BRINGING GLOBALISATION TO THE COUNTRYSIDE: THE POLITICAL ECONOMY OF SPECIAL ECONOMIC ZONES IN INDIA

Overview of the Research

- SEZs policy launched in 2005.
- Packaged under larger neoliberal economic framework.
- Large scale industrialisation as development model

‘Fragmentation of land holding has made farming unviable, so government should rather consolidate the land and use it for industrialisation’.

(Senior Advisor, Planning Commission, Government of India, interview with NDTV, 2007)

- Massive land acquisition for SEZs (210,000 hectares).
- By 2007 massive resistance against land acquisition for SEZs. And it became a national issue.

Objectives of the Research

- To investigate the developmental impacts of SEZs on the lives and livelihoods of the local population where these zones are being established.
- How does the land acquisition for SEZs impact those who depend upon the land being acquired?
- Is monetary compensation sufficient enough to pay back the livelihood of those whose land is acquired?
## Developmental Impacts of SEZ in India

<table>
<thead>
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<th>Types of Impacts</th>
<th>Economic</th>
<th>Social</th>
<th>Regional</th>
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<tr>
<td><strong>Growth</strong></td>
<td>Export based; short term growth.</td>
<td>Mainly for highly skilled and literate workers</td>
<td>Uneven geographical development; skewed regional growth.</td>
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<td><strong>Trade</strong></td>
<td>Rising exports accompanied by rising imports (capital intensive).</td>
<td>Dominance of domestic investors (big corporate capitalists in India)</td>
<td>Trading activity mainly concentrated within DTA; growth of trade poles; cities and urban areas.</td>
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<td><strong>Economic Activities</strong></td>
<td>Driven by tax incentives; low level of industrial manufacturing; high services sector activities (e.g. IT &amp; software).</td>
<td>Pockets of good infrastructural facilities; planned city enclaves.</td>
<td>Industrial clusters formation in already advanced regions (cities and states in southern India); un-even urban development.</td>
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<td><strong>Governance Issues</strong></td>
<td>States lobbying for central government funds.</td>
<td>Corporate governance versus representative governance.</td>
<td>Multi lateral governance system. (Overlapping jurisdiction of SEZs governance with other levels of governance at village, municipal, city or state government).</td>
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<td><strong>Land Acquisition</strong></td>
<td>Sale of public assets (land) to private capitalists; loss of agricultural land.</td>
<td>Compensation for land owners only; richer farmer main beneficiaries</td>
<td>Largely done in areas of flat topography; easy transportation routes; near rural-urban fringe of big cities (Metropolitan cities of India).</td>
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<td><strong>Employment Generation</strong></td>
<td>Low employment generation capability.</td>
<td>Low level of skill transfers to workers; casualisation of labour; unorganised employment;</td>
<td>Migration towards urban areas; mainly in urban areas; increase in rural unemployment.</td>
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<td><strong>Poverty Reduction</strong></td>
<td>Contributes marginally and temporarily (immediate monetary compensation for land).</td>
<td>Landless workers worst affected;</td>
<td>Number of poor increase in both rural and urban poverty</td>
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<td><strong>Income Inequality</strong></td>
<td>Rise in income inequality.</td>
<td>Consolidation of wealth both among the rural and urban elites.</td>
<td>Rural- urban and rich- poor conflict.</td>
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<td><strong>Displacement of Population</strong></td>
<td>Occupational displacement evident and leads to physical displacement.</td>
<td>Resettlement and rehabilitation policy not in place.</td>
<td>High in densely populated states; Northern and eastern states with high level of agriculturally dependent population.</td>
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Scope of the Research for Globalisation and International Integration

- It helps understand how the broader processes of globalisation are grounded in India.
  - Top-down approach from the policy makers.
  - Policies designed as models of development.
  - Creating environment for freely functioning markets.
  - Systematically implemented to overcome the bureaucratic red-tape and many legal issues.
  - Gaining ample support from elite capitalist class.

- It also analyses the changing nature of Indian political economy.
  - State becoming more market oriented.
  - Class and caste based divisions becoming more pronounced.
  - Restructuring of the class power favouring the elite capitalist class.
  - Domestic capitalist class becoming pro-active and outward looking (land deals in Africa, for example).

- Future Research *(Post-Doctoral Research Fellowship in the University of Johannesburg, January 2014)*
  - India an emerging player in the world capitalist economy.
    - Dynamics of India’s engagement in Africa, for example.
      - Land, ICTs and Energy sector investments in Africa.
    - Development implications for African population.
    - Inclusive and mutual development model or mere capital accumulation strategies of colonial times?