly damaging development was the shift in zone and policy institutions, already authoritarian under one party rule, into powerful instruments of speculative finance capital and big industry. This was exacerbated by official praise of the SEZs as models. It was this combination that facilitated widespread real estate speculation, while ensuring that the repression of workers and peasants greatly increased.

Malhotra, (2007) analyzed and compared two SEZs Jebel Ali Free Zone in Dubai and Noida Special Economic Zone in India in the study of Free Trade Zones: He used Uppsala Internationalization Model, Wilcoxon Ranked Sign Test, T test and cost-benefit analyses and concluded that for many small and medium-sized enterprises that do not have the kind of resources owned by large multinationals, FTZs can provide a cost-efficient instrument in their effort to expand into international markets and also found that the tenants assess investment climate to be better inside the zone than outside, should be an encouragement to many small firms to effectively use FTZs to expand to countries For some countries, presence of zones could mean the difference in whether a firm decides to target that country or not. This is especially so in countries where the overall legal or political environment and/or its infrastructure are considerably worse than those of its zone.

Omar, (2008) identify the factors that have helped to make certain EPZs successful. EPZs should be seen as interim steps in the process of more general economic liberalization. Most such zones are small economic units compared to the overall host economy. The government cannot expect a few small EPZs to be the drivers for wholesale economic restructuring. In cases where the creation and expansion of EPZs did appear to be forerunners of the more general economic restructuring, the zones were, in effect, allowed to grow in size and importance, or at least, the regulatory regimes governing the zones were expanded to include more and more enterprises and geographic areas in the host economy to increase,
but the sophistication and technology of the products produced and exported does not increase.

Sahling, (2008), examines the China’s SEZ and ETDZs. China launched its “Open Door” reforms in 1978 as a social experiment one that was designed to test the efficacy of market-oriented economic reforms, but to do so within a controlled environment. China’s SEZs and ETDZs have been instrumental in persuading foreign companies to invest in China and thereby nurturing China’s economic revitalization. Today, 30 years later, China has evolved into a manufacturing powerhouse, the fourth largest industrial country, and a world-class economic player. During 2010, its merchandise exports totaled US$1.2 trillion, making it the world’s third largest exporter (after Germany and the U.S.). China’s economic reforms have succeeded far beyond the reformers’ wildest dreams. Less developed countries now look admiringly at China’s economic metamorphosis and wonder what lessons may be learned from its success. One common question is whether China could have achieved its economic transformation without the formal structures of SEZs and ETDZs. In principle, China surely could have been equally successful without them. Its economic success owes more to the classic prescription for growth—thrift, investment, industriousness, foreign trade, shifting from agriculture to manufacturing, and a willingness to adopt the best practices employed by the world’s industrial leaders than to SEZs and ETDZs directly. Nonetheless, China’s SEZs and ETDZs have still played an important role in China’s economic transformation, having served as incubators for economic growth. As those economic reforms took root and flourished, authorities allowed them to fan out to the rest of China. It is doubtful that foreign enterprises would have been as willing to venture into China in the 1980s and ‘90s in the absence of those oases of reform and modernity. Indeed, many observers maintain that the SEZs and ETDZs succeeded in accelerating the pace of China’s economic revitalization.

The World Bank Group, (2008) opines that foreign SEZ such as Korean, Malaysian, and Philippines zones were successful in developing significant backward supply linkages and contracting relationships with domestic firms, particularly in footwear operations and there is great scope for supply and development of other linkages. Local enterprises are also benefited as there is a greater incentive for them to sell goods and services to zone-based enterprises because such sales are (typically) “deemed” exports and therefore are eligible for duty drawback and other export incentives.

Chadha, (2009) analyses the FDI inflows and their impact on rural activities with special emphasis on employment-generating effect, the sectors of
agriculture and food processing, and to assess the positive and negative impact of employment through FDI-enabled production activities. More than 50% of the total FDI-enabled manufacturing sectors providing employment of 15,64,920 persons originates in small cities; Sectors providing a relatively high share of employment in Class-3 cities include transport equipment; growing and processing of crops; construction parts; textiles; and non-metallic mineral products infrastructure around the zone this includes among: improved roadways, easy connectivity to ports and airports, better housing facilities, better schooling facilities for children of foreign employees residing in zones, and improved telecommunication facilities which benefited the academic and business community alike.

Menon, (2009) provided an overview of the rationale of the SEZ policy. The study points out the benefits of an export-led growth strategy and argues that the SEZ policy is driven by the objective of increasing; export, infrastructure, investment, employment, and economic activity. But otherwise, the core objective would be to increase export-oriented economic activity. All issues are correlated each other. Investment and infrastructure would be prerequisites for this to happen, It states that “with the country’s GDP growth being fuelled by the services sector, particularly IT and IT-enabled services, it was necessary to promote manufacturing activities” and recommended that the “location for the new SEZs should be selectively done so that they spread development and address existing regional imbalances”.

Menon, (2009) analyzed the issue of size of SEZ and its linkages to the processing and non-processing zones of SEZs. But it merits consideration whether this piecemeal, SEZ-specific, approach cannot be complemented by another – one in which a single, large, non-processing zone is established to serve not one, but a number of non-contiguous (but proximately situated) SEZs. That will enable SEZs to come up in disparate pockets of inferior agricultural land in which farmers would have no interest. He also attempted to show how vital the SEZ scheme is for all-round economic development. Not only does it unleash the creative energies of the private sector, it also lightens the development burden of the government (which can then concentrate its effort in other ‘basic human needs’ areas), inducts FDI along with the latest technologies, and evens out the growth momentum across all regions.

Murayam, et.al (2009) examined the historical trajectories and outstanding labour and gender issues of EPZs/SEZ on the basis of the experiences of South Korea, Bangladesh and India. The findings suggest the necessity of enlarging our analytical scope with regard to EPZ/SEZ, which are inextricably connected with external employment structure. Further, the study calls for an immediate
and comprehensive review of the labour and gender conditions in Indian SEZs where workers are in a disadvantageous position not only against capital but also in comparison with workers in South Korea and Bangladesh EPZs/SEZs.

Romo, (2009) analyzes the challenges of the WTO on Chinese SEZ. The Chinese policy of reform and openness has brought drastic changes in the Chinese economy and society. One of the most important changes has been the establishment of the Special Economic Zone (SEZs), which were designed to experiment with different market economy reforms and be the engine of growth in the country. The WTO presents new challenges since two of the most important WTO’s rules, namely Most Favoured Nation (MFN), and National treatment could contradict China’s SEZs incentive policies. Greatest concerns are export subsidies and requirements to use domestic over imported goods, inconsistent with MFN and national treatment principles. China’s economic reform and opening up in the past 30 years and its accession to the WTO has brought about a continued improvement of its legal system, enhanced transparency of its economic and trade policies, and a much better environment for business and investment.

Wang, (2009) examines the impact of a Special Economic Zone experiment aimed at attracting foreign direct investment. The Special Economic Zone policy increases per capita foreign direct investment by 58%, mainly in the form of foreign-invested and export-oriented industrial enterprises; does not crowd out domestic investment and domestically owned capital stock and increases total factor productivity growth rate by 0.6 percentage points. The results suggest that creating SEZ not only brings capital, but also more advanced technology, and provide important policy implications for many developing countries. The policy package, including private property rights protection, tax breaks and land use policy, increases per capita foreign direct investment by 58% in the form of foreign-invested and export oriented industrial enterprises.

Yeung, (2009) analyzed the Chinese SEZs. China decided to open its economy to the world and subsequently establish five SEZ as windows and laboratories to test new and innovative policies and measures in 1978. By 2008, three decades after launching of the reforms, China’s decision to focus on economic rather than political development, and on a gradualist approach symbolized by the establishment of the SEZs, can be judged a success. The country today is a world economic powerhouse. But after 30 years of establish the SEZ, migrant labour that has been driving their growth machine over the past 30 years is now facing the prospect of unemployment, after thousands of factories have closed for a variety of reasons since early 2008. China pioneered many innovative
policies and practices that had a truly revolutionary impact on the country’s economic transformation.

Wulandari, (2010) examine development of export processing zones in Asia and the impact of these zones on workers and the community, examine the development trajectory of the Batam free trade zone as Indonesia’s pilot for the establishment of special economic zone on its major Islands. He studying Batam, the concept of territorial logic of power is adopted, in which Singapore emerging as a centre a dynamic regional economy, is taken into account. The political negotiations between Indonesia and Singapore to remove trade and investment barriers brought the result. Several electronics companies, Panasonic, sanyo, Epson, sharp and LG, made Indonesia their global production base for their several products. Panasonic, for example, decided to make Indonesia as its lithium battery production base, and relocated its lithium coin better production from Japan to Indonesia. In 2010 almost 80 percent of workers in the electronic manufacturing line were contract workers.

Kingomble, (2011) examined the effects of special economic zones on labour productivity in Kenyan manufacturing. He uses CES production function in his study. Sub-Saharan countries face the twin challenge of achieving both employment-creation and structural transformation of their economies. Addressing these challenges requires appropriate growth policies, and as part of this, SEZs could play an important role. The evidence on zone development suggests that some zones (esp. in Asia) have worked whilst many others (esp. in Africa) have failed. Nonetheless, some zones in SSA have attracted significant employment, at least for some time (Madagascar, Mauritius, Ghana, Kenya, Lesotho), although the transformational aspects have been largely absent with exceptions such as Mauritius and perhaps Kenya. The observation based on a limited sample of SEZs that have used clustering tended to be more successful is indicative that there is a need for SSA zones to focus more on the clustering aspects as well as complementary reforms and innovation policies. He also provided new econometric evidence which suggests that SEZs in Kenya have helped to create some 40,000 manufacturing jobs and increased manufacturing labour productivity by around 20% in the decade to 2006, or 2% per annum. This suggests that in principle it is possible for SEZs to be both job creating and productivity enhancing, although there are also questions about whether the transformative effects can be sustained.

Brautigam, et.al (2011) examined recent Chinese efforts to construct a series of official economic cooperation zones in Africa. These zones are a central platform in China’s announced strategy of engagement in Africa as ‘mutual benefit’. China form a unique, experimental model of development cooperation
in Africa. The market-based decisions and investment by Chinese companies are combined with support and subsidies from an Asian ‘developmental state’. Though this cooperation provides a promising new approach to sustainable industrialisation, also identify serious political, economic and social challenges.

Farole, (2011) has investigated that SEZ programmes require proactive, flexible, and innovative policy approaches to address the significant macroeconomic challenges that will impact SEZs in the near future to focus on facilitating a more effective business environment that fosters firm-level competitiveness, local economic integration, innovation, and social and environmental sustainability.

Gokhan, et al. (2011) states that achieving success with SEZ programs in the future will require adopting a more flexible approach to using the instruments of economic zones in the most effective way to leverage a country’s sources of comparative advantage, and to ensure flexibility to allow for evolution of the zone program over time. Most fundamentally, this will require a change in mindset away from the traditional reliance on fiscal incentives and wage restraint, and instead focusing on facilitating a more effective business environment to foster firm-level competitiveness, local economic integration, innovation, and social and environmental sustainability.

Bernstein, (2012), examined the potential of SEZs to act as catalysts for growth and development. There are now about 3000 SEZs in 135 countries in 2008 for more than 68 million direct jobs and $500 billion of trade-related value-added. There have been some spectacularly successful zones that transformed the economies of their host countries, and there are many zones which have failed to set themselves apart from the rest of the economy create a sufficiently attractive business environment, compete internationally. The experience in South Africa where the establishment of IDZs has not contributed significantly to economic growth or the transformation of the country’s economic prospects. SEZs could play a role in creating conditions needed for the emergence and growth of lowsill, labour-intensive industries. If South Africa is to create jobs for millions of unskilled and inexperienced workers, the country needs to create the right conditions for these kinds of investors. SEZs could play a useful role, particularly if they are used strategically to address the constraints faced by potential employers of unskilled labour. For this reason, South Africa should establish at least two large SEZs designed to meet the needs of low-skill, labour-intensive businesses. Current economic policy is skewed towards high-skill and high-wage methods of production, which do not address the core of South Africa’s unemployment crisis. The SEZ Bill has not been finalised, and much of
the detail has been left open to interpretation in later regulations or through the decisions of the proposed SEZ Board.

Crispen, (2012) analyzed the South African government policy adopted for the establishment of SEZs. The country migrates from an inward-looking industrial strategy to export-led growth, promote investment in less developed areas, boost job creation, enhance the manufacturing sector, and facilitate integration into the global economy. Due to negative perceptions of export processing zones and SEZs in Asia and elsewhere, the government chose to name these enclaves industrial development zones (IDZs). They were defined as ‘purpose-built industrial estates, linked to an international port or airport, specifically designated for new investment in export-oriented industries and related services’. To date four of these zones have been designated and licensed, and others are in the pipeline. The first zone to be designated (in 2001) was at Coega, it is by far the largest IDZ and was designed around industrial clusters linked to the deep water port of Ngqura. Coega has attracted a total of 21 investments (17 of which are currently operational) valued at R9.2 billion. These have generated 2837 operational jobs. South Africa’s current IDZs do not really qualify as SEZs, offering nothing extraordinary to investors when compared to other industrial parks.

Ebba (2012) is of the opinion that to attract foreign investors and growth, overall business environment, physical infrastructure and access to a skilled workforce are more important than tax incentives. The SEZ share of total exports rose to 28 percent in 2011, exceeding that seen in China. Further it could adopt its approval process to attract more foreign investors and manufacturing companies by changing either the SEZ fiscal incentive structure or the directives of the SEZ Board. The creation of National Manufacturing and Investment Zones (NMIZ) could be seen as productive SEZ policy adaptation.

Ahmed, (2014) analyzed that the relative performance of Bangladesh Export Processing Zones (BEPZs). Bangladesh has eight operating EPZs. This study considered volume of export, investment and employment of each zone as the performance determining factors. They found that Chittagong EPZ is the best performing EPZ in the country, with Dhaka close behind. Dhaka EPZ did not experience the slow early development that was the case in the CEPZ, so investment in the DEPZ grew very quickly after its establishment and so did employment and exports. Recently the level of investment and exports increased in DEPZ Until 2000 the growth of employment in the DEPZ paralleled that in the CEPZ but since then employment has grown more slowly in the DEPZ. Clearly the CEPZ and DEPZ have been successful, the more recent establishment of the other BEPZs make evaluation of their performance more
problematic. The most recently established Adamjee and Karnaphuli have developed quickly attracting levels of investment comparable with the early development of DEPZ. This has been associated in these EPZs with employment and exports which are again comparable with the early DEPZ. So these two newer EPZs can be regarded at least as an initial success. Comilla despite being established earlier has not quite achieved a level of investment, employment and exports comparable with Adamjee and Karnaphuli, thus it can be regarded as a partial success. The other three EPZs Ishwardi, Uttara and Mongla have been much less successful attracting much less investment, generating less employment and investment.

Mallikarjun, (2014) is made an attempt to understand the establishment, policy, decisions, and growth of SEZs in both India and China. China had a Master Plan and an economic framework on how to build and precede with SEZs, most probably inspired by the success of Asian Trading Hub, Hong Kong. The Chinese started building massive cities for manufacturing and industrialization under their SEZ framework. Shenzhen is the largest SEZ in China, is spread over 493 Sq Kms. (49,300 hectares). Exports from Shenzhen SEZ reached $100 Billion in 2005. Total Chinese exports for 2005 were around $700 Billion which implies Shenzhen contributed 15% of Chinese exports. The largest SEZ in India, Reliance - Navi Mumbai and Maha Mumbai SEZ, is mere 14,000 hectares. As a model that is supposed to drive the overall development of the country, It is a model of creating privileged pockets that Indian government made itself committed to Nandigram bloodshed, continuous protests against Reliance's SEZ in Navi Mumbai, or cancellation of SEZ in Goa are the expressions of the non-privileged discriminated by this model. China is an authoritarian state might have been diluted by impressive figures of FDI. It is undeniable that the State has played an essential role in SEZ development zone policy in China. On one hand, the strong state has made the economy of scale possible and guided it for the overall reform process On the other hand, it has guaranteed an uninterrupted investment environment for the corporate interests.

Pakdeenurit, (2014) examined Special Economic Zone (SEZ) all over the world. Establishing objectives and managing approaches of SEZ in 93 countries over the world in 2008. Total of 2511 SEZs was located in 6 regions: 23 countries in Americas, 19 countries in Asia and Pacific, 12 countries in the Middle East and North Africa, 15 countries in Western Europe, 10 countries in Central and Eastern Europe and Central Asia, and 14 countries in Sub-Saharan Africa. Three years later, the SEZ has increased to 3,000 zones in 135 countries around the world. The developing countries had used the policies of establishing the SEZ as the crucial strategy for the country’s economic development. The result is that some countries get benefits, but some countries encounter the
problems and complexity from the establishment of SEZ. For Thailand and other countries which would like to set up SEZ in the future, it is necessary to understand all aspects of SEZ as well as the impact of SEZ which might have shape the country in the future. The success factors, which associated with each environment and each country, is also investigated and carefully adopted.

Pakdeenurit, (2014) analyzed that the SEZ as the area with a special privilege that is established specifically by some country in order to attract the foreign business persons in investing in the country. The insights of three leading nations in managing SEZ which include; the United States of America, the pioneer of SEZ, Shenzhen city of China, the most successful model of SEZ, and India, the largest SEZ in the world. These nations do not merely invest in their own countries. Limitations and benefits in establishing SEZ are also presented. Most of those are about special law, exclusive regulation, a reduction of operation barriers, tax exemption, and financial support. The SEZ of each country has the same direction. Its objectives are to enhance the investment, reduce barriers of operation, and facilitate investors. Hence, during the mid 20th century, the developing countries had used the policies of establishing the SEZ to be the crucial strategies for the country development. The result is that some countries get benefits, but some countries encounter the problems and complexity from the establishment of SEZ. For Thailand and other countries which would like to set up SEZ in the future, it is necessary to understand all aspects of SEZ as well as the impact of SEZ which might have shape the country in the future.

2.2 Experiences of SEZs: Indian

Subrahmania, et.al (1978) analyzed the central idea behind the setting up of EPZs in underdeveloped countries to motivate Multinational Corporations (MNCs) The authors studied the Santa Cruz Electronics Export Processing Zone (SEEPZ) and brought out that operations of the MNCs have not achieved the expected results. The overall production and export, as well as the proportion of value added, by units in the SEEPZ have been far below the targets. The authors found that the minimum export is done by SANTA CRUIZE (SEEPZ. The proportion of the value added has varied inversely with the degree of foreign control, with Indian owned units using Indian technology performing far better than units controlled by the MNCs.

Bhattacharya, (1998) examined the ownership of enterprises in the zones as well as investment trends are showing an increasingly high profile of foreign investors and found that, vast majority of employees in the EPZs are of local origin and out of these female workers constitute the major proportion of the
workforce. The data show a positive relationship between foreign capital and the labour intensity of certain operations. An analysis of the cost and benefits has revealed that the EPZs have yielded positive economic effects with the single, largest benefits accruing to labour.

Kusago, (1998) estimated that SEZ units move upward in value chains. This is reflected in the educational attainment of workers in SEZs which has changed dramatically over time in countries such as Korea, Taiwan and Sri Lanka. SEZs cannot therefore, be dismissed as islands of low productive jobs.

Nayak, (1999) analyzes the patterns and trends of Canadian FDI in India. India does not figure very much in the investment plans of Canadian firms. The reasons is the indifferent attitude of Canadians towards India and lack of information of investment opportunities in India are the important contributing factor for such an unhealthy trends in economic relation between India and Canada. The suggested measures such as publishing of regular documents like newsletter that would highlight opportunities in India and a detailed focus on India’s area of strength so that Canadian firms could come forward and discuss their areas of expertise would got long way in enhancing Canadian FDI in India.

Bhatta, (2003) analyzed that the importance of SEZs, provided an overview of the rules, regulations and incentives, the possible implications for the environment of the region, and the importance of ensuring transparency in conducting an environmental impact analysis. The study emphasized that maintenance of ecological balance along with industrial development is required.

Naga, (2003) examined the trends in FDI in India in the 1990s and compared these with China and raises some issues on the effects of the recent investments on the domestic economy. Based on the analytical discussion and comparative experience, the study concludes by suggesting a realistic foreign investment policy. FDI successful in Investment in infrastructure development and also the generous tax incentives have not necessarily led to an increase in FDI. Even where FDI has been forthcoming, value added has often been low, and backward linkages and technology transfers are quite limited.

Raman, et.al (2003) analyzed the difference between Special Economic Zones (SEZs) of China and Export Processing Zones (EPZs) of India. Chinese SEZs have been exchanging ‘market’ for “technology”; for example in case of Shenzen SEZ, the Shenzen Provisional Technology Regulations had helped much in technology transfer to China. India needs to learn from the Chinese experience for evolving a win-win situation for all. It would have been very
useful for grasping a comparative picture if the study has covered labour conditions in SEZs of China as well.

Dhingra, et.al (2006) studied the numbers of SEZs operating in India and hundreds will be operational in coming years. He examined that the competitiveness of SEZ seems to be desirable. However the basic limitation is that the proposed generic framework has not been tested empirically and it needs to be further researched and validated. Other limitation of the research is generalization of the empirical studies carried out on firm competitiveness but not operating from an enclave called SEZs since there were few empirical studies available on Economic zones from strategic management dimensions.

Jain, (2006), analyzed the SEZ scheme in India. He examined the need of SEZs, minimum area requirement for various types of SEZs in India, incentives and facilities provided to SEZ units and developers, provisions relating to establishment of units in SEZs in India. He further suggested that the need for development of SEZs can be attributed to various factors, viz. foreign investment, technological and know-how advancement, development of backward regions, employment generation etc.

Nishith Desai et.al (2006) examines the Indian policy framework for SEZ and details the procedure to be followed in establishing SEZ, and a Unit in an SEZ. It further discusses the various incentives available to SEZ and SEZ Unit, and the recent developments pertaining to SEZs in India. The challenge now is whether India through its SEZs can leverage its cost advantage and huge knowledge base and break the hold of China in manufacturing by making India the preferred destination for doing business. They concluded that establishment of the SEZs has, undoubtedly, helped to increase the volume of international trade.

Shendre, (2006) studied the Impact of Special Economic Zone in agriculture Sector. The researchers have the opinion that there is a correlation between export, services and agriculture. The Special Economic Zone (SEZ) plays an important role to export the agro products. But with this the agriculture sector faces so many problems in India like Irrigation and Infrastructure. The agriculture and employment generation are interrelated. In this research the researcher uses auto correlation method. The investment by foreign direct investment (FDI) in agriculture sector is increasing. In 2007 the foreign direct investment (FDI) investment was Rs.1 Lakh Corer in Agriculture sector.

Viswanadhan, (2006) analyzed the exports from SEZs in India. He examined that total export from the existing EPZs notified as SEZs after the SEZ Act, for
the year 2004-05 were Rs. 18300 crore. Nearly 45 per cent of the total exports came from just one such zone, SEEPZ, the most successful zone among the early zones.

Seth et.al (2007) explored the Indian policy framework for SEZs. The study also examined the various incentives and facilities available to SEZs, and recent legal and regulatory development pertaining to SEZ in India. The study highlighted that in India during 2004-05; as many as 948 units were in operation. Providing direct employment to about 1.10 lakh persons out of which 40 per cent of them were women. The exports from the SEZs during 2004-05 have registered a growth of 32 per cent in rupee terms over the previous year.

Aggarwal, (2007) examined the impact of SEZs on employment, poverty and human development. The empirical findings of the study are based on the primary as well as secondary data sources. The primary data was generated through extensive interviews of entrepreneurs and workers across the three largest SEZs, namely, SEEPZ, Madras and Noida. The analysis reveals that employment generation has been the most important channel through which SEZs affected human development in India. Employment generated by zones is remunerative. The role of SEZs in human capital formation and technology upgradation is found to be rather limited. The study argues that the potential of zones could not be exploited fully in India. The study highlighted that the new SEZ policy has given 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 to get benefits from SEZs.

Balasubramanyam, et.al (2007) compares the levels of FDI inflows in India and China, and found that FDI in India is one tenth of that of China. He also finds that India may not require increased FDI because of the structure and composition of India’s manufacturing, service sectors and its endowments of human capital. The requirements of managerial and organizational skills of these industries are much lower than that of labour intensive industries such as those in China. Also, India has a large pool of well - trained engineers and scientists capable of adapting and restructuring the imported. They know – how to suit local factor and product market condition. All of these factors promote effective spillovers of technology and know - how from foreign firms to locally own firms. The optimum level of FDI, which generates substantial spillovers, enhances learning on the job, and contributes to the growth of productivity, is likely to be much lower in India than in other developing countries including China. The country may need much larger volumes of FDI than it currently attracts if it were to attain growth rates in excess of 10 per cent per annum. They conclude that the country is now in a position to unbundle the FDI package effectively and rely on sources other than FDI for its requirements of capital.
Basu, et.al (2007) analyzed the qualitative shift in the FDI inflows in India in – depth in the last fourteen years as the bold new policy on economic front makes the country progress in both quantity and the way country attracted FDI. It reveals that the country is not only cost – effective but also hot destination for R&D activities. R&D is a significant determining factor for FDI inflows for most of the industries in India. The software industry is showing intensive R&D activity, which has to be channelized in the form of export promotion for penetration in the new markets. They also reveal strong negative influence of corporate tax on FDI inflows.

Bloodgood, (2007) analyzed the role of government in attracting foreign investment. The author examined that like many other countries, Government of India has offered certain incentives to attract foreign investment, many of which are concentrated in SEZ. Due to this, net foreign direct investment (FDI) flows into India reached at $15.7 billion in 2006-07.

Dasgupta, (2007) contrasting 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 labor 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.

Datt, (2007) suggested that the central government should formulate a socially balanced policy on SEZs. There is no use blindly following China which has only five such SEZ, but in India there is a plan to have 285 SEZs. Unlike China, in a democratic country like India, it is not possible to ruthlessly muzzle the voice of the displaced people in favour of generating profits for the industrial and business classes, and developers.

Dogra, (2007) analyzed SEZ policy (2005) of India and stated that the SEZ legislation is an arbitrary act of economic violence against the people of India which can play havoc with livelihood, food security, and environment, justice to workers, fiscal health and balanced development of the economy. The sooner it is scrapped, the better will it be for the country, its people, its peace, its justice and its democracy.

Gopalakrishnan, (2007) examined SEZs as a part of larger pattern of change in the Indian policy (2005) and economy. SEZ should not be seen and evaluated on the basis of their stated policy goods alone. These goals have little relationship to the actual structure of SEZ policy (2005). Rather, the approach will be to
examine some of the more unusual features of the SEZ policy, using indicators to explore the policy from other angles. The conclusion that emerges is that SEZs can be seen as a response to constraints that have arisen on capital in the recent Indian context, aimed at allowing super-profits and rapid accumulation to continue. However, the consequences are likely to be complex and very dangerous.

Grasset, et.al (2007) examined and compared the evolution of the Indian economic policy vis-a-vis the adoption of the SEZ policy, and found that the SEZs as a peculiar device wherein a segregated territory within a country is meant to be a part of the globalization process. Such a measure represents on a part, two evolving tendencies in the industrial and export scenario of post-independence India. First, the individual states more as a critical factor in spending up the industrialization process and second, multinational corporations are acquiring a greater role to play in India’s overall economy. For that matter, the success of SEZs is contingent upon the favorable policies and investment climate of individual states and their impact would be more regional than national.

Krishan, (2007), examined the concentration of SEZs in India. He found that as on 3 October, 2007 there were 173 notified SEZs in India. 19 among them were operational prior to SEZ Act, 2005. Among the various states, Andhra Pradesh takes the lead with 47 SEZs followed by Tamil Nadu, Maharashtra, Karnataka, Haryana, Uttar Pradesh and Punjab. He also found that there is a tendency of clustering the SEZs in a particular district, adjoining Hyderabad in Andhra Pradesh accommodates 24 SEZs, Bangalore in Karnataka 13 SEZs, Kancheepuram in Tamil Nadu 11 SEZs and Pune in Maharashtra 10 SEZs; and other concentration of SEZs is observed in Gurgaon district in Haryana and Gautam Buddha Nagar district of Uttar Pradesh. At least 54 districts have only one SEZ each.

Kumar, (2007) study the economic analysis on Special Economic Zone (SEZ) in India with special reference to income and employment during 2005-07 and studied the impact of special economic zone (SEZs) on income and employment. By use of secondary data based methodology, it is found that during 2005-07, the maximum export and employment generation is done by Santacruize electronic export processing zone (SEEPZ). So it can be said that during 2005 -07, the SEZ achieved growth in all the three sectors viz employment generation, investment and export.

Kumar, (2007) analyzed some of the key features relevant to the creation of SEZs. In the article, it is argued that the SEZ policy is a part of the policy of
‘growth at any cost’ with the cost falling on the already marginalized sections in the rural area. The employment generation in SEZs will not be able to compensate for the loss of employment in the activities that SEZ will displace. The output and investment will be much less than claimed in these SEZs.

Majumdar, (2007) examined various aspects of SEZs and concluded that zones can play a long-term dynamic role in the host country’s development if they are set up appropriately, managed well and integrated with the overall national economy. The author argued that the problems of displacement of farmers and laborers and potential tax revenue losses may be offset through gains accrued in terms of higher export earnings, flow of investments, employment creation and technology upgradation. The study suggests that the policy should be designed to encourage large-sized SEZs, so that they can exploit scale-related advantages.

Mitra, (2007) examined the policy of SEZs in India and their suitability for fulfilling the goals of exports promotion, employment generation and maintenance of the tempo of economic growth. On the basis of economic theory and history he concluded that absorption of agriculture labor is necessary for sustained economic development of a developing country. SEZs constitute a means for such sustained development in India. However, the SEZ policy in India has suffered from permission being granted for far too many SEZs which are either sub-optimally sized or are appendages to mega cities.

Mitra, (2007) examined the rationale behind SEZs and pitfalls in the implementation of the SEZ strategy with special reference to India. The study highlighted that SEZs can generate several benefits. The clustering of industries, resulting from the benefits provided to SEZs leads to better utilization of infrastructure and therefore lower infrastructure costs per unit of output. However, there are several deficiencies in the implementations of SEZ policy in India. The inability of the state to provide a country-wide network of infrastructure facilities implies that SEZs are still being located close to the major cities and are thereby adding to the congestion of these cities and generating diseconomies of agglomeration.

Mukherji, (2007) studied the evolution of Indian SEZ (SEZs) in 2007. Indian SEZs are industrial townships with commercial units, which enjoy tax concessions for export oriented production of goods and services. The tax concessions for developers and commercial units in the SEZ Act (2005) have played a vital role in attracting export oriented foreign investment in areas such as hardware, apparel and shoes, which would have normally headed for other Asian destinations in the absence of these benefits. The SEZ Act 2007 sought to reduce regulatory hazards by creating the Office of the Development
Commissioner – which was supposed to sort out regulatory issues such as environment, power, water and labor clearances via an administrative single window. This window was supposed to reduce the transactions costs of an investor. In the absence of this single window, investors needed to knock the doors of numerous state- and central-level ministries and officials for investment approvals. The single window in the Development Commissioner’s Office has not materialised even in the aggressively investment hungry states like Tamil Nadu and Andhra Pradesh. However, the industry departments in these states provide strategic guidance to the investor. Land acquisition for SEZs became a serious problem because state governments could legally acquire land without seeking consent of the local people. This had led to protests in a number of SEZ locations in India, where people refused to give up their residence and traditional sources of livelihood easily. Violence at a place called Nandigram in the state of West Bengal was a major setback for the development of SEZs in the rest of the country. The good news is that some SEZ developers have shown the way by providing generous relief and rehabilitation packages in poor areas where people’s lives have improved as result of SEZ activity.

Pillai, (2007) highlighted that in India, the SEZs that were set up prior to the SEZ Act, are providing employment to about 1.85 lakh persons of which about 40 per cent are women. Export from the existing SEZs increased from Rs. 13854 crore in 2003-04 to Rs. 34789 crore in 2006-07, an increase of about 151 per cent in the last three years and expected investment of Rs. 100000 crore including foreign direct investment of US$ 5-6 billion by the end of December, 2007. He concluded that SEZ scheme will act as a catalyst in the development process of the country.

Rajan, (2007) in this study found that maximum flow of FDI is towards Asian countries during last few years. The maximum part is achieved by China. The researcher use Maxima/ Minima method. In this analysis the researcher has the opinion that maximum part of foreign direct investment (FDI) used in electronics and service sector and the minimum part of foreign direct investment (FDI) used in real estate and food processing unit. The maximum percentage of foreign direct investment (FDI) inflow is in Maharashtra followed by Delhi. He concluded that the foreign direct investment (FDI) inflow in the country increases rapidly.

Ramachandran, et.al (2007) focused on the possible locations of SEZs, and developed a set of criteria and methodology for identifying such locations. The most critical consideration in their case pertains to proximity to the national highways, broad gauge railing lines and large cities. Only the wasteland is related for the establishment of SEZs instead of productive agricultural land.
Applying such criteria, they found 64 districts in 16 states as most suitable for setting up of SEZs. The authors warn that the politicians may be in a hurry to implant such zones anywhere but it does require care and patience for not only finding desirable location but also working for their impact on mankind.

Roychowdhury, (2007) analyzed the pros and cons of the SEZ for resettlement and rehabilitation. He stated that land for land can be an effective and justified mode of resettlement, provided comprehension for developing the new land is made available. For that, a land bank should be set up after taking the stock of present barren and infertile land in the states and the land available under the sick units and closed factories. In no circumstances, a very fertile land should be acquired as that will dampen the growth and productivity of agriculture which is dangerous for economy as that will endanger food security.

Sanyal, et al. (2007) criticized the SEZ polices India and stated that the claim of creating lakhs of jobs in SEZs is a complete hoax. The corporate who will establish production units in SEZs, will also seek jobless growth and only a small number of jobs for a highly skilled workforce can be expected in sectors like IT. Acquisition of cultivable land will not only make millions of farmers and agricultural labourers lose their livelihood but also will definitely have adverse effect on production of agriculture and environmental resources such as water and forest resources. In the SEZs, there will be exploitation of labourers as labour law does not applicable within these zones and there will also be a possibility of sex harassment of women labourers.

Sen, et.al, (2007) study is based on a field severed and they found a state of severe insecurity in terms of job contracts, income and other labour status for those employed in the highly subsidized and growth-oriented enclaves of SEZs. They further stated that India’s drive towards industrialization by setting up a large number of SEZs in different parts of the country needs to rethink. Unconditional benefits to capital as are offered to these privileged zones only with the sections to expropriate labours on legal huge landscapes by displacing the agrarian community open up the need to revisit India’s current industrialization policy. Sengupta, et.al (2007) concluded that the SEZs policy has run into a public debate on the logic of special concessions being granted to already well-entrenched and well-performing capital and the manner in which the required land is being acquired with state intervention. It has also brought into sharp public focus the resistance of local residents facing the prospect of displacement and their plight in the absence of viable alternative livelihood system. Although the need for accelerating infrastructure development for industrialization and taking advantage of agglomeration economies within these zones is acceptable
but the way in which they are being sought to be created and their overall implications for industrial growth and economic development need to be thoroughly examined. It is, therefore, necessary to analyse SEZ Policy and orient it to a justifiable economic programme. The National Commission for Enterprises in the Unorganised Sector (NCEUS) suggests “Growth Pole” as an alternative form of SEZs utilizing their potential benefits but avoiding the pitfalls into which unrestricted expansion of SEZs may fall in our country. Instead of creating ‘special enclaves’ for the big and the strong on freshly acquired land, the authors feel that a hard look is warranted towards areas that have spawned clusters of single products or multi-products and services.

Singh, (2007) examined that reading of both the rhetoric and the formal statutory law associated with the SEZ endeavor in India seems to suggest that there is little difference between the legal regime confronting labor within and outside the SEZs. However upon closer inspection, documents associated with the articulation of the ongoing SEZ policy show that the regime of labor governance in SEZs is oriented towards the non-implementation of the existing law. While it is widely accepted that labor laws are generally poorly implemented in contemporary India, the envisioned labor regime in SEZs has been consciously structured to promote the non-implementation of laws. One of the key devices to enable this regime is to place the implementation of labor laws in the office of the Development Commissioner rather than the Labor Commissioner. The other device is to mitigate the impact of labor laws in SEZs by exploiting certain provisions of the Industrial Disputes Act that enable Indian states to label all economic activity in a SEZ as a ‘public utility service’, which in turn, acts to curtail the ability of workers to strike and therefore lower the bargaining strength of labor in a SEZ.

Sinha, (2007) analyzing the Indian data at the relevant micro state level for the period 1992-2005 and comparing Chinese data for period of 1978-2005 at the relevant economic zone level. Indian FDI attraction model was using OLS and autoregressive models and it was found that India has grown due to its human capital, size of the market, rate of growth of the market, and political stability. Policy initiatives of providing economic freedom, opening up its economy, attracting Diaspora, and creating flexible labor laws were identified as drivers for attracting FDI. The study tried to explore the determinants of FDI in emerging markets and took two largest countries in the world and rapidly emerging economies as an example of studying the phenomenon of foreign investment inflow in these countries.

Swapna, (2007) focuses on lessons from emerging markets that are laggards in attracting FDI, such as India, can learn from leader countries in attracting FDI,
such as China in global economy. The comparison of FDI inflows in China and India, it had been learnt that India has grown due to its human capital, size of market, growth rate of the market and political stability. For China, congenial business climate factors comprising of making structural changes, creating strategic infrastructure at SEZs and taking strategic policy initiatives of providing economic freedom, opening up its economy, attracting diasporas and creating flexible labour law were identified as drivers for attracting FDI.

Aggarwal, (2008) examined the necessity of Special Economic Zone policies in the present World Trade Organization regime for the development of India’s export and economic activities. She also find out the philosophy behind the land compensation, expectations of farmers from compensation package and the critical role of a Chartered Accountant in this whole exercise of fair land compensation valuation and the investment by the farmers for future growth.

Aggarwal, (2008) analysed that SEZs have developed technological capabilities and industrial diversification at the sectoral level in India. He first explored the importance and nature of technology transfer and technology creation efforts in SEZs. The analysis is based on a fully structured questionnaire based survey of technology management in 75 firms across three SEZs namely, Santacruz SEZ, Madras SEZ and Noida SEZ. He also examined success stories of technology trends/creation in introducing new products and promoting new industries in the country. This part of the analysis is based on extensive interviews with zones entrepreneurs in ten operational zones.

Ahmed, (2008) studied that SEZ legislation is an arbitrary act against the people of India which can play havoc with their livelihood, food security and environmental safety, justice to workers, fiscal health and a balanced development of the economy. There is an urgent need the government seriously revisit and rethink these two anti-people and undemocratic legislations and take concrete steps to remedy the distortions inherent in them, including repealing them to enact few more reasonable legislations in the interests of justice, social harmony equitable development and respect for human and natural rights of the citizens over their land and livelihoods.

Ananthanarayanan, (2008) examined the SEZ as a new Imperialism in India. There are 212 formally approved and 152 in-principle approvals were given across 21 states in 2006. The SEZs have overwhelmingly arisen in the industrially advanced states in India, including Maharashtra, Tamilnadu, Karnataka, Andhra Pradesh, Gujarat and Haryana, which account for nearly 80% of all formal approval. Other states implementing the SEZ scheme include West Bengal, Uttar Pradesh, and Orissa. In all the states where SEZs have been
implemented, efficient and timely supply of provisions for water, electricity and other resources have been made a top priority by the state governments. The SEZs tend to be close to the urban epicenters of these states such as Mumbai, Chennai, Bangalore, Hyderabad, Delhi, etc, if any, in developing the more backward areas.

Avhad, (2008), concluded that when IMF and the World Bank picked up the idea of SEZs, the world scenario changed. In 1990 there were 847 SEZs in the world. At present, there are about 4000 SEZs in 120 countries in the world. In India, SEZs can be set up in public sector, private sector or joint sector or even by state governments. The central government encouraged the state governments to pursue the policy of SEZ rigorously. The largest numbers of SEZs are sanctioned in the developed states like Maharashtra. Out of 75 SEZs in Maharashtra, 08 SEZ are in Marathwada, 07 in Vidharbha and remaining SEZs are in Pune-Raigad-Thane-Mumbai belt.

Baruah, et.al.(2008) analyzed that the SEZs have plunged far short of meeting the stated objectives for which they were set up. There are many units in all the SEZs which deal with several hazardous processes and substances. The industries which were functioning in different areas of the city as small units, where cutting, molding, polishing etc were done at different sub-units. The industries were also exporting from their previous place but the SEZ threw up many new problems with regard to the legal framework for export.

Bharati, et.al (2008) analyzed the concept and meaning of SEZ, characteristics of SEZ Act 2005, tax exemptions and concessions available under the scheme of SEZ and progress and performance of SEZ. The study is based on the secondary data. The authors found that 404 valid formal approvals were received by Government of India. Out of this, number of notified SEZs (as on 9th Jan., 2008) were 193.

Chatterjee, (2008) analyzed the conceptual framework, incentives and facilities to SEZ developers, SEZ policy and economic aspects of SEZs in India. Exports from SEZs grew by 16.4 per cent during the period 2000-01 to 2004-05.During the same period, total exports from India grew by 12.1 percent. Employment generation, both direct and indirect, has been the most important channel, through which SEZs have impacted on human development and poverty reduction in India.

Govilkar, (2008) analyzed SEZ Act, 2005 and SEZ Rules, 2006 he found that policy of SEZ has been adopted and implemented with the objective that it will develop sufficient and high quality infrastructure by private sector, will attract considerable foreign investment, will increase employment opportunities, will
boost the export, and thereby will expand economic activities in the country. The industrial islands could become engine of growth. India, to get better share in world trade, must undertake special efforts, when the global export opportunities are increasing. SEZ could be a prominent policy for the same.

Guha, (2008) examined the evolution of the new development enclaves—SEZs—in India in the light of the space relation of capital. The process of establishing SEZs in India is essentially a classic unfolding of the process of “accumulation by dispossession” which is a part of recent strategy of global capital to overcome the chronic problem of over accumulation. The paper also throws light on the ongoing reorganizations of the space relation of capital in India.

Kumar, (2008) examined that SEZ area will develop 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. SEZs will usher in enclave development. Migration to urban areas will rise and urban infrastructure will face enormous pressure. The excess land being allotted to SEZs will result in the creation of new landlords. If the overall gains from SEZs are so unclear and government is still going ahead with the scheme, then it can only be because it wants to give concessions to certain sections. He further suggested that for the sake of accountability, land should be acquired in phases as the project is set up. Thus, it is necessary that the party interested in setting up an SEZ or any other project should give a time bound plan and if that is not adhered to, more land should not be acquired and what was acquired should be returned. A fine should be imposed on the party involved and distributed to those whose land has been acquired.

Mitra, (2008) analyzed the policy of SEZ in India. However, the SEZ policy in India has suffered from permission being granted for far too many sub optimally sized SEZs or for others to serve as appendages to mega cities already suffering from overcrowding, infrastructure and a size which far exceeds the optimum. The SEZ current size at 5000 hectares does not facilitate the full exploitation of economies of scale in service oriented SEZs and should be scrapped. There are other ways of minimizing peasant unrest during the process of and acquisition for SEZ development. For example, the state can assume the role of a passive provider of a legal framework, information and incentive packages. The onus of land acquisition would be entirely on negotiations between prospective SEZ entrepreneurs and the owners of agricultural land. Mutually beneficial transactions will automatically result if possibilities.

Mistry, (2008) analyzed that the SEZs seem to be a phenomenon which will become a bane in the Indian development experience. Further, the cost of SEZs
in terms of human rights violation, lose a livelihood, slack rehabilitation and environment degradation will in the long run, prove to very high. Therefore, government should rethink its policy of SEZs and should implement it only on an experimental basis with caution in the backward areas where no development has taken place.

Sampat, (2008) explored some stand in the political schema of SEZs in India with specific reference to one immediate fall out of serious concern and contestation the imminent displacement of thousands of people livelihoods in countrywide where these SEZs are stated to come up. A factsheet on SEZs on the Government of India website gives details of the number of approved and proposed SEZs, their land requirements as well as export and employment potential. However, there is no mention of the number of people to be displaced by these zones and it is not clear, how the government intends to attend the issues of displaced.

Shankar, (2008) analyzed that the SEZ Act and Rules have evoked considerable interest and a large number of applications for approvals continue to receive almost on daily basis, especially from the private sector. The anticipated exports, investment and employment send positive signals. Another positive development is that the SEZ scheme is being overseen by an Empowered Group of Ministers. At the same time an effort should be made to see that the scheme parameters are not changed frequently since certainty and stability of Government policy is necessary for investment.

Shah, (2008) recommended that for Successful public policy toward SEZs in India will seek to balance the macroeconomic benefits generated by zones against their costs. Good policy will seek to ensure reconciliation between differing economic and political interests without adversely affecting the overall business climate in India, especially in the eyes of foreign investors. Today, SEZs are perceived by Indians and foreign investors through two separate, competing lenses. Some see SEZs as critical engines for export promotion, industrial development, global integration, and raising gross domestic product; the fruits from these benefits will trickle down from New Delhi in the form of government programs to help those who need it, such as with the National Rural Employment Guarantee Act. Others, however, see SEZs simply as highly leveraged real estate deals (like the RBI) or as unfair land grabs from uneducated landowners. The challenge for public policy in India, in addition to creating frameworks for more balanced public-private partnerships in SEZ development, is to balance the benefits against the costs and maintain the spirit of the next five year plan’s theme of “Inclusive Growth.”
Shendre, et al. (2008) explains that the SEZ plays an important role to develop the agriculture sector. The Agriculture Sector and allied activities in GDP has decline from 56.5% in 1950-51 to 20.7% in 2005-06. Every year this share is going on declining. The sub-division and fragmentation of land is increasing which prevents the use of machine. Subsidies on agriculture are vanishing, apart from these agriculture sector is facing the other problems like low aspiration, institutional obstacles, lack of Finance, traditional method of cultivation, inadequate irrigational facilities, marketing facilities, indebt, social factor, transportation and warehousing problem. For that, It has to provide an input and basic necessity. It is to be noted that agriculture is the backbone of Indian Economy. It occupies a very prominent place in our economic system. Agriculture is the single largest sector providing large scale employment. According to 2001 census, 59% of India’s working population derived its livelihood directly from agriculture SEZs has a large readymade platform for providing substantial employment by providing machineries, technologies, equipments that should be good, affordable, customize to Indian cultivation needs which in turn enhance the agriculture production and employment. SEZ could put a positive impact on agriculture and employment The author suggested that unemployed or under employed workforce must be utilized without displacing from their natively. The govt. should prepare a strategic plan for development of export potential zones region wise and then the minimum number of SEZs may be arrived at. The govt. should ensure that only non cultivable or waste land may be acquired for SEZ so that agricultural production will not hamper. The govt. should encourage the SEZs like Kisan – SEZ.

Sikidar, et al. (2008) finds out that the SEZ is being increasingly seen as an alternative way of economic growth through exports and duty exemption. As a part of SEZ policy, the government offers several incentives to investors like tax holiday for up to 10 years, duty free imports and exports, world class infrastructure, strategic locations and market access. The article provides an overview of SEZs evolution and global growth besides focusing on several operational aspects of the SEZs, related constitutional requirements and relief and exemption from income tax. The authors suggested that there is an urgent need to pay attention to some key issues to ensure a transparent and effective SEZ management.

Raj, et al. (2008) concluded that the SEZ Act, 2005 is anti-democratic and unconstitutional as it completely 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 huge costs to the state exchequer as well as the economy and environment of this country. In their
study they found that the issue regarding Nandigram and Singur is a purely economic one.

Bhandari, (2009) examines the backward and forward linkages of FDI. Four sectors among the top 15 FDI-receiving sectors have strong backward and forward linkages with other sectors of the economy: miscellaneous industries including construction; fuels including power and oil refinery; chemicals other than fertilisers; and metallurgical industries. Eight sectors have strong backward linkages: electrical equipment; transportation industry; drugs and pharmaceuticals; cement and gypsum products; food-processing industries; hotel and tourism; miscellaneous mechanical & engineering; and textiles. The remaining three aggregate DIPP sectors have strong forward linkages. These are the service sector; telecommunications; and consultancy services.

Dhawan, (2009) examined that as on 30th June, 2009, total 2,301 there were 173 notified SEZs in India 2,301 units have been approved in various SEZs comprising 1201 units in Govt. SEZs; 600 units under State/Pvt. SEZs; and 500 units under the SEZ Act 2006. With total investment of Rs.1,14,640.53 cr and SEZ providing employment to 3,87,439 persons. In the year of 2008-09 the volume of total exports from SEZs were of Rs.99,689 with 92% incremental growth from the previous year i.e. 2007-08. These achievements speak itself about the efficacy of SEZ in India. The FDI in flow in India has dipped to $6,256 million in 2009 from $14,197 million during the same period last year. He used minize and maximize method in his study. He found positive rate in Single Window clearanc. The Benefits derived from SEZs is evident from the investment, employment, exports and infrastructural developments additionally generated in Indian economy. The benefits derived from multiplier effect of the investments and additional economic activity in the SEZs and the employment generated thus has far outweighed the tax exemptions and the losses on account of land acquisition.

Gope, et.al (2009), analyzed the SEZ environment in India and the contribution of SEZs to economy. Prior to SEZ Act 2005, there were 19 SEZ projects in operation throughout the country. Under SEZ Act, 222 projects had been notified. Out of 462 formally approved SEZs as on 15.05.2008 and the number of valid in principle approvals is 135. These had proposed to acquire 1855 sq. km. (for both FA+PA) area of land which is only 0.112 per cent of the total agricultural land. SEZs established prior to the Act coming into force, there were 1122 units providing direct employment to over 1.93 lakh persons, about 37 per cent of whom were women.
Mishra, et.al (2009), analyzed the Country-wise and sector-wise FDI Findings. The Total FDI equity inflows were US$90 billion during April 2000 to March 2009. And Services sector, computer hardware & software, telecommunication, real estate, construction, automobile, powe, metallurgical industries, petroleum and natural gas, and chemicals received high FDI during 2000-2009. Mauritius is the main source of FDI, followed by Singapore, the US, the UK, the Netherlands and Japan.

Mukhopadhyay, (2009), examined two issues: first the acquisition of land, rehabilitation and the consequences for farmers and agricultural output, and second is the cost of the various tax benefits provided to developers of SEZs. The study concluded expected benefits from SEZs and whether they are being achieved. It relies not on aggregate data but on projections made by the developers of individual SEZs that form the basis of claims advanced by the Ministry of Commerce and Industry. Based on an explanation of data available while the costs appear very real; the benefits of SEZs appear to be a mirage. The subsidies in terms of land and tax benefits extended are only helping to support the existing economic structure. More than 2/3rd of the proposed employment growth is in IT and IT enabled services and almost 90 per cent of the jobs are available in twenty districts, and in evident that the government believes it can abdicate governance and outsource the task of development to the private sector.

Mukhopadhyay, et.al (2009), examined issue of land and the location of SEZs. The study examines the district-wise location of SEZs and relates them to the characteristics of district as available in the census. It finds that most of the SEZs, especially the tiny (less than 100 hectares or 1 sq. km. in size) SEZs are concentrated in districts in top quartile of urbanization. These tiny SEZs and IT/ITES SEZs appear to be concentrated in the districts that are proximate to the six mega cities of Delhi, Kolkata, Mumbai, Hyderabad, Bangalore, and Chennai. The study then statistically examines the concentration of SEZs in the IT/ITES sector. It was identified that more than 70 per cent of all SEZs and 93.4 per cent of all notified IT/ITES SEZs are having less than one square kilometer size.

Mukhopadhyay, et.al (2009), that most of SEZs, post-2005, are tiny and are connected with information technology and information technology-enabled services (IT/ITES). They dominate in numbers, but occupy a small share in the area under SEZs, and yet, provide bulk of employment in SEZs. These SEZs are generally close to already existing urban centres – the greatest concentration of SEZs is along three to four select corridors near Delhi, Mumbai, Hyderabad, etc. SEZ have not helped spread industrial or service sector activities to the remote areas or rural hinterlands. The findings reveal that 183 out of the 247 notified SEZs (74 per cent) are located in 43 districts where the urbanization level is
more than the median. The results further reveal that of the 183 SEZs located in highly urbanized districts, 172 are in districts where the industrialization level is also more than the median.

Palit, (2009) examines some of the contentious aspects of the growth of SEZs that pose major challenges to India’s public policy and governance. The challenges have arisen primarily due to the hasty implementation of an industrialization strategy that paid scant attention to the imperfections in factor markets, particularly land markets. Second problems being faced with the new SEZs underline the uneven pace of reforms between India’s product and factor markets.

Prabu, (2009), studied many issues related to SEZs such as land acquisition, the problem of rehabilitation, loss of tax revenue, incentives and facilities to the developers of SEZs, etc. He concluded that though theoretically, conceptually, economically, financially and operationally SEZs appear to be a blessing, but actually it is not true. Throughout the country the creation of SEZs has created a big fever among politicians, economists, farming community, tax people and social workers. Specifically, the states in which the SEZs have been approved are facing intense protests from the farming communities accusing the government of forcibly snatching fertile land from them at heavily discounted prices as against the prevailing in the commercial real estate industry.

Pahariya, N. C. (2009) analyzed “An Assessment of Potential Costs and Benefits of SEZs in India and found that India has adopted a policy of “Small and Many” while developing SEZs in the country. Contrary to the Chinese model of “big and few” He found that the SEZs are performing satisfactorily in terms of exports and employment generation nearly 76% of the total employment in the units were found to be local and nearly two-fifth were women. The primary purpose of SEZs is to generate exports and they are focusing on that. The expected benefits of SEZs outweigh expected costs. It appears to be no problem regarding land acquisition for the existing and approved SEZs. However, this could be a potential political problem in future and therefore, both Central and State Governments should strive to generate better political consensus in this regard. The new generation of SEZs has created a tremendous local area impact in terms of direct employment, emergence of new (formal and informal) activities, changes in consumption pattern and social life, human development facilities.

Reddy, (2009), analysed the need and evolution of SEZs in India and the performance of Indian SEZs. He has highlighted that the overwhelming response to the SEZ scheme is evident from the flow of investment, creation of
additional employment, export performance and attracted FDI in the country. The examiner concluded that the SEZs are real growth engines for the economic development of the country. Sharma, (2009), raises doubts about their desirability on different counts: It is centered around three themes: SEZs and economic development; SEZs and distributed implications; and SEZs and legal issues. The study found that SEZs can lead to some serious consequences. Struggles on the land issues are already surfacing in different parts of the country. The SEZ policy can lead to serious and adverse consequences including social conflict, civil strife and breakdown of democratic institutions. It is also likely to lead to increased inequalities: and there is possibility of shrinking of economic space for the ordinary people by making their production more un-renterative. The SEZs are extremely attractive to exporters, industrialists and entrepreneurs because of differential application of laws and favourable tax concessions. There is a possibility of an avalanche of SEZs to appear in the country in the future land acquisition for SEZs under eminent domain power.

Sivaramakrishnan, (2009), analyzed implication of SEZ policy for urban growth and the governance of the SEZs. It has been argued that the SEZ is conceptual not only as a production centre but it is also an urban centre. However, the existing policy is unclear about both urban growth implications and their management. The emerging model of governance promoted by different states and also encouraged by the center appears to be ‘non-municipal’. The paper presents the views of various stakeholders such as government departments and individuals expressed in the hearings of the Parliament’s Committee on SEZs. Nevertheless, the ‘non-municipal’ approach, enabling an SEZ to become a private ‘fiefdom’ rather than a part of the country subject to the Constitution and the laws of the land appears to be prevailing. He also critically examines how a constitutional loophole, namely, the Proviso to Article 243Q, is being exploited for this purpose.

Tandon, et.al (2009) examined the concentration of production facilities in SEZs, and analyzed the relative performance of such plants inside and outside SEZs and the impact of such production on the Index of Industrial Production. As of March 31, 2008 total investment in SEZs was Rs. 693 billion including FDI investment of Rs. 55 billion: Rs. 26 crore by the developers and Rs. 29 crore by the units established in SEZs. Total exports from SEZs in 2007-08 amounted to Rs. 666 billion. As of December 31, 2008 the total employment generated by SEZs was 366333 persons. The secondary database does not have information on the amount of FDI or the number of FDI-enabled firms/plants in SEZ. However, we do have information on the number of FDI plants located in cities having SEZs but not on whether these firms are within or outside a particular SEZ in a specified city.
Verma, NMP. et.al, (2009) use three models in this study, the Lewis model of industry led land demand, the ‘coercive’, or ‘price-scissors’ model of rural resources transfer (Sah & Stiglitz, 1984), and model of ‘urban bias policy’ (Lipton, 1977). There are three models relating to land demand which are described by industrial demand, Scissors model and Public Policies. Although industry-led growth is very much possible through SEZs but shifting of land from agriculture sector to industrial sector may be judiciously done. The shifting must take care of the interest of land losers, poor labors, displaced villagers and rural environment. A mechanism is developed for involving land losers as a share holder in the enterprises under SEZs. There is hardly any reason to shift the ownership of land, in many such cases. The objectives of the research are, to give the theoretical implications of development under expansion of SEZs in various States, and shifting problem of land from agricultural to industrial zone like SEZs.

Vaddiparti, et.al (2009) examines that the neoliberal orientation of the state in India developed over the last decade has resulted in a change in the way the state engages with issues like common good, public purpose, livelihoods and displacement. Democratic politics around resource use has seen different developments with the state, which has some very powerful tools at its disposal, and acts as a pivotal player even though its role has been changing from that of governance to “facilitating” developmental policies. The role that the state plays in facilitating the loss of commons in the wake of the SEZ Act, 2005 is what the paper seeks to highlight with special reference to the coastal belt of the southern Indian state of Andhra Pradesh.

Aggarwal, (2010) examines growth is a dynamic process by which one state of the economy evolves into another. Growth requires not only augmenting the available resources but rearranging them so that they generate a greater value. This in turn requires strongly focused and concerted action with a right choice of drivers of growth as well as the enabling policies and necessary resources (human and financial) to support these strategic choices. Targeted policy initiatives need to focus upon identifying specific bottlenecks faced by the chosen growth drivers and addressing them given the resource constraints. SEZ is one such targeted initiative to SEZs have been set up not only in labour intensive industries; they are also appearing in skill and technology intensive industries. Thus, the first-, the second- and the third- generation SEZs are emerging at the same time.

Begum, (2010), evaluated performance of Special Economic Zones in India. He considered the development performance of special economic zone (SEZs) in
India during (1965-2010). The researcher used coefficient of correlation method. In this study the researcher found that during last decade (2001-2010) export sector show highly positive correlation (.8358) and with this, the coefficient of variance is 52.51, which show highly positive development in employment generation. On the other hand, in investment sector during (2000-2010) the investment is increasing. He found that in all the three sectors, performance variable such as total investment, total employment, and total export, the correlation factor is above (0.995).

Dan, (2010) studied that the land acquisition is an important issue for the govt. of India. Researcher used Associative Attribute method to analyze. He found that, due to the Special Economic Zone (SEZs), the land prices grow rapidly. For Special Economic Zone (SEZs) thousands of hectare land had been acquired. Opinion of researcher is that the farmer whose land acquired must be rehabilitate according to the Pareto Optimum Theory. According to the researcher, the Special Economic Zone (SEZs) land prices have positive correlation. As government announce the establishment of SEZ, price of land increases. As in Greater Noida, where the land price before acquiring was 22 lakh per Acre and after acquisition, the price was one crore per Acre. The reason behind the price hike in land is expected value by private industrialist and by leader of farmer. The rehabilitation of farmer is an important issue and major problem to government and presently, the government and private industrialist are facing the problem of land price hike.

Dey, I. (2010) analyzed some of the amendments that states like West Bengal, Maharashtra, Gujarat etc carried out in its state SEZ act to “attract investors” at the cost of rights of the people which shows how practices, of the unique governance structure of special economic zones carries the potential of SEZs turning into sovereign mini-centre of power as the power of entry and exit is restricted and the permission to enter this well guarded city has to be obtained from the Development Commissioner, an officer appointed by the Central Government.

Joshi, (2010) analysed the current issues in SEZ that land is required for the total area of 26,800 hectares for 150 formally approved SEZs,it is not possible to make available infertile land at the required place, so the developers are acquiring the fertile land by the method of hook or crook. Due to this approach the issues like “Nandi gram” & “Singur” have arisen. The relaxation of labour laws within the SEZ has become a point of contention the success of SEZs in countries like China and Malaysia has been attributed to stipulations in the employment regulations under which the employer can freely retrench workers or hire them on contract basis as per the work requirements of the company. The
author claimed that the new SEZs could result in a loss of income tax, excise and customs duties to the tune of Rs 1,70,000 crore over the next five years.

Kale, (2010) examines the Anti-SEZ movement in Maharashtra within the framework of people centred advocacy for social justice to the marginalized sections of the society. The people struggle for their livelihood rights especially land, water, and forest and employment rights. It also examines the opposition of the affected people to the concept of Special Economic Zone, which is anti-poor, anti-labour, anti-farmers, and anti-people in general. It is a documentation of four years of the anti-SEZ campaigns in Maharashtra. The land acquisition have occurred throughout India, resistance has been particularly strong in the regions of Nandigram and Singur in West Bengal, Kakinada and Anantpur in Andhra Pradesh, Mangalore and Bangalore in Karnataka, Kancheepuram and Chennai in Tamil Nadu, Delhi, Goa and Maharashtra.

Khan, (2010) analyzed that SEZ is the need of today’s economy to support India’s target of becoming developed nation. The physical exports done in year 2007-08 were Rs. 66637.68 crore from these SEZs. The creation of SEZ provided employment to around 3.5 lakh persons. The manufacturing and research projects are set up in these SEZs. Many large MNCs as well as Indian MNCs set up state of the art plants in these SEZs. This all will continue to contribute India’s GDP. He suggested that though, SEZ policy adopted by India to support economy in a big way, 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.

Kumar, (2010) compares the SEZs and STPs; it is perceptible that the advantages are greater for SEZs viz., higher income tax exemptions, more indirect tax exemptions or the capability to support exports to the DTA as well. While comparing the incentives offered by each, it has to be kept in mind that the STPs are sector specific. They only facilitate to the needs of the computer software market. As for the SEZs, they cater to a variety of industries, ranging from gems and jewelry to electrical appliances, and even computer software. The SEZs provide the unit with a wider scope for flexibility in its activities, as opposed to STPs which are restricted to IT and IT enabled services, companies with a varied scope of operations would, in general, prefer SEZs.

Nomani, et.al (2010), studied the SEZ in Uttar Pradesh, Uttarakhand, Haryana and Punjab, undertakes an in-depth analysis of SEZ and awareness, employment, land acquisition, food security, Environment and human security problems of
villagers of India. It examines legal issue and origin and growth of SEZs in India especially four study State of India whether SEZ has provided employment in place of acquisition of land and working environment in SEZs.

Reddy, et al. (2010), analyzed employment generated by SEZs in southern India. The data has been drawn from the Ministry of Commerce and Industry, Government of India. This study is confined to notified SEZs only. He found that of the total current employment generated by notified SEZs in India (370700 persons), about 41 percent employment has been generated by SEZs of southern region. Among the states in the southern region Tamil Nadu stands first with about 20 per cent followed by Karnataka and Andhra Pradesh with about 10 per cent each in the total current employment in India as on 31st March 2008. 3.2 Studies Relating to Global Experience of SEZs.

Seshadri, (2010) analyses the effect of land laws and the political nature of land dealings with Special Economic Zone development in India, and concludes that zone objectives will not be achieved unless the underlying land laws are changed. The 568 formal approvals granted until 15 Jan 2009, 387 (68%) had an area 0.38 Sq.miles or less. This is small compared to the average SEZ size in China, which is about 78.37 Sq.miles. Only 15 (about 2.6%) of the 568 Indian SEZs have an area of 3.8 Sq.miles or more. Moreover, we notice that out of 574 formal approvals only 24 were for multi-product zones requiring large land areas. On the other hand, the number of in-principle approvals to multi-product zones is 56 (38 per cent) out of 147 in-principle approvals. Only 3.8% of all formally approved SEZs are multi-product SEZs, while close to 62% are in the IT/ITES sectors which require a minimum contiguous area of only 0.038 Sq.miles One of the biggest problems SEZ developers face is the issue of land acquisition. Under the existing laws, companies cannot (independent of the government) procure the required contiguous land to develop a large multi-product SEZ.

Avhad, (2011) examined the two type of effect of SEZ on agricultural. Favorable Effects- SEZ will generate 15, 75,452 new employments which will benefit to rural poor’s. Processing units set up in SEZs will create demand for agricultural products as raw material. SEZs will prompt export of agricultural products. The infrastructure facilities developed by the developer of SEZs will help to the progress of agriculture. The agricultural processing units in SEZs will promote to contract agriculture and the farmers will receive Adverse Effects-The SEZs policy will cause the following effects on Indian Agriculture. The acquisition of huge tracts of prime and fertile agricultural land will cause reduction in food grain production. Huge concession given to SEZs units and developers will add to fiscal deficit and agricultural process. The acquisition of huge land more than
requirement will divert prime agricultural land to non-agricultural uses. Giving the land acquired at concessional rate, to rich corporate houses is unjustified. In practice SEZ units will not provide sufficient employment, because modern units will need highly skilled workers in a limited strength only. The SEZs policy will create dual economy, SEZs area/zones will be developed, but non-SEZ area will be backward comparatively. Acquiring fertile land at concessional rate will cause clashes between the government and the farmers. Golden Research Thoughts SEZ policy should not be the policy for putting the farmers out on the streets. Thus acquisition of prime or fertile land producing two or three crops.

Devadas, (2011) examined that a development plan is needed for the region with reference to the regional settlement system where the higher order settlements would be allowed to grow within sustainable development. He suggests there should be also a focus on small and medium towns in the region because such centers can play a role in supporting social and economic development in the rural areas by providing rural population with access to education and health facilities, agricultural extension services, service industries and agro-industries linked to local products.

Singala, et.al (2011) analyzed the SEZ Act, 2005 and concluded that there are 130 operational SEZs out of the 377 notified SEZs, which have been formally approved since February 2006. The southern states account for 46 per cent of the formally approved SEZs in the country. The performance of SEZs 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. He found that the number of operating SEZs in India is very high, compared to say in China, it is not possible to individually evaluate the performance of each SEZs. Therefore, It is observed that the contribution of exports from SEZs to the overall exports from India has increased from 4.7 per cent in 2003–04 to 26 per cent in 2009–10. Their share at 53.4 per cent is the highest in 2009–10 compared to central government SEZs and state government/private SEZs that were established prior to the enactment of the SEZ legislation in 2005.

Kiran, et.al (2012) analyzed Mangalore SEZs; which was established in 2006, to boost the economic growth of the area. MSEZ acquiring the agricultural land and increase the food crises. The study based on the principle of Cost Benefit analysis SEZs are set up on agricultural land then they create obstacles for the social and economic development of the country. When land is acquired from the farmers, the farmers and agricultural labours lose their employment, as they are not skilled labors to relocate them to other jobs. In way it’s creating
unemployment problems in India. The MSEZ leads to the problem of displacement and rehabilitation of farmers and agricultural labors also come to the fore. However, there is a criticism about the SEZs because most of the SEZs are established by the Multi National Companies. If that is the case, whatever the dividend earned by these MNCs may be flown to their respective countries. If this happens the host countries will face the problem of the scarcity of the capital. This study concludes that MSEZ apparently, it failed in terms of the principle of cost benefit analysis. Unfortunately the authorities have not been bothered about the same and their programs and policies many a times proved wrong. Every problem has its own solution but the MSEZ has created problems and it seems, this has become impossible to solve them. Therefore, the MSEZ failed miserably in two counts - Firstly it is failed in terms of boosting economic growth as it could not produce a single product even today and secondly it has not generated any employment, which it had proposed and lost the confidence of the farmers land the public in the area.

Kumar, (2012) analyzed the establishment of industrial enclaves (SEZs/EPZs) and is seen as an important strategic tool for expediting the process of industrialization in U.P. As a result of benefits, many states have been promoting zones with the expectation that they will provide the engine of growth to propel industrialization. Uttar Pradesh wishes to continue on the growth trajectory of the past decade and a half for the next four or five decades, then such policies are inevitable.

Pradhan, (2012) analyzed the impact of SEZ in Odisha. The Central government has approved five SEZs in Odisha, which would attract investments of Rs.12000 crore in manufacturing, IT and ITES sector and would create 28000 jobs in the state. Vedanta Alumina Ltd, proposal to set up SEZ for aluminum and aluminum products including downstream industries in Jharsuguda. Aluminum industry is to be developed by Hindalco Industries in Sambalpur and create 8000 jobs.

Ramananda, et.al (2012) examines the Indian policy framework for SEZ, there are approx. 3,000 SEZs operating in 120 countries, which account for over US$ 600 billion in exports and about 50 million jobs. By offering privileged terms, SEZs attract investment and foreign exchange, spur employment and boost the development of improved technologies and infrastructure. As of 2007, more than 500 SEZ have been proposed, 220 of which have already been created. They concerns over the philosophy of sops boost exports. But, now, however government seems to be realizing the need for formulating a new Indian model of SEZ. India has in fact, the right mix of factors such as availability of large and skilled workforce, intrinsic comparative advantage in several industries, a strong
policy framework, availability of complementing & supporting ancillary industry, an already buoyant export sector & vast local markets.

Sharma, (2012) in his study positive linkage is observed with phenomenal growth in basic Parameters of sustainable economic development such as employment generation, infrastructure development, contribution to exports and capital investment from local and foreign investors. The development in these core area has also facilitated the development in other areas of socio-economic importance like; education, transportation, telecommunication, etc. As a strategic planning vision the promotion of SEZs should be encouraged.

Balasubramaniam, (2013) examines the progress of EPZ/SEZ in Indian economy and various aspects of SEZ policy. The Government has notified 389 SEZs till date, of which 170 are fully operational and the balance are being developed. These employ over 1 million people directly. The total investments in SEZs are about Rs.2.36 lakh Crore, while exports from SEZs jumped from Rs.22,840 crores in 2005-06 to Rs.4.76 lakh Crores in 2012-13. The share of export revenue from manufacturing units is high at 61.7%, IT/ITES has 27.5 % and trading accounts for 10.8 %. These statistics though impressive, are not obtained without problems interestingly; the problems arise from the same issues which have already been described as benefits of SEZ’s. the tax that will be forgone comes to Rs.57,531 Crore ,assuming a corporate tax of 33.6%, a 20 % profit margin and projected export turnover of Rs.8,00,000 Crores. SEZs would yield Rs.1.5 lakh as indirect revenue and create 5 lakh direct and 15 lakh indirect jobs. The area required for multi-product SEZs has been relaxed 200 hectares and for sector specific SEZs to 50 hectares, and for certain states(Assam, Meghalaya Nagaland, Arunachal Pradesh, Manipur, Mizoram, Tripura, Himachal Pradesh, Uttranchal, Sikkim, Jammu &Kashmir ,Goa) and Union Territorieskeeping in view the difficulty in finding the large tracts of contiguous land in such states/union territories. According to the SEZ act, at least 25 % of the SEZ area shall be used for developing industrial area, for setting up SEZ units and the remaining 75 % can be used for building infrastructures like roads, hotels, power generation station, educational institutions, and other facilities. The State Government /the private agencies have jointly promoted and set up the SEZs at backward regions .SEZs can also set up under the Public Private Partnership model (PPP) by private entrepreneurs. All these indicate the inadequacy of financial resources with the Union Government for setting up the SEZs.

Bapurao, (2013) examines the impact of SEZs on human development and poverty reduction in India. This analysis is based on three channels through
which SEZ addresses these issues: The employment generation, skill formation (human capital development), and technology & knowledge upgradation. By use of coefficient of correlation method it can be found that there is a direct relationship between poverty and unemployment. The total employment of 6, 44,073 persons in SEZs, an incremental employment of 5, 09,369 persons was generated after February 2006 and double this number obtains indirect employment outside the SEZs as a result of the operations of SEZ units.

Chandrachud, et.al (2013) analyzed the current status of SEZ, in India. There were 588 formal approvals of SEZ across 22 states in the country. 3 Out of these 386 SEZs are notified. Among Various states Andra Pradesh ranks first in the country with 4700 hectares of area under SEZs. The Other States like Tamilnadu, Maharashta and Gujarat are likely to have significant area under SEZ. It is to be noted that Out of total 588 approvals the selected states such as Andra Pradesh, Tamilnadu, Gujarat, Uttar Pradesh, West Bengal, Kerala, Karnataka, Madya Pradesh, Haryana and Maharastra have contributed 499 approvals and the rest of the states contributed for remaining 89 approvals. Some of the states have not shown any interest in SEZ. In industries the IT/ITES industry ranks first in the country for approval and setup because nearly 55% of the total formal approvals IT & ITES and other industries like Biotech, petro chemical, Textiles, FTWZ and Gems & Jewellery likely to have significant share under SEZ. By comparing State-wise approvals of SEZ and Sector-wise approval of SEZ it can be concluded that the role of SEZ is important for the economy of the country.

Claudia, (2013) has found that one reason to develop entrepreneurs in SEZ, as its development model is to provide industrial platform national and international investors equipped with the social and economic infrastructures, offering fiscal benefits as well as raw material and skilled labour force.

Commissionerate of Industries, (2013) analyzed SEZ in Gujarat. There are 55 SEZs at present and covering an area of approximately 27,125 hectares. There are 3 operational SEZs covering an area of 506 hectares, there are 15 Notified SEZ, covering an area of 6,114 hectares, Formally approved 22 SEZ in Gujarat sezs covering area of 7,702 hectares and 8 In-principle approved covering an area of 2,993 hectares.Kandla SEZ is the largest operational SEZ, being promoted by the Central Government. SUR SEZ a private initiative and Surat Apparel Park promoted by State Government (GIDC)These SEZs are involved in several sectors such as, Biotechnology, Power, handicraft /Artisan, Gems & Jewellery and Port based multiproduct. The study Focus on developing SEZs for multiproduct, IT & Engineering sector Export Oriented Units annual report (2013) examine the Current status of approvals for setting up of SEZ and the
Central Government set up Seven Export Processing Zones at Kandla (Gujarat), Santa Cruz (Maharashtra), Cochin (Kerala), Noida (U.P.), Chennai (Tamil Nadu), Falta (West Bengal) and Visakhapatnam (Andhra Pradesh), were converted to SEZs on announcement of the SEZ Policy.

Elangovan, et.al (2013) examines performance of the SEZ, Chennai over a period of 10 years. The exports increased to 2865.00 crores in the year 2010-2011. The total of imports was 15,575 crores and the balance of trade was favorable from the SEZ, Chennai which stood at 11,043.00 crores. The growth percentage of exports revealed its increased to the tune of 62.2% and imports increased by 71.6%. The highest contribution from Electronics and Software. The Electronics and Software category has utilized the available resources to its maximum potential to contribute highly towards the total exports of the SEZ, Chennai. During the years 2009-2010 and 2010-2011 the sector of Gems and Jewellery has taken over as the highest contributor toward the total export. The SEZ, Chennai has played vital in the development of the exports community in the southern India. It has made significant contribution towards the foreign trade in the state of Tamilnadu.

Nidheesh, (2013) explains the Cochin SEZ. The SEZ is mobilizing the investments both from domestic as well as from other countries. But domestic sources seem to be the major sources. The lowest level of investments was Rs 135.8 Crores is the year 2001-02 and the highest Rs 541.3 Crores was in the year 2011-12. There is a positive relationship between the investment generated in Cochin SEZ and employment opportunities created, exports promoted and tax incentives offered to the Cochin SEZ.

Sadu, (2013) analyzed the socio economic profile of the Kakinada SEZ and examine the Land acquisition process and problems, R&R policy. The SEZs are creating many hardships in the lives of rural people in Kakinada, Andhra Pradesh. The people of agriculture and the families from the rural communities based on agriculture suffered a lot because of the displacements by the SEZ’s. The roller of the SEZ destroyed the village’s economic basis and has taken the farmers lives mercilessly. There is a dangerous centurions plot behind the building of SEZs and there are many Multinational companies’ investments, National investors, Real Estate businessmen and new brokers as developers behind this process. The Kakinada SEZ farmers are getting suicides, their wife’s and children are in grief and helpless and they are asking for their lands with agitation the farmers, who are the victims of SEZs are in anguish and fight against the SEZs.
Sahu, (2013) analyzed the state wise total land acquisition for SEZ in India. The analysis is based on available secondary data from SEZ reports in India. The land for the 260 notified SEZs where operations have since commenced involved is approximately over 29,953 hectares. Andhra Pradesh has highest number of SEZ approvals (109) and operational (36). The less developed states of India have less SEZ approvals in India. But total land allotment to SEZ in Maharashtra is 47,225 Sq Km which is 28.89 % of total land allotted for SEZ. The SEZs basically violates the right to life and livelihood of the people who are forcibly displaced for the implementation of the SEZ. Total area of land under SEZs is expected to be over 200,000 hectares and this land is capable of producing around 1 million tons of food grains. It is estimated that farming families will have to face losses of around Rs. 212 crore each year in total income. The SEZs basically violates the right to life and livelihood of the people who are forcibly displaced for the implementation of the SEZ. It also creates the conflict of land based livelihood of the peasants. The role of Gram Sabhas is not recognized, nor is the legal process fairly followed.

Srinu, (2013) in of the opinion that the SEZ’s could drastically 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 opportunity. But this should not be done at the cost of bringing down the agricultural activities, Land grabbing and real estate mafia should be properly regulated so that the common man is not the net sufferer to get the net foreign exchange earner up and running. As compared to china where majority of the SEZ’s were setup by the government, similar should be adopted in India, if not fully it should be a public-private partnership and regulatory bodies should be properly managed to weed out fallacies. To be economically viable SEZ’s should be approved over a particular land area (greater than 1000 acres) for rapid economic growth in the area and for it to be profitable and self sustainable. Relaxed Tax norms, Labor laws and DTA regulations will surely attract foreign investment and major industries to setup industries in the SEZ’s making it profitable and meeting its desired results.

Singh, (2013) examined the performance of SEZs in Haryana. There are 8 notified Zones, 29 have acquired formal approval, and 28 have obtained in-principal approvals. These SEZs are providing direct employment to over 60,000 workers and generating exports of around Rs 42,000 crores. Four years after the passage of the SEZ Act of 2005, SEZs have a major contribution to the growth of exports. The financial viabilities of SEZs cannot improve unless their access to finance increases. SEZs played a vital role for boosting up the exports in India. The establishment of the SEZs has undoubtedly helped to increase the
volume of international trade. Further, a large amount of foreign investment has found its way not only into the export trade, but also into infrastructure construction and commerce. All these factors have contributed to the growth of the Indian economy.

Zimmerman, (2013) examines the implications of the factors that contributed to de-notification in Maharashtra, lack of SEZs in Goa, the economic growth and the social cost. The three factors (concerns over land acquisition, corruption, and the environment) combined to undermine support for SEZ policy. Information about the de-notification of zones in both states, leads to an examination of whether the factors that contributed to de-notification in Maharashtra were similar to those keeping Goa from having operational SEZs. The land acquisition practices, lack of physical infrastructure, and poor social infrastructure were key factors contributing to Maharashtra’s de-notification and to Goa’s struggle to create operational zones. In order for SEZs to remain operational, comprehensive legislation must be put in place that addresses land rights, job training, and general education. Such a change would allow the residents in each state to participate more in the SEZ development scheme while mitigating India’s endemic poverty.

Anwar, (2014) examined the emerging geography of SEZ in India. The Indian government experiment with the SEZs as models of economic development and analyzing the experience in India with the SEZ policy. The growth of SEZ in India gained momentum only after the large-scale liberalization program carried out by the Indian state after 1991. These zones also underwent several changes in their designs and Implementation. The Indian government policy has given almost free reign to private investors in terms of the nature of investment and performance indicators. Consequently, the majority of SEZs have developed for the IT sector thus further defying the industrialization objective of the policy. There are no mechanisms by which the state can hold firms responsible for failing to commence production activities. These zones have also given rise to real-estate development with firms keen to buy up land for rent seeking activities rather than actual production for export. The development of SEZs in India threatens the existence of rural populations and places immense pressure on agriculture and other primary activities which continue to support more than two thirds of the Indian population. The current trends of their development suggest that they are encroaching into rural agricultural land. Hence, this policy has increased the potential for deep conflicts and dissent between different classes of the Indian society.

Pandit, (2014) Compares the SEZ policy and performance of SEZs between India and Gujarat and draws attention to the speed at which industrial growth
and exports have differently risen in India and Gujarat. Though Gujarat is just one of the 29 states of India, if looked at it as an independent entity its pace of industrial growth is far more than most of the Indian states. India’s growth is the end result of the contribution of all its states put together. Therefore, percentage share of contribution of each state also plays a role in the overall growth of the country. Therefore, the phenomenal role of Gujarat in growth of India explains the need for facilitating and assisting policy driven as well as non-policy measures towards proportionately higher contributing states. Gujarat has out sped most of the other states of India as far as SEZ policy framing and implementation is concerned with respect to infrastructure investment, number of notified SEZs.

Taneja, et al (2014) analyzed the Software Technology Parks of India (STPI) or SEZ. STPI has played a seminal role in India having earned a reputation as an information technology superpower. STP units exported software and information technology worth Rs. 215264 crore in 2010-11. The state largest export contribution was Karnataka followed by Maharashtra, Tamil Nadu and Andhra Pradesh. STPI has a presence in many of the major cities of India including the cities of Bangalore, Mangalore, Mysore, Hubli, Trivandrum, Bhilai, Bhubaneswar, Chennai, Coimbatore, Hyderabad, Gurgaon, Kakinada, Pune, Guwahati, Noida, Mumbai, Nagpur, Kolkata, Kanpur, Lucknow, Dehradun, Patna, Rourkela, Ranchi, Gandhinagar, Surat, Imphal, Shillong, and Nashik etc. STPI centers also provide variety of services, which includes high speed data communication, incubation facility, consultancy, network monitoring, data center, data hosting etc. STPI provides physical hosting for the National Internet Exchange of India. In the SEZs, software services companies can provide information enabled services such as back office operations, call centres, content development or animation, data processing, engineering and design, graphic information system services, human resources services, insurance claim processing, legal data bases, medical transcription, payroll, remote maintenance, revenue accounting, support centres and website services. SEZs.

Kumar, (2015) examined that EOUs, which are specifically disaggregated export enclaves with strong linkages to the domestic economy and could play an important role in structural transformation. In the Indian context this has been shown to be partially true: some states are likely to have experienced a positive structural boost from their export oriented units (EOU) schemes, while others have experienced lesser influences. All in all, however, it did not find substantially different developmental possibilities for EOUs or SEZs: instead, this report’s findings show that traditional SEZs and EOUs have been used in tandem to facilitate structural transformation in the Indian context has also
sought to tease out some of the key factors which govern states' EOU experiences. Most notably, it has shown that EOU distributions have the highest potential to contribute to structural transformation when they resemble the sectoral output of the domestic economy. High levels of urbanization and dispersion have also been shown to have a positive effect on EOU placement, but by the nature of this paper the exact (statistical) nature of this relationship is yet to be identified.

More, (2015) analyzed the effect of special Economic Zone and suggests options to solve the problems. For financial development, export growth, increase employment of the country, SEZ is essential. The implementation is in progress. SEZ projects should be started in backward area for development of regional equilibrium. SEZ have been acquired land from the farmers, Government should do rehabilitation and include them as shareholders of the SEZ projects as well as employment should be reserved for farmer families.

Narang, (2015) examines the role of women participation in SEZs in India and also examines the impact of SEZs on export promotion and investment enhancement in India along with the various suggestions to improve the role of SEZs in India. Women’s share in total employment of SEZs is substantially higher than the economy as a whole SEZ is an important strategic tool to facilitate investment inflow, promote exports and generate employment. The proportion of women workers is the highest (56.5 per cent) in MEPZ SEZ. 73.3 per cent in Mahindra City SEZ (Textiles), it is zero per cent in Jodhpur and Moradabad SEZs. Out of 19 SEZs, which notified prior to SEZ Act, 2005, in 6 SEZs the proportion of female workers is less than 6 per cent. SEZ is an important establishment for employment to women work-force in India and helps in strengthening women power and raises their standard of living by generating income. Although their share in manufacturing sector employment is marginal but they are playing an important role in India. The significance of SEZs in India is increasing day by day as looking at its performance makes them an important revenue generating.

2.3 Experiences of SEZs: Rajasthan

Kumar, (2010) examine the SEZ in Rajasthan as a tool for regional development and the spread of SEZs by various categories in various administrative divisions. The spatial distribution of SEZs in Rajasthan is not at par but most of SEZs are concentrated in few districts, leaving wide uncovered area. At present a total 19 SEZs (8 formally approved, 11 in- principal approved) are coming up in Rajasthan and many other are on the various stages of implementation. These includes Information Technology (IT), IT enable
service (ITES), gems and jewellery, Handicraft, Real estate and other. Where, in Indian case, around 63% of total were related to IT/ITES but in Rajasthan multi-product and multi-service SEZs constitutes biggest part (47%) in the total SEZs developed in Rajasthan. The multi-product and Multi-service SEZs are in lead with 95.10 percentage of total area approved to SEZs. The Idea of SEZ in India in its originality is very attractive one, if it is implemented according to rules, SEZ can prompt harmonious regional development. In Rajasthan most SEZ are concentrated in Jaipur and Alwar to trap urban markets of NCR and Rajasthan causing further aggravation in disparities. These are not evenly distributed the state.

Sharma, (2014), examined the present status of Indian Gems and Jewellery industry in Jaipur and the the concept of SEZ in Gems and Jewellery industries, impact of SEZ in Gems and Jewellery indusris on employment generation and other human resource. Gems and Jewellery is perspectives in Jaipur region since the aggregate contribution of approximately 60% of the world’s supply in terms of value and 80% in terms of volume. The industry contributes more than 14% towards the total exports in India and provides employment to 1.3 million people directly and indirectly. There is a good position of SEZ in Jaipur region in the export promotion. The two major segments of the industry are gold jewellery (covers around 80% of the jewellery market) and diamonds.

2.4 Research Issues and Gaps

The above literature of review proves beneficial in identifying the research issues and gaps, which are mainly the edifices on which the objectives of the present study are based on. There is hardly any study in Rajasthan which has taken the impact of SEZ in the economic development of Rajasthan.

a) Most of the studies were based upon international and national level tradings and which are not provide the concrete description of SEZs in Rajasthan and achievements of SEZs in Rajasthan.

b) The Previous studies were showing their interest in already developed and successful SEZs of World especially Chinese and American SEZs and SEZs from Asian countries.

c) The Indian research were concentrated on some well developed SEZs such as Kandla and Santa Cruz SEZs Mumbai and no any research is available for comparatively backward and under developed and for Rajasthan perspective, a very small and a general literature is available and hence needed to research about Rajasthan SEZs.
d) Most of the researches were based upon performance of SEZs and some major issues were addressed in the research but a detailed study is not available.

e) The research is concentrated on Investment in the entire country but in state this issue is not be addressed till now.

f) The present study tries to highlight the contribution of SEZ in Rajasthan towards FDI inflow, investment, export and Employment generation.

g) The study contains infrastructural developments and new area for enclave based policies such as Agriculture Based SEZs.

h) It also emphasized on the complicacy of systematic issues which may cause slow down for the Industrial developments, De-notification process and other legislative issues of SEZ policy of Rajasthan.

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