

Special Economic Zones
How Special and How Economic?

A preliminary study of five SEZs
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A. INTRODUCTION

1. Background of the study:

In 2000 the Government of India determined to provide a long term and stable policy framework with a minimum regulatory regime to attract more foreign investment into productive activities. Hence, a Central Act for Special Economic Zones was formulated in the same year to provide an expeditious and single window clearance mechanism for potential investors. Special Economic Zones (SEZ) are specifically delineated duty free production enclaves that are deemed to be foreign territories, or a sphere of 'economic freedom', for the purposes of trade operations, duties, and tariffs so as to attract Foreign Direct Investment (FDI)¹, increase exports, and accelerate the country's economic growth. The concept of the SEZ is part of the 'Chinese formula' (also promoted by World Trade Organisation rules and regulations) that India wants to adopt to boost its second phase of reforms for constructing a globally competitive economy – in short, an industrial renaissance.

However, with 19 functional and 366 formally approved SEZs in place at the time of this study, various other issues like displacement, repression by the state machinery, food insecurity, regional and rural-urban imbalance, and deaths of villagers have also been emerging. In particular, the protests by farmers by Raigarh in Maharashtra, Nandigram in West Bengal, Kalinganagar in Orissa and Sultanpur in Haryana have focused on forcible land acquisition and changes in labour laws. But other concerns have also been voiced such as the impact on the livelihoods of marginalised social groups, the living conditions, social security, and health and safety of contract and migrant workers, and environmental degradation. For instance, one commentator has analysed that SEZs are not simply about land-based displacement-inducing projects, but also about the replacement of democracy by corporate governance, about growth with inequity, and social and environmental injustice.²

¹ FDI is a component of a country's national financial accounts. It is an investment of foreign assets into domestic structures, equipments and organizations.

² Bijoy, C.R, Special Economic Zones: Profits at Any Cost, cr.bijoy@gmail.com

A think tank has estimated that eventually SEZs in India would require 1.5 lakh hectares of land, displace 10 lakh people, create a fraction of the claimed 30 lakh jobs, and cause a loss of Rs160,000 crore in revenues by 2010 – and all for the creation of corporate city-states³. Another analyst has argued that the SEZ policy is part of the thrust for ‘growth at any cost’, which will further marginalise the vulnerable, not allow the displaced to be rehabilitated, be unable to compensate for loss in employment, and cause heavy losses in revenue while making the States compete with each other to get capital.⁴

At the same time, supporters of the policy claim that other countries like China have made great strides in developing SEZs and this has contributed massively to foreign investment inflows and to rapid growth in Gross Domestic Product (GDP). However, a recent paper has debunked the myths with regard to China. It shows how the FDI flow to China has been hugely overestimated and that, instead of being export-oriented, 90% of SEZ production is catering to local markets. Additionally, there is no evidence to show that FDI flows to other areas have suffered as a consequence of the Chinese attraction or that Chinese technology has overcome its import dependency⁵. Hence, it is important to examine the actual performance of functioning SEZs against their objectives.

Action Aid India commissioned the Hazards Centre of Sanchal Foundation to conduct such an enquiry with a view to obtaining factual data about a selected sample of SEZs and to draw conclusions about the general patterns on the basis of the sample. It was originally proposed by Hazards Centre that the SEZs at Cochin (Kerala), Falta (West Bengal), Jaipur (Rajasthan), Kandla (Gujarat), and Indore (Madhya Pradesh) should be taken up for study. However, Action Aid felt that the selections should complement the areas where their partner organisations were active. Hence, Cochin was dropped in favour of Visakhapatnam (Andhra) and Manesar (Haryana) replaced Indore. The study began in July 2007 for a stipulated period of four months but could be completed only in December 2007 because of delays in collecting initial information and coordinating with partner organisations.

³ Factsheet for an Unconstitutional Economic Policy, Citizens Research Collective, New Delhi, sez.crc@gmail.com

⁴ Kumar, Arun, SEZs: One More Anti-Bharat Act by India, nuramarku@gmail.com

⁵ Branstetter, Lee and C Fritz Foley, Facts and Fallacies about US FDI in China, NBER Working Paper, No. 13470, October 2007

This report presents details of the objectives, methodology, and findings of the study conducted across the five selected SEZs in the States of Gujarat, West Bengal, Andhra, Rajasthan, and Haryana.

2. Objectives:

The study was designed to fulfil two basic objectives:

- Compare the achievements of the functional SEZs against the targets set by the Ministry of Commerce and Industry, in terms of:
 - Private Investment
 - Regional Development
 - Revenue Generation
 - Export Benefits
 - Additional Employment
 - Infrastructure Improvement
 - Environmental Management

- Document the other social and economic impacts on marginalised communities, labour, and the neighbouring population.

3. Methodology:

It was proposed to follow the following schedule to collect and analyse the required data:

- Apply under the Right to Information Act to acquire official information and reports on the projected targets, performance, and present status of the SEZ. This would include policy documents available from SEZ and State/Central Government authorities under the Special Economic Zone Rules, 2003; Export-Import Policy, 2000; SEZ Act 2005; Fast Track Clearance Schemes; Blueprints; Compensation Schemes; Code of Conduct; and Annual Bulletins.
- Collect existing studies available on Project Affected Persons of SEZs, including newspaper articles, material available on the internet, and published analyses.

- Prepare case studies through intensive field visits and group discussions with affected populations focusing on impact of land use change on environment and displacement, livelihood implications, aspirations and fears of vulnerable groups.
- Conduct interviews with Development Commissioners, General Managers, Infrastructure Development authorities, Industry Associations, responsible government officials, and members of local bodies.
- Compare the official data with the information collected at the site from officials and communities, within the context of the analytical reference material, and thus arrive at a review of the actual performance of the SEZs.

4. Selection of study areas:

To begin with, all the 19 SEZs, which were operational at the beginning of this study, were appraised to select five representative sites based on the following criteria:

- Functional status
- Geographical distribution
- Availability of secondary information
- SEZ for multi product⁶ and SEZ for specific sector⁷

In addition, the research team also considered whether any of the following factors were present at the site:

- Issues other than land acquisition
- Converted SEZ as against a greenfield site
- Changes in local livelihoods
- Presence of a local advocacy group

Eventually, the five SEZs selected for the study are given in the following Table 1:

⁶ SEZ for multi product means an SEZ where units may be set up for manufacture of two or more goods in a sector or goods falling in two or more sectors or for trading and warehousing or rendering of two or more services in a sector or rendering of services falling in two or more sectors.

⁷ SEZ for specific sector means an SEZ meant exclusively for one or more products in a sector or one or more services in a sector.

Table 1: Characteristics of SEZs selected for study

SEZ (Status & year)	Area (ac) (proposed)	Sector/ industries	Developer	Land use	Eviction
Kandla, Gujarat FTZ-EPZ-SEZ 1965-2000	700 (+300)	Multi product (recycling imported textile products)	MoCI	Agricultural Barren	None
Falta, W Bengal FTZ-EPZ-SEZ 1984-2000	280	Multi product (recycling imported plastic waste)	MoCI	Settlement	2 villages
Visakhapatnam, Andhra EPZ-SEZ 1989-2003	360 (+200)	Multiproduct, (fine chemicals, textiles, food products, engineering)	MoCI	Agricultural	None
Jaipur, Rajasthan SEZ 2003	111	Single product (gems and jewellery)	RIICO	Agricultural Settlement	8 villages
Manesar, Haryana SEZ being developed	1500 acquired (269 notified)	Multi product (mainly knowledge based)	Uppal Group	Agricultural	None

Sources: Websites⁸ and field investigations

As may be seen from the table 1, three of the older SEZs (1965-89) are operated by the Central Government, while a recent SEZ (at Jaipur) has been developed in 2003 by the State Government, and the one at Manesar has been given to a private party, Uppal Group, for developing. The three earlier ones at Kandla, Falta, and Visakhapatnam were converted into SEZs from Free Trade Zones [FTZ: A free trade zone is one or more special areas of a country where some normal trade barriers such as tariffs and quotas are eliminated and bureaucratic requirements are lowered in hopes of attracting new business and foreign investments. Free trade zones can be defined as labour intensive manufacturing centers that involve the import of raw materials or components and the export of factory products]⁹ and Export Promotion Zones [EPZ: Export Processing Zone is an industrial area that constitutes an enclave with regard to customs' tariffs and the commercial code in force in the host country. Traditionally therefore, the concept of EPZs evolved to compensate for anti-export-bias created by the import substitution

⁸ www.sezindia.nic.in, www.vsez.gov.in, www.riico.com, www.kasez.com, www.fepz.com, www.vepz.com

⁹ Wikipedia, http://en.wikipedia.org/wiki/Free_trade_zone

industrial policy regime]¹⁰. The largest existing one is at Kandla, while an even larger one is proposed for Manesar. Only two of these SEZs have officially acquired settlement land; four of them are multi-product SEZs; only the Jaipur SEZ is single-product because it was set up to accommodate the gem and jewellery units dislocated from the inner city.

5. Approach

The study included both secondary and primary data collection.

5.1 Secondary research:

Secondary research involved the following:

- Performance details from the web site of the SEZ
- Right to Information application filed at offices of the Development Commissioner and Ministry of Commerce and Industries
- Acts, Rules & Policies as laid down by the government from time to time
- Analysis by specialists

5.2 Primary research:

Primary data collection was done through a field study of 5-7 days for each of the sites, with the assistance of whichever active local groups were available (at three of five sites). Field work mainly comprised of group discussions and public meetings because they were found to be the most effective for collecting information within a short period. However, when possible, surveys through a questionnaire and individual interviews were also occasionally adopted.

5.2.1 Group discussions:

Group discussions and public meetings were conducted with:

- *Local villagers*
- *Workers*

¹⁰ Aggarwal Aradhana, Performance of Export Processing Zones: A Comparative Analysis of India, Sri Lanka and Bangladesh, ICRIER, 2005

5.2.2 Individual questionnaires:

Three sets of questionnaires were designed to acquire information from:

- Development Commissioner (DC)¹¹
- State Directorate of Industries
- Unit Owners
- Factory Inspector
- Block Development Officer
- Gram Pradhan
- Labour Commissioner
- Customs Officer
- Developer
- State Pollution Control Board
- Land Acquisition Authority

¹¹ “DC means the Development Commissioner appointed for one or more Special Economic Zones under sub-section (1) of section 11 (The Central Government may appoint any of its officers not below the rank of Deputy Secretary to the Government of India as the Development Commissioner of one or more Special Economic Zones.), Definitions, Chapter 1, Special Economic Zone Act 2005

B. FEATURES OF THE SEZ

The Evolution of SEZs:

Much before the establishment of SEZs, there have been other attempts to intensify the growth of economic activity in special enclosures. Thus, Free Trade Zones (FTZ) and Export Processing Zones (EPZ) have been functioning since 1965, with the sole aim of promotion of export oriented units. They emerged as an instrument to boost the export of manufactured products. The Zones, set up as enclaves separated from the Domestic Tariff Area (DTA) by physical barriers, were intended to provide an internationally competitive duty-free environment for export production at low cost. Somewhat similar to SEZ, the basic objectives of EPZs were (and still are) to enhance foreign exchange earnings, develop export-oriented industries, and to generate employment opportunities.

However, the eventual failure of EPZs to actually enhance foreign exchange earnings to the extent desired by government caused policy makers to declare that the EPZ policy was deficient by several factors like the limited power of zonal authorities, the absence of a single window facility within the zone, rigid custom procedures for bonds and bank guarantees, a restrictive FDI policy, procedural constraints, and severe infrastructural deficiencies. It was also believed that tariff exemption schemes tended to be excessively complex and encouraged a “license *raj*” mentality at the operational level.¹² Hence, in order to overcome the shortcomings experienced on account of the multiplicity of controls and clearances, absence of world-class infrastructure, and an unstable fiscal regime, and with the purpose of attracting larger foreign investments in India, the Special Economic Zones (SEZs) Policy was announced in April 2000.¹³ Under this Policy, the power of the zonal authority, the Development Commissioner of the zone, has been increased and the same person has become the single decision-making authority.

With the announcement of the Special Economic Zone Policy, four EPZs/FTZs, namely at Kandla, Santa Cruz, Cochin, and Surat were converted into SEZs with effect from November 1, 2000 to address the shortcomings in the previous scheme. This process of conversion of EPZ and FTZ into SEZ was facilitated by the fact that some relaxations

¹² Henley John S, Chasing the Dragon: Accounting for the Under Performance of India by Comparison with China In Attracting Foreign Direct Investment, www.devstud.org.uk/publications/papers.pdf

¹³ Background note on SEZ, <http://sezindia.nic.in/HTMLS/about.htm>

were offered for land requirement in the case of conversion as compared to setting up a new SEZ. For instance, it was stipulated that the minimum size of an SEZ could not be less than 1000 hectares, while this stipulation would not apply to existing EPZs converting into SEZs, or for notifying additional areas as a part of such converted SEZs, or for setting up product specific SEZs. In the case of such conversion, approval for developing required infrastructure has to be obtained from the Board of Approval on a case-to-case basis.

An existing EPZ unit, thus, has the following options:¹⁴

- (a) It can opt for the SEZ Scheme. On conversion, its previous obligations as an EPZ unit are subsumed by its obligations under the SEZ Scheme. The raw materials, components, consumable and finished goods lying in stock with the unit at the time of conversion are taken as its opening balance under the SEZ Scheme. All unutilised Domestic Tariff Area (DTA)¹⁵ sale entitlements of the unit cease to exist from the date of conversion as notified by the Ministry of Commerce and Industry.
- (b) In case an existing EPZ unit decides not to opt for conversion into a SEZ, it can either convert into an Export Oriented Units (EOU) or de-bond. In both the cases, it has to physically move out of the area demarcated for the SEZ.

Investment, Export and Employment:

By offering privileged terms, SEZs are designed to attract greater investment and foreign exchange, spur employment, and boost the development of improved technologies and infrastructure. The SEZ Act is expected to give a big thrust to exports and consequently to the FDI inflows into India, and is considered to be one of the pieces of legislation that may well represent the future of the industrial development strategy in India. Heavy investments are expected in sectors like Information Technology, Pharmaceuticals, Bio-technology, Textiles, Petrochemicals, Auto-components, etc.

¹⁴ 9.43: Transitional Arrangements, Chapter 9, Exim Policy 1997-2002, Directorate General of Foreign Policy

¹⁵ "Domestic Tariff Area means the whole of India (including the territorial waters and continental shelf) but does not include the areas of the Special Economic Zones", Definitions, Chapter 1, Special Economic Zone Act 2005

Since one of the primary objectives of setting up SEZs in India is to promote FDI in the export oriented manufacturing sector, the scheme has been made as investor friendly as possible by, for example, decentralising the power of investment approval from the Centre to the State and Zonal authority. The question is, how far has this enabling environment actually attracted investment?

Table 2: Basic data for the present functional 19 SEZs (2006-07)

Factors	Central Govt 7 SEZs	State Govt/Private 12 SEZs	Total
Investment (Rs crores) Total till 2007	3,903.72 (62.77%) Govt= 557.87 (8.97%) Pvt= 2,930.39 (47.12%) FDI= 415.46 (6.68%)	2,315.22 (37.23%) Govt= 494.38 (7.95%) Pvt= 1,709.55 (27.49%) FDI= 111.29 (1.79%)	6,218.94
Units (numbers)	879 (80%)	219 (20%)	1,098
Export (Rs crores)	25,485.58 (73.26%)	9,301.89 (26.74%)	34,787.47
Employment (numbers)	1,69,314 (87.28%)	24,685 (12.72%)	1,93,999

Source: <http://sezindia.nic.in>

Note: Figures in brackets are percentages of the totals in the last column

As may be seen from Table 2, the information available from the SEZ authorities shows that it is in the older SEZs, developed and operated by the Central Government and converted from EPZ/FTZ to SEZ, that there has been significant investment (63% of the total) both by the private units as well as by foreign investors. The number of units in 7 Central SEZs is 4 times that in the 12 State/Private SEZs, exports are 3 times higher, and employment is almost 12 times more. In other words, decentralisation does not appear to have attracted more investment or generated more employment. In fact, the trend seems to be the reverse.

In this context, it is worth noting that there is investment by the Central Government in the SEZs which are not under the Centre, and that is under the ASIDE (Assistance to States for Developing Export Infrastructure and Allied Activities) Scheme, which is operated and monitored by the State Directorate of Industries. The assistance under this Scheme is granted on the basis of proposals submitted by any SEZ authority for the development of internal physical infrastructure. Table 3 gives the details of the investment pattern in the four selected SEZs which are currently functioning

Table 3: Investment pattern of the four functioning selected SEZs

Central Government operated SEZs (Rs crores) total till 2007					
SEZ	Year of establishment	Central Government	Private/unit	FDI proposed	FDI actual (% of the total)
Kandla	1965	73.56	254.20	--	16.03 (4.70)
Falta	1984	96.20	326.33	13.71	12.77 (2.93)
Visakhapatnam	1989	67.93	311.58	--	30.17 (7.36)
State Government operated SEZs					
SEZ	Year of establishment	Developer	Unit	FDI proposed	FDI actual
Jaipur	2003	23.81	22.25	--	--

Source: <http://sezindia.nic.in>

The table 3 shows that the investment by the private investors in all the Central SEZs is significantly high, as opposed to the State SEZ, where the investment by the State Government is higher than that by the private units. As mentioned earlier, this may be related to the fact that all the Central SEZs in the study sample are more than 20 years old and converted from existing EPZs/FTZs, while the only State SEZ is just 4 years old. While FDI was not proposed for any of the SEZs, except Falta in West Bengal, there has been actual foreign investment in all the 3 Central SEZs but inflow varies from only 3-7% of the total, thereby contradicting the stated objective of promoting FDI in SEZs.

Table 4 gives the sector-wise export figures for 2005-2006. The curious thing is that in all the three older SEZs the major exports are from sectors for which the SEZ was not even planned. Thus, Kandla was supposed to be processing textiles and garments but is actually earning through exports of chemicals; on the other hand, Falta was planned for plastic and rubber exports, but is doing far better business in textiles and garments; and Visakhapatnam, originally targeted for fine chemicals, textiles, food products, and engineering, is engaged principally with the gems and jewellery trade. Jaipur is the only SEZ to have fulfilled the objective for which it was set up.

Table 4: Sector-wise Exports (Rs crores) for 2005-06 in four SEZs

Sectors	KSEZ	FSEZ	VSEZ	JSEZ
Textile and garments	142.61	314.59	0.37	
Computer software	--	--	9.75	--
Electronics	--	--	0.05	--
Engineering	111.43	37.33	1.72	--
Gems and Jewellery	--	--	566.78	16.27
Chemical and pharmaceuticals	668.02	7.74	--	--
Plastic and rubber	19.22	33.18	0.06	--
Leather and sports goods	--	56.64	--	--
Food and agro	83.14	47.31	0.07	
Misc.		7.69	1.876	
Trading and service	76.76	20.47	32.04	
Total	1,101.18	524.5	612.716	16.27

Source: <http://sezindia.nic.in/>

Table 5 gives a picture of the investments in each SEZ, the exports, and the total as well as local employment created. What is curious is that (when compared to the targets set in Table 1) Kandla has partially shifted from the proposed textile and garment units to manufacturing chemicals and fertilisers; Falta has also shifted focus to textiles and garments, although plastics and rubbers still form a low value component of its manufacturing; Visakhapatnam has moved almost entirely to high value gems and jewellery; and Jaipur is the only one to have retained the industries it was targeted to house. This indicates that the assessment of the market demand and the planning of the SEZ have not been very rational – except in the case of Jaipur where local existing industry was moved into the SEZ.

Table 5: Export and employment with relation to investments

SEZs	Number of units	Investment Rs crores (total)	Export Rs crores (2006-07)	Total employed	Local employment
KSEZ	162*	343.79	1,517	16,581*	An insignificant number of local persons (7-8 per village) are employed as daily wagers.
FSEZ	127*	435.30/359.98*	998	3,669*	
VSEZ	40*	409.68	715	4,200*	
JSEZ	32*	46.06/63.11*	168	1,000*	
MSEZ (proposed)	22mnft ² space	6,500	100 in 5 yrs	75,000	No employment yet.

Source: <http://sezindia.nic.in/>

* Data collected from respective DC offices, 2007

As may be seen from Tables 5 and 6, the exports generated vary between 2 to 5 times the investments, but the investment per unit varies greatly. In fact, those SEZs with the lowest per unit investment (Jaipur and Kandla) also have the highest comparative export

performances. This raises serious doubts about the merits of high investments yielding the desired export results – as in the case of Visakhapatnam or the proposed SEZ at Manesar. On the other hand, Kandla and Falta are comparable in terms of the number of units, but Kandla performs much better in terms of the total number of jobs generated. This may be because Falta was set up almost two decades after Kandla and the units are using less labour-intensive technology, even though the production patterns are different. The same pattern may be discerned in the case of Manesar, which will have 20 times the investment as Kandla, but plans to employ only 5 times the number of workers, although proposed exports will have significantly declined even as compared to that achieved by a much tinier Jaipur. There is also some discrepancy between the data available for investments from the website and from the local Commissioner's office, for Falta and Jaipur. It critically came out from the interaction with the local population that for all the SEZs, the local employment created has been very small and even the few jobs available are for daily wage earners.

Table 6: Performance comparison between SEZs (based on website data)

SEZ	Investment/Unit (crores)	Export/Investment	Investment/Employee (lakhs)
Total (19)	5.66	5.59	3.21
Central (7)	4.44	6.53	2.31
State (12)	10.57	4.02	9.38
Kandla 1965	2.1	4.41	2.07
Falta 1984	3.4	2.29	11.77
Visakhapatnam 1989	10.2	1.75	9.75
Jaipur 2003	1.4	3.65	4.61

Table 6 also gives some startling clues about SEZ behaviour. For instance, in the State Government SEZs, the investment per unit is 2.4 times more than for those run by the Central Government; exports per invested rupee are 1.6 times less; and employment per unit investment is 4 times lower. The oldest SEZ, Kandla, has many units with high employment at lower cost, and an average return. Falta, on the other hand, provides an average investment, but exports drop sharply for that investment and employment opportunities are very costly. Visakhapatnam displays a sharp rise in investment, with a high fall in exports, and employment opportunity cost similar to that of State Government SEZs. The Jaipur SEZ compares favourably with State-run SEZs. In other words, Kandla, that began as a FTZ and has had a long gestation period, is the only one of the SEZs to demonstrate a favorable environment for investment, exports, and employment.

C. AREA FINDINGS

C.1 Kandla Special Economic Zone

History:

A Free Trade Zone was established in 1965 in Kandla, for the first time in Asia. However, the exports from this FTZ were not up to expectation, and so, it was converted into an Export Promotion Zone (EPZ) first, and then into an SEZ in 2000. The land where the Zone was established originally belonged to a Kutch king, Maha Rao Singh Khangerji, who had, at the time of the partition of British India, gifted the land to refugees of *dalit* and *Sindhi* communities from Pakistan. But since these refugees did not find the land habitable, it was divided between the Kandla Port Trust (KPT) in 1948 and other authorities. Presently the land belongs to five different authorities:

1. Kandla Port Trust
2. Sindhi Regional Corporation
3. Gandhidham Development Authority
4. Gandhidham Municipal Corporation
5. Indian Railways

Expansion of the area under the Zone took place at different phases; hence, acquisition of land also took place through various means: sometimes the land was taken from private landowners against payment of minimum compensation to some of them, and sometimes it was acquired by claiming that the area belonged to the State Government or the KPT. Nine families

of Kidana village claim they lost approximately 150 acres of land 35 years ago during the development of the FTZ, and only some of them were compensated for land at the rate of Rs300 per acre. Currently the KSEZ covers an area of 700 acres and another 300 acres is under expansion phase. This latest expansion phase was proposed in 1999 and the Zonal authority reportedly began constructing a boundary wall surrounding the entire



Kandla SEZ Entrance

area for proposed expansion even though acquisition of 30 acres of the land by the SEZ authority was disputed by the KPT and the local people. This is in contrast to the official claim that no villages have been affected by land acquisition for the SEZ.

One of the landowners who lost land during the expansion of KSEZ is Dhamjibhai Khimjibhai Maheswari. He purchased the land from Gujarat State Government at a cost of Rs10,000 in the year 1993 for constructing an iodized salt packing unit. The area of the land is 2000m² and it is located within Kidana Panchayat. He started the construction of the factory and built up a concrete room in his plot. Later the Kandla Port Trust claimed that the land belonged to it. Earlier he was allowed to enter to his land, but recently the security guard has prohibited him from entering and he was even arrested by the police once. Without considering the proprietorship of other people who have been paying revenue for many years until 2007, KPT allotted the land to KSEZ on lease at a token rate of Re1 per annum. Dhamjibhai filed a case against KPT in the year 1998. The judgement was not in his favour. So he filed another case against KSEZ in 2004. The date of hearing has been systematically postponed in the High Court without going through the case file. The case is still going on while he has been paying revenue for the land since 1993 till date.

Affected settlements:

Bharapar village is located adjacent to the expansion area of the SEZ and the distance from the entrance gate of the SEZ to the village is 6km. The total population of the village is 659 and the village lands cover an area of 986.2ha. The scheduled caste population of the village is 44. The livelihoods of the villagers are predominantly agriculture and animal husbandry. The agricultural season of the area lasts for only four months and the major crops include *Bajra* and *Jawar*. There is a 50-year old bore well that supplies water without treatment for different distribution points



Pathetic condition of Bharapar village

in the village. Electricity is supplied from the distribution grid of the SEZ but at the normal

rate set by the State government. The village doesn't have a primary healthcare facility while the roads are not paved and in a very pathetic condition. The students who want to study in the high school have to go to Adipur, at a distance of 10km, as the village has only one primary school.

Kidana village is located to the north-western side of the SEZ at a distance of 3km from the gate. The area of the village is 2,970.8ha and the population is 9,285. 50% of the population is not native to the place; they have migrated from Rajasthan, Uttar Pradesh, Bihar and Tamilnadu to work in the port, SEZ, and other industries. The scheduled caste and scheduled tribe populations of the village are 1,135 and 121 respectively. The village has a school only for primary education. There is no health care facility in the village. Water is supplied from Anjar block through a pipeline and reaches every house.

Lodari Nagar is a resettlement colony, which was built for the victims of the Kutch earthquake in 2001, located adjacent to the SEZ. There are almost 1,200 resettled households in the area, and every family has to pay house rent varying from Rs700 to Rs1200 for a one-room set and two-room set respectively. The total floor area of the one-room set house is 10ft x 24ft. The inhabitants of the colony are migrants from Bihar, Andhra Pradesh, West Bengal, Uttar Pradesh, and Orissa. One to two persons from almost all the families in this colony work in the SEZ. There is no hospital facility in the colony. There is a school near the colony, but it is of no use for the migrant population with varied languages as the medium of teaching is *Gujarati*.



Lakshmi has been working in the KSEZ since the last six years and resides in Lodari Nagar with her family. She works in a garment reconditioning unit and earns a daily wage of Rs100, with a 9-hour working day. There is no paid leave and no workers' security scheme applies to her work. The family migrated from Andhra, as agriculture there became unsustainable and her husband also works in a unit of the SEZ where he is engaged in maintenance. He has been working for the last 8 years and presently earns Rs3000 per month, from which Rs300 is deducted for Provident Fund. Together they pay Rs700 as house rent, Rs300 for electricity, Rs250 for domestic water supply, Rs100 for drinking water and Rs600 for auto rickshaw fare to and from workplace – all of which amounts to over one-fifth of total earnings. Thus, even though both of them are earning, the family still has to strive hard for the basic necessities

Cargo is a slum area located at a distance less than 1.5km from the SEZ boundary. This

is the only slum in Gandhidham and was developed 30 years ago as industrialisation began in the area. The population of the Cargo settlement abruptly increased after the Kutch earthquake, and currently there are more than 3000 households living in an area roughly 2-2.5km long. The entire working population (male and the female) is employed in the industrial



Slum area in Gandhidham

belt. Around 3000 workers go to the SEZ for work and 80% of them are women and children. The majority of the men go to Kandla Port and other industries. There is a night-shelter (*chhal*) for 150 people in the Cargo area, which is generally used by truck drivers. The most threatening problem of this area is reported to be the increasing number of HIV positive patients, which has now reached 300.

Performance of KSEZ:

Table 7 gives details of the KSEZ with respect to the information obtained from the website (secondary), from the office of the Development Commissioner (primary) during the field visit at the SEZ, and as given under an application filed under the Right to Information Act (RTI).

Table 7: Performance of the Kandla SEZ according to different sources

Factors	Secondary (websites)	Primary (interviews and field investigations), 2007	RTI
Employment	16,581	14,299 (80% migrants)	17,835 (Insufficient data)
Regional Development	--	None	Irrelevant information on development inside SEZ
Investment	Units: 73.9% Govt: 21.4% FDI: 4.7%	Units: 35.29% Govt: 9.53% FDI: 43.23%	FDI: 32,605.87 lakh NRI: 6.38 lakh
Export (Rs)	1999-2000 (EPZ): 543.67 crores 2006-07 (SEZ): 1,517 crores		Same data
Infrastructure	Well developed internal roads, power, drainage, sewerage, bank etc. but nothing for the workers		No data
Environment	Chemicals, plastic products, agro products, paints etc	No solid disposal, no CETP, no monitoring, effluents mixed with sewage	Contradictory data: "Only non polluting industries permitted"
Other information	No targets are set by the SEZ, and no specific projections made. Labour: criminal cases, exploitation, physical & sexual harassment, low wages (Rs 80 for 10-12hrs), no job security, PF, ESI, insurance		

Table 7 highlights the difficulty of obtaining reliable official data with respect to the actual performance of the SEZ. Thus, the website of the KSEZ states that 16,581 persons are employed, while the office of the Development Commissioner (DC) reports a much lower number of 14,299 during the field visit, and the RTI application extracts a higher figure of 17,835. Similarly, the FDI reported on the website is only 4.7%, as compared to the DC's assessment of 43.23%, and a remarkable 94.8% given by the nodal Information Officer!



Road inside SEZ



Road outside SEZ

The only data they all seem to agree on are the export figures. Infrastructures like well developed roads, power, drainage etc. has been provided only within the SEZ and there is no data about the impact of the SEZ on regional development. There is, on the other hand, contradictory data about the nature of polluting industries within the SEZ – the website reporting units with potential pollution, the RTI officer stating that only “non-polluting” units are permitted, and the field enquiry at site revealing that there are no facilities for either monitoring or disposal of wastes. And for labour, there is clearly no provision for job protection or social security.

Industries:

The number of operational industrial units in the SEZ was reported to be 162 as on 31st August 2007, although earlier there were around 350 industrial units in the area. Our field enquiries showed that several companies, including Mafatlal and Milton, had shut down their units in the SEZ in recent years. The major reasons for this, as mentioned during interviews, were changes in government policy, incapacity of the companies to



pay the lease rent and bank loans, and inability to reach the expected benefit in that particular production period. Although SEZ policies require that the industries are provided with well developed facilities, the number of functional industrial units is clearly reducing. The number of such units was 159 in May 2007, and of these, 82 were established after the area was notified as an SEZ in 2000. These include units engaged in reconditioning of garments and recycling of imported waste for the domestic market, in violation of national policies, because there is significant economic benefit in such trades.

KSEZ was originally designed for export of textiles and garments, but currently has industrial units in the following sectors:

1. Engineering and electronic products
2. Chemical and allied products
3. Readymade garments

4. Agro based units
5. Plastic product manufacture
6. Recycling of waste
7. Reconditioning of garments
8. Intra-zone sale units (packaging materials, labels etc)
9. Trading units
10. Service units
11. Others

In other words, a long gestation period, unplanned diversification, and the added incentives offered under the SEZ scheme have been key factors that have underscored the “success” of Kandla.

Investment:

The investment data for the SEZ is widely varying, depending on the source. The website indicates that the maximum amount of Rs254.2 crores (73.9%) has been invested by private units, followed by Central Government’s contribution of Rs73.56 crores (21.4%) and foreign investment is at the lowest at Rs16.03 crores (4.7%). However, the information provided by DC’s office in the SEZ reveals that the FDI has gone up to 43.23%, while that provided under RTI shows an even higher figure of 94.8%!

Export:

The Assistant DC of the SEZ stated that the export was not good during the 1990s when it was an EPZ; but increased steadily after 2000 when it was converted to an SEZ. The Deputy DC added, *“We don’t set any target for the units to reach so-and-so amount of export. Our aim is that at the end of the day the industrialist should be a net earner of foreign exchange”*. All sources yield the same data for annual export figures, as given in Table 8, which indicates the poor performance in the earlier years; although the increase appears to have been triggered off two years after the zone became an SEZ.

Table 8: Export growth for Kandla SEZ (Rs crores)

Year	1966-67	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Exports	0.07	543.67	527.89	475.98	729.29	018.82	060.14	101.00	517.20

Employment and status of workers:

As mentioned earlier, the data on employment provided by various agencies varies from 14,299 to 17,835. The statistics provided by the Development Commissioner show that about 14-15% of the total employees are female. Local villagers of Bharapar report that approximately 12 persons from their village are employed in the SEZ and get the work through contractors. They get Rs80 per day for 10-12 hours of work and travel to their workplace on foot, by bicycle, or by three-wheeler. The fare for one person travelling by three-wheeler is Rs10 per trip. On the other hand, every household of Kidana village has 1-2 persons working in the SEZ. But they too are contractual workers and get Rs80-100 per day. It costs Rs5 per trip for travelling to the workplace from the village. The workers cannot take leave as per their need and are terminated from their work if they join the labour union or are absent for 2-3 days.

There is a registered labour union in one of the large and reputed industries but it is not strong enough to intervene on behalf of all the labourers. As reported by the workers, one of the older and comparatively well maintained companies, in terms of workers' security, in the SEZ is Hindustan Lever. Here there are 37 permanent workers and 300 casual workers. The few permanent workers get some facilities like Provident Fund and paid leave of 15 days in a year, but the casual workers do not get even a day's paid leave for any injury caused at the workplace. Sometimes the workers are made to work for three continuous shifts, but they do not receive anything other than the normal wage for night duty. The villagers also reported that the migrant workers are more exploited in the industries of the SEZ than the local people.

The workers can't demand their rights because of:

- Availability of an alternative workforce
- The migrant workers are available at low cost
- The hire and fire rule in the State SEZ Act
- Absence of a strong labour union

A worker of a cosmetic manufacturing unit had an accident in which he injured two fingers at the workplace. He obtained paid leave and was paid for the treatment in a private hospital. He was provided with these facilities only because he had good relations with the labour union leaders. There are many such incidents of injuries but they are not treated and not even given paid leave. If the injury is very severe the worker has to leave his job forever.

The Gujarat State SEZ Act states that, "Notwithstanding anything contained in the Acts specified in Schedule I, the powers, duties and functions conferred on Commissioner of Labour or any officer under those Acts shall be exercised by the Development Commissioner or any officer authorised by him in this behalf." In KSEZ, the factory officer is assigned to look after the implementation of factory and labour laws like Workman's Compensation Act, Factories Act, and Industrial Disputes Act etc and the labour inspector is assigned to look after the implementation of the labour laws for Minimum Wage, Maternity Benefit, Payment of Bonus, Contract Labour etc. But, the Factory Inspector said that, in the amended Gujarat State SEZ Act 2004, there are some relaxations of the labour laws regarding the Hire and Fire and compensation of workers, which makes it difficult for labour to organise and demand their rights.

The Office of the Factory Inspector in Gandhidham has only two employees. The single Inspector has to visit all the industries of Gandhidham district. He does not visit the SEZ regularly but claims he will inspect any industrial unit if anyone complains of any breach of factory law. On the basis of such complaints, the Inspector has filed 90, 9, and 157 cases in the years 2004, 2005, and 2006 respectively. Of the total of 256 cases in three years, less than 18% of the cases have been given decisions by the courts. Moreover, the amount paid by four different factories as fine for 16 cases is only Rs12,700. These cases are mainly related to issue of identity cards and safety equipments.

The Labour Inspector works on the basis of complaints. The few complaints that come from the SEZ are mainly related to cases of non-payment of wages by the company to the contractors that are supposed to be paid to the workers. No provident fund, social security, and insurance are provided to most of the workers. A very small number of workers, who have been working in large companies like Hindustan Lever for 6-8 years, have received PF.

Most of the women work in the garment-reconditioning units of the SEZ. They sort out imported used clothes and differentiate them into Grades A and B. After a process of reconditioning, the Grade A garments is exported to developing countries. A few female workers of Lodari Nagar stated that *the Grade B garments are sold in Indian markets*. Earlier these women were paid Rs30 per day but now it varies from Rs80-100. The posture of work required of them while sorting garments are not at all comfortable. They have to bend repeatedly to pick up the clothes and for the entire 9-hour work day. The lunch break is only for half an hour and sometimes they are not allowed to eat properly and given a break of 15 minutes. They have to carry loads of 25-30kg on their head and back. Most of the female workers complain of pain in the neck and back bone. Reconditioning of garments is the most profitable industry in the SEZ. The units import the used garments mainly from the United States of America at the rate of Rs5 per kg. After reconditioning, the cost of the export quality garments (Grade A) is Rs60 per kg. The garments of Grade B, which are sold in the domestic market, are sold at piece rates.

If a worker comes to work 5 minutes late for three continuous days, salary for one day is deducted. Some of the workers get bonus during Diwali, provided they don't take leave in the entire year! The male workers are bound to work in the night shift whereas the female workers may be exempted. The contractual workers are recruited by the industries as per the demand of production and, if production is reduced, the workers may be terminated from work at any time. It was also reported by a few workers that the educated people don't get jobs in the SEZ. So some people who are school or college graduates pass themselves off as illiterate in order to get work. The SEZ does not possess any facility for workers like canteen, crèche, recreational, or dining space.

Cases of sexual harassments at the workplace inside the SEZ are reported to be very prevalent. The women workers in the lower grade are regularly exploited by the male workers in the higher grade, mainly labour supervisors. They are enticed with promises of being promoted, salary hikes, and even for better job opportunities by the supervisors, who have some say in an industrial unit.

The Employees State Insurance (ESI) scheme is not applicable in Kutch (as reported by the Labour Inspector, Gandhidham), so there is no ESI hospital in the area. Some of the local people stated that some of the reasons given for non-employment of local people in the SEZ are:

- People from *Kutch* cannot do hard work
- *Kutchee* people leave work at any time if they are not comfortable with it
- Migrant workers bring a lot of their co-workers along with them from their native place and this reduces the turn over of workers

Child labour is more prevalent in small industries like *agarbatti* making, garment reconditioning, and packing in other industries. In these industries the total child labour is said to be around 30% of the total workforce. At the time of an inspection or visit by outsiders, the children at work are hidden or locked in a room. But at the time of the beginning of the working day and at its end, they can be seen at the gate of the SEZ.

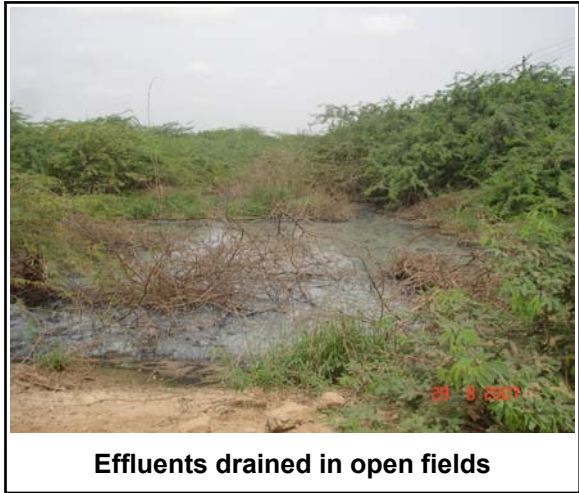
Secondary Employment:

Inside the KSEZ, there are only 8-10 small tea stalls. Each stall is operated and maintained by only one person and all the shop-keepers are migrants. The plots for the tea stalls are approved by the SEZ authority on a lease basis. Outside the Zone there are several small stalls, but these have not been developed for the employees of the SEZ. There are large slums, in which the workers of IFFCO, PSL, Kandla Port, Sail Steel and various salt factories are residing, that are located near the SEZ and the scattered markets along the roadside cater to their working population. Most of these shopkeepers are also migrants. The only significant secondary employment is related to transportation and loading and unloading of goods. The trucks for transportation are generally owned by the local business class (Patels and Ahirs) while all the workers are migrants from Punjab, Uttar Pradesh etc. The people engaged in loading and unloading of goods are not regular workers in the SEZ, but are casually employed in the SEZ, the Port, as well as in other industries.

Environment:

Solid waste: As mentioned by the Deputy Development Commissioner, the quantum of solid waste generated in the SEZ is 35,000 cubic metres per annum. The KSEZ Authority is the responsible agency for the management of this solid waste. But there is no identifiable solid waste treatment and disposal facility either within the SEZ or outside the Zone. Personnel from the Authority stated that there is no industry of hazardous nature, so there is no segregation of different types of industrial waste. But the official list of industries in the KSEZ shows that there are industries manufacturing Pharmaceuticals, Drugs, Fertilizers, and Plastics, In addition, there are chemicals required for water treatment and metal finishing etc, which come under the hazardous waste generating categories of Schedule-I of the Hazardous Waste Management and Handling Rules, 1989. Industrial solid wastes may be seen dumped in the low lying areas beside the roads.

Water: The DDC stated, “In view of the prevailing scarcity of water in this area, as a matter of principle, we have not been permitting units requiring large quantities of water for their processing operations.” But the list of industries, which are operational in the Zone, does not match with this statement as the operational units include Chemicals and Pharmaceuticals (24 units) and Recycling and manufacturing of plastic products (around 30 units) etc. According to the villagers of the surrounding villages, effluents coming out of the SEZ are drained on open fields adjacent to the zone (shown in the picture).



C.2 Falta Special Economic Zone

History:

The Government of India approved an area of 253 acres on the bank of the river Hooghly in Diamond Harbour - Block 2 in 1984 to develop a Free Trade Zone. The work started in the same year and it was declared as a Custom Area¹⁶ in 1985. The first export from the zone was in 1986. The land belonged to two villages, namely Akalmegh and Uttar Simulberia, and partly to Calcutta Port Trust. Notice for acquisition was given to the people of the two villages, but there was no prior consultation with the population. The villagers were told that they would be properly compensated for the land and land was offered for resettlement. They were told to leave the land within a month otherwise there would be forcible acquisition and they were also told that one person from every household would be offered a job in the FTZ.

80 acres of agricultural land were acquired from the village Gopalpur for resettlement of the families of the two villages. Apart from the present area developed within the SEZ,



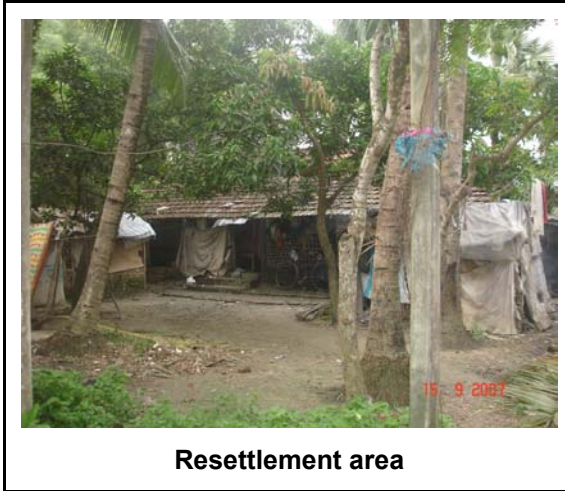
Agricultural land surrounding Falta SEZ

another 27 acres of land are under development. The entire industrial area consists of five sectors, of which two are given over to FSEZ, while the other three are developed and operated by the West Bengal Industrial Development Corporation. The SEZ is surrounded by agricultural land, villages, and industrial areas, with the river Hooghly on one side.

¹⁶ "Customs Area" means the area of a customs station and includes any area in which imported goods or export goods are ordinarily kept before clearance by Customs Authorities, Definition, Preliminary, Customs Act 1962

Affected settlements:

High Land is the resettlement area, where the populations evicted from Akalmegh and Simulberia villages were relocated about 25 years ago. The area was originally a low



lying agricultural land, 1-1.5km away from the villages, and soil was dug from the area itself to raise and develop the residential plots, leaving behind two excavated ponds. The total number of resettled families was about 420, but the present population is about 12,000. The primary occupation of the relocated villagers was agriculture; almost all of them had to change their profession as they lost their lands and had to shift to daily wage jobs, with attendant

problems of sustaining livelihoods. Till date people have not been able to recover their earlier standard of living. There is a primary school in the village, but high school students have to go to Kolatolahat, which is at a distance of 2km from the village. There is no primary health care centre; villagers have to go to Falta and Sarisha to avail of medical facilities. Drinking water has to be extracted from a depth of 900ft as the ground water above this depth is brackish.

Resettlement, Rehabilitation and Compensation:

- For 2 *bigha*¹⁷ of land holding, they were given 2 *katha* of land without rehabilitation.
- During the period of relocation, it was the rainy season, and they were only given polythene sheets to protect themselves from the rain.
- After relocation there was no electricity for months; later they heard that they would get free electricity. But that proved to be false. Now they get electricity through the FSEZ line. The cost is very unstable; sometimes it is Rs500 for 3 months and sometimes it goes up to Rs2000.

¹⁷ 1 acre = 3 bigha, 1 bigha = 20 katha, 1 katha = 67.45 sqmt

- The minimum area of the plots given to the villagers was 0.002 acre and the maximum was 0.1 acre.
- There was an allotment of Rs1.28 crore for rehabilitation but only Rs19 lakhs was actually given to the villagers.
- The rate of compensation differed from Rs4,000-8,000 per *bigha*, of which 80% of the money was received by the villagers. They are currently demanding that the remaining 20% should be given according to the present land rate which is about Rs4.3lakhs/acre.
- As the villagers' agitation was on-going at the time of the field visit, the Deputy Commissioner of the district said the compensation money has been allotted to the Development Commissioner of FSEZ. But the villagers reported that they received a few cheques of Rs5, Rs10, Rs50, or Rs100, which they refused to accept and gave to the Trinamul Congress MP, Mamta Banerjee, to raise the issue in Parliament.¹⁸ But that did not happen, so the struggle is still continuing.

Gopalpur is a village located to the east of the FSEZ, at a distance of approximately 1.5km. There are about 220 households in the village; almost all of them have lost their land on account of the acquisition for the resettlement that took place in 1982-83. The compensation rate given then was Rs8,000 per *bigha*, 80% of which was actually paid. The prime occupation of the villagers was based on agricultural activities, but now they have either become jobless or are engaged in the industries as labourers. They have been demanding for the rest of the compensation to be paid at an appropriate rate and consequently, have been supporting the villagers of **High land** in their struggle.

Nainan village is located to the south of the SEZ. The total population of the village is 4,303. It is divided into three wards. One ward has 140 households belonging to the fisher-folk community, and the other two wards have 300 households who are either agricultural labourers or workers in FSEZ. During



¹⁸ Annexure: Form for tendering payment of the compensation awarded by the collector

the fishing season (July to October) the people of the first ward fish, and for the rest of the year they work as labourers in FSEZ. About 15 persons go in one boat for 15 days and they get an average catch of 800kg. According to them the fish population and fingerlings have decreased in the last few years. In earlier years the profit was Rs15,000-20,000 per head but now the maximum profit is Rs9,000. Villagers of Nainan have also lost 15 bighas of land during the construction of the road to FSEZ in 1984, for which they were not compensated. Crops like paddy, sunflower, cauliflower, tomato, leafy vegetables used to be grown, but there is increasing water scarcity in the area as there are only 3 tube wells in one ward and the level of water decreases at low tide. Only 35 families in Nainan are connected to electricity supply. The small market of around 40 shops was developed at Nainan Chowk 1-3 years ago by families who were previously agricultural workers but moved out of the village 15-16 years ago.

Ghazipur is also located to the south of the SEZ. There are 500 households (population 3387) and most of the people are fisher-folk, who are facing problems similar to those in the other villages because of the disposal of industrial effluents in the surroundings, which has adversely affected the fish population. Only 50-60 villagers work in the SEZ; but they work seasonally when there is no work available in agriculture or fishing. This village received electricity only 3 years ago. There are 5 hand pumps in the village, one installed by the government and four by NGOs. There is water scarcity during the summer. Some government authorities, including the Block Development Officer (BDO), had promised to construct deep tube well, roads, and drains, but these have not been fulfilled till now.

Direct Impact on Livelihoods:

- The livelihoods of the area have been adversely affected by the SEZ as the villagers were earlier engaged in agricultural activities but have lost their lands and so are compelled to work in more laborious and unsafe occupations in the industries.
- There are a few fishermen in the village who fish in the *khals* (wetlands by the roadside, which are fed by the rains as well as the overflows from rivers during the rainy season; the length of a *khal* could extend up to more than a kilometre). In the entire Panchayat area, there are 16 such *khals*. Every year in the month of July the *khals* are auctioned by the government to the local people on lease for a

year. As recounted by the fishermen, the *Chingri* (prawn) fish population of the *khals* is adversely affected by the effluents coming from the units of FSEZ. So these villagers have been incurring losses for many years and are scared of the possibility that in the coming few years they might have to abandon this traditional livelihood.

- The villagers also complained about the reduction in agricultural productivity as the fields are inundated with industrial effluents. Earlier the productivity of the major crop paddy was around 720kg/*bigha* but has now reduced to around 480kg/*bigha*.
- During the off-season, the fisher-folk used to work as labourers in the agricultural fields of other villages. But that land is now occupied by FSEZ and the other three industrial sectors of WBIDC, and the people have to work in industries of FSEZ or other neighbouring industries where there is no security and wages are low.

Intangible impact on society: A 78 year old person of *High Land* described the changes in the livelihood, lifestyle, and peace and harmony among the resettled population. He reminisced, "None in our village had to think about their bread for two times a day. Enough paddy from the annual harvest... Fish from the pond in front of each household... Palm, coconuts, and different types of citrus fruits... Every family had more than enough for their sustenance... they used to distribute among the other villagers... all were peace loving... no case of quarreling, and if any thing happened by mistake, a word of an elder person was sufficient to resolve the dispute..." After losing land and being resettled in *High Land*, lifestyles have changed. The new generation has adapted but the elderly are not looked after by the sons and grandsons. All are worried about sustaining their livelihoods and there are frequent disputes. Family and social cohesion have been adversely affected.

Performance of FSEZ:

Table 9 gives an overview of the functioning of the Falta SEZ as per the data obtained from the website (secondary), from the DC's office and at the site (primary), and from an application under RTI.

Table 9: Performance of Falta SEZ according to different sources

Factors	Secondary (websites)	Primary (interviews and field investigations), 2007	RTI
Employment	3,699 Women earn Rs 2,000 pm. Land losers get jobs.	Wage starts at Rs35/day. No one wants to work in SEZ, but there is no option. Mostly local people.	No response
Regional Development	No regional development. TTI established.	No rehabilitation. TTI trainings of no use.	
Investment (cumulative till 2007)	Units: 79.66%; Govt: 15.92%; NRI+FDI: 4.41%		
Export (Rs)	2001: 519.97 crores; 2002: 929.83 crores; 2005: 573.73 crores		
Infrastructure	Internally well developed; but nothing for workers. External road constructed. Fire station, ESI hosp, Jetty etc developed but not by SEZ.	Villagers - lost land but no compensation. Unit owners - no facilities other than land.	
Environment	"No polluting industries in the area. However authorities use pollution control devices"	Discharge of untreated effluent into Hooghly. Impact on aquatic life. No regular monitoring. No CETP. Dumping of solid waste.	
Other information	Two villages resettled 500-700 m from SEZ, only residential plot provided. No compensation. Jobs in segregation of plastic waste - including hospital wastes.		

As may be seen from the Table 9, the authorities did not respond to the application under RTI at all. Consequently, it is only possible to compare the data from secondary and primary sources, which indicate the gulf between the two. For instance, the website claims that the minimum wage is Rs 2,000pm and that those who have lost land have got jobs in the SEZ, but on-site investigations revealed that the wage rate begins at Rs35 per day, that the oustees work in the SEZ out of compulsion and that too in dirty and low-paying informal jobs, and there has been little or no rehabilitation. While the official claim is that a Technical Training Institute (TTI) has been established, local

people state that the training is virtually useless. Even the official data cannot boast of foreign investment more than 5% while the manufacturing units have invested almost 80% of the total. Export figures appear to vary substantially with peaks and troughs. Infrastructure development remains confined to the area within the SEZ without any benefits to either the local population or even the units within the SEZ. While the website maintains that there are no polluting areas, at the same time it affirms that the authorities use pollution control devices, while on-site observations show that there is considerable discharge of untreated effluent into the Hooghly River.

Industries:

The SEZ has 127 functional units although more than 200 units have been approved.

Some of them have closed down or shifted out of the SEZ. There are many plots lying empty inside the zone. Local people commented that only 90 units actually run every day, while the concerned Factory Inspector stated that only 8-10 industries of the SEZ are registered under the Factories Act. The major section, which has boomed in recent



Empty spaces inside FSEZ

years, is the waste recycling industry. The sectoral distribution of industries in the SEZ is as follows:

- Engineering
- Electronics
- Textiles
- Chemicals and Petrochemicals
- Leather and Sports Goods
- Gems and Jewellery
- Food and Agro Products
- Plastic/Rubber/Synthetic
- Others

This was the only SEZ, in which the industrialists themselves complained about the lack of basic facilities and services to be provided by the SEZ authority. Development of infrastructure outside the SEZ is very poor while facilities for the industrial units within the zone, like land-filling and land development, regular water supply, telephone and electricity connections etc are not implemented properly and in due time by the authority.

- Visit to a unit which manufactures metal products: This unit was set up in 2006 with a total production capacity of 6-7 tonnes/day. Raw materials come from the local market and the entire product is exported to the United States. There is a conflict of opinion between the FSEZ authority and the unit management, as the manager says that they were not provided with the requisite infrastructural facility by the FSEZ. Only a plot of land was given on lease basis and the rest of the work, like levelling of the land and construction of infrastructure, has been done by the unit itself. According to him, there is no regular supply of power and water, there is lack of proper management in the SEZ, and many plots of land have been lying vacant. When FSEZ officials were queried about these issues, they rejected the complaints outright, saying there were no such problems prevailing in the SEZ.

Investment:

The major part of the investment in the zone is from the units, about Rs287 crores (79.66%). The contributions from the developer (Central Government) and from foreign investors account for Rs57 crores (15.92%) and Rs16 crores (4.41%) respectively. The revenue expenditure by the Central Government for the year 2005-06 is Rs1.77 crores, while the revenue earned through land lease rent, power and water charges in that year is around Rs1.40 crores.

Export:

The prime exporting destinations of FSEZ are Malaysia, Hong Kong, UAE, USA, Kazakhstan, France, Singapore, and Italy. The annual export from the SEZ fluctuates between Rs500-1000 crores. The Falta Jetty was privatised and has been running at a much lower cost (Rs70 per ton) than the Kolkata Dock system (Rs370 per ton). Thus the Jetty has become more convenient for export and import, particularly for industrial units like Century Plyboard.

Table 10: Export growth for Falta SEZ (Rs crores)

Year	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Exports	519.97	929.83	520.54	888.15	573.73	998.00

Employment and status of workers:

In Falta SEZ, the total employment generated is 3,699 according to the website. The major section of workers comes from the surrounding villages like Nainan, Highland, Ghazipur, Khandalia, Sundarika, Panarahat, and Naela, and mostly as contract labour. The supervisory and managerial staff is mostly from outside the local area.

- Six months ago casual workers of FSEZ used to get Rs30-40/day. Then there was an agitation that blocked the roads, thereby preventing any goods carrier from entering Falta SEZ. Under this pressure the SEZ authorities increased the daily wages to Rs68/day. Provident Fund of Rs10 per day has been deducted from the pay of some experienced workers but no receipts have been given.
- The workers who get paid through contractors receive less than the given amount because the contractors (mostly from outside Bengal) make high profits by exploiting the workers.
- There is no leave even on national holidays. If a worker takes leave for 2 days, he is fired. Often they are forced to work on Sundays, no P.F is cut on that day, but the authority does not take any responsibility for accidents taking place in the industry.

- The workers are very much prone to cuts and bruises inside the factories. Major accidents leads to hands and finger amputations.
- There is no facility for first aid and the units do not possess an ambulance to ferry the patients in an emergency.



Accident leading to finger amputation

Lady working in a waste recycling unit of SEZ

This lady works in a plastic recycling unit cutting and segregating plastic wastes. 100-150 workers work along with her. She works for 8 hours and gets paid Rs60 per day with a daily deduction of Rs8 as Provident Fund, but is not given a receipt for the deduction. There is no continuous work, and workers are hired only if the unit needs labour depending upon the production demand. She gets a half-hour break in the afternoon for lunch. She has been working in the factory for 7-8 months and reports that the work is very stressful and unhygienic. She does not get soap to wash her hands and as there is no separate place to eat lunch, the workers have to eat in unhygienic conditions.

- Some people have ESI, but it is of no use since the nearby ESI hospital does not function regularly. The workers complained that the physician comes at 1 o'clock, proper check-up of patients is not done, and medicines are arbitrarily prescribed without proper diagnosis. The physician does not care to respond to patients' doubts and queries.
- A protest has been initiated by the workers of FSEZ demanding Job security, ESI facility, Occupational safety, and Bonus.



Worker's protest

- There are several units in FSEZ which recycle plastic waste. Women workers are involved with the segregation of plastic wastes manually. This work is very unhygienic because all types of hazardous material such as hospital waste comes along with it and workers suffer from contact diseases.



Loading and unloading work in FSEZ is done mostly by outsiders who have come from UP and Bihar. They get Rs70-80 for 8 hours of work. The trucks belong to the CITU labour union where they get paid Rs300-350 for loading the truck. Some of the villagers stated that if anyone wants to do loading-unloading work, he must be associated with or a member of the union. Around 6-10 laborers are needed for loading/ unloading one truck.

Secondary Employment:

Around 25 years ago, the road (French road) was constructed subsequent to the growth of industries in the area. One of the major problems of the workers in the area is transportation. They have to walk about 1.5-2kms to get a bus or have to travel by cycle rickshaw. Cycle rickshaw is the local transport of the area which can be said as secondary employment but benefits are very low.

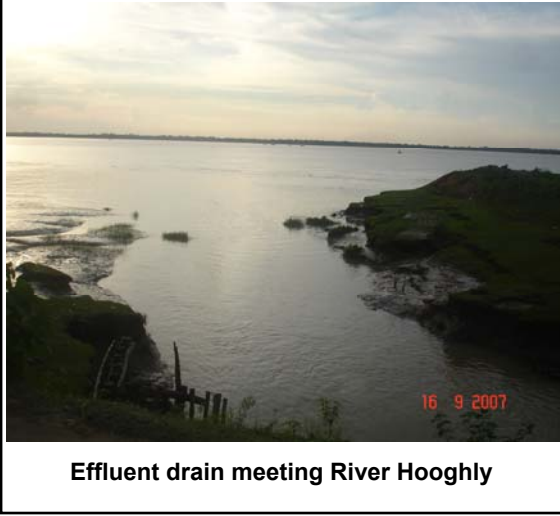


There is a restaurant inside the SEZ, which cannot be said to be a source of secondary employment because it belongs to a contractor of the SEZ; the workers are never benefited it, they cannot go to eat over there as the prices of food are very high. This restaurant is only made to entertain the higher officials and contractors.

A Polytechnic Centre exists, which provides training in trades like electrician, stitching, etc; but this Centre is of no use to the villagers because the courses offered in it are not relevant for jobs in FSEZ. WBIIDC has constructed residential colonies for the employees of the SEZ but only at the managerial and supervisory level in Sector-IV of the Industrial Growth Centre.

Environment:

Effluents: According to the West Bengal State SEZ Act 2003, the Development Commissioner is the responsible person, upon delegation of power by the WB Pollution Control Board, to grant environmental clearances and consents. WBPCB personnel can only inspect the SEZ with due permission from the DC. There is no proper treatment and disposal facility either for solid waste or for liquid waste. The SEZ has been absolutely opportunistic in environmental management by draining out the waste water through several small earthen drains in the north into the river Hooghly just next to the SEZ. In other directions of the SEZ, there is no such drain, but the industries dispose off the effluents anywhere outside the boundary wall, draining on to the cultivated land, and into the *khals* where traditional fishing is practised. Villagers, who have been engaged in fishing in the sea and deltaic regions, reported that in the last 8-10 years the fish population has hugely reduced, which they believe is because of the polluted water coming out of the industries.



They also stated that the fish fry and fingerlings are the most vulnerable to industrial effluents and there are increased cases of death of fish fry in large numbers.

Solid wastes: The solid wastes are dumped in between the drain and the boundary wall of the SEZ. It was also observed that solid wastes were dumped inside the SEZ near the boundary wall which are sometimes thrown over the boundary wall to the outside.



Waste dump outside the FSEZ



Waste dump inside the FSEZ

C.3 Visakhapatnam Special Economic Zone

History:

The project was approved in February 1985 with an estimated cost of Rs15 crore, and construction began in May 1985. A few industries became operational during the middle of 1986 and the first exports took place in November 1986. The zone became custom bonded and notified as EPZ in 1989. The land for the development of the EPZ was acquired by APIIC (Andhra Pradesh Industrial Infrastructure Corporation) for a lease of 30 years. VEPZ was developed by the Ministry of Commerce and Industry, Government of India in three phases and is operated and monitored by the Development Commissioner for the Zone. As per the information received from D.C. office, the rates at which the EPZ land was purchased was Rs40,000 per acre for government land and Rs1,50,000 per acre in the case of private land. According to the Assistant Development Commissioner, the land was acquired by APIIC from three villages, namely Duvvada, Jaggarajupeta, and Kapu Jaggarajupeta, and the Corporation has compensated the villagers for their land. In 2003, the EPZ was notified as SEZ. The SEZ authority termed the previous land use pattern of the Zone as “dry land with bushes and jungle”, which may explain why the official claim is that no settlements have been evicted.



VSEZ entrance

The SEZ is located at a distance of about 24km from the City of Visakhapatnam, in the greater industrial belt of Andhra Pradesh. Presently it is fully developed and functional and covers an area of 360 acres. Another 200 acres of land is planned for proposed expansion. Of this, an area of 59.44 acres of government land is available, but

this area is not continuous and private lands come in between. Acquisition of the private land has become tricky for the Authority as the villagers have filed cases in the High

Court against the Authority. The Visakhapatnam port is at a distance of 8-10km but the railway station is nearby (150-200m). The VSEZ is surrounded by populated villages, residential colony built by VUDA, hilly forest areas, and agricultural land.



Expansion land under dispute

Affected settlements:

Sathwanipalem is at a distance of 2km from VSEZ. There are 4000 households in the village and most of the working people are agricultural labourers. Only 5 people from the village go to work in VSEZ. Previously, the primary source of livelihood of the villagers was agriculture. But the increased cost of land, as private builders and VUDA entered the area to build residential colonies for the migrant population who came to work either in SEZ or Visakhapatnam Steel or other industrial areas, persuaded the villagers to sell the land to the builders for short term benefits. But in the process, they became low-paid daily wage labourers in industry or agriculture. According to the villagers, household expenditure has increased after the setting up of VSEZ with industrialisation and labour in-migration and the consequent changes in lifestyles. Water supply in the village is from open wells and hand pumps. The quality of water is deteriorating day by day; it is reported that iron content has increased and turbid water has been coming from the hand pumps since one year.

Jagarajupeta is located at a distance 700m from VSEZ with a population of 558. There are 59 families, who have lost their land to the SEZ and there has been a related shift in occupation from farming to labour. In the year 1961, this population was provided with 250 acres of land by government on lease to cultivate cashew and millet; some of them got *pattas* in 1971. A few families didn't cultivate in that area and thus rest of them received about 5acres of land for cultivation per family. The villagers have been

depositing yearly lease amount regularly.¹⁹ Later, during 1992-93, the same land was acquired by VEPZ and notice was given thereafter. The land was transferred to VEPZ fabricating the statement that the land was not cultivated. The villagers filed a case against VEPZ and they won it, but didn't get compensation for the same. As per the judgement, the collector was supposed to search similar type and area of cultivable land anywhere in Andhra Pradesh. Knowing it was almost impossible for the villagers, the responsibility of finding the land was imposed on the villagers by the collector. Now these villagers earn their living as daily wagers in the Visakhapatnam steel plant or in the agricultural fields of other villages, at an average wage of Rs70/day. Only high school pass or ITI qualified people can get employment in VSEZ and presently only one person is employed there. There are many graduates in the village who are still unemployed. The primary school is in the village; high school is at a distance of 6km; health care facility is 6km away; and the roads are in a pathetic condition.



Condition of village roads

Duwada is adjacent to the VSEZ and has 2,500 households, of whom about 500 have migrated from different places in Andhra Pradesh to work in the SEZ. This migrant population is of either semi-skilled or skilled workers; their jobs are on a temporary basis with a monthly salary of around Rs3,000. Some workers said that there is a training period for one year when they get Rs1000/month. They are nominally provided with an ESI facility but it is of no use as the ESI hospital is 12km distant. During accidents, only first aid is provided. VSEZ has not provided housing facilities to the workers, who have bought lands at Rs2000/sq.ft from the government. There is no regional development by the VSEZ authority. The Greater Visakhapatnam Municipal Corporation has installed street lights, municipal bore wells etc in the village.

¹⁹ Annexure: Cash receipt from a villager of Kappu Jaggarajupeta to DDC

The native population of the village has also lost some land. Around 9 families lost land, of which 5 families did not get any compensation. The rest got compensation as they were well related to the village head. The oustees approached the VSEZ authority for jobs, but the management denied that there was any rule for provision of jobs against acquisition of land. The acquired land was fertile agricultural land for cultivating paddy and millet, and offering an annual income of Rs15,000-20,000/acre. Water is available from a 100ft deep bore well but there are complaints of deterioration of ground water quality. The air environment is polluted by the alloy factory in VSEZ; bad odour prevails in the ambient air; and there is chronic eye and nasal irritation. A case of assault on a local woman by the migrant population was also reported by the villagers.

Narava is at a distance of 2km from VSEZ with 6,000 households. Only 5-6 persons from the village are said to be employed in VSEZ. In VSEZ, the monthly income of a fresh unskilled worker varies from Rs1200-1500 for 8-12 hours of work with no leave other than Sundays. But in agricultural work, a male worker earns Rs120 per day and females earn Rs80 per day. Hence, most villagers prefer agricultural livelihoods, whether their own or as daily wagers. The main problem, however, is of lack of employment. The educated people hesitate to work as agricultural labour, and even if their qualifications meet the requirements of any vacancy in SEZ, the local youth never get the jobs. The few who are employed in the VSEZ have got the jobs through the reference of persons at managerial or supervisory levels in the industrial units.

Land from this village was forcibly taken by the authorities 8 months ago for the expansion of VSEZ. Government promised to give Rs4 lakhs/acre where the actual rate was Rs35 lakhs/acre but no money has been given until now. The acquired area was primarily of mango orchards, from which the owners could earn about Rs40,000/year. The villagers do not want to sell their land as agriculture is their primary occupation.



Mango orchard for VSEZ expansion

The land for VSEZ expansion has not been acquired yet as there is a protest going on against it. They have received notice from the SEZ authorities twice, but the villagers refuse to give away any more of their lands.

Mannipalem (Narava) is a small village of only 15 tribal households. 3-4 families of the village have already lost land to VSEZ, and the government is still trying to acquire more land. The villagers are registering their strong protest against land acquisition. APIIC is offering the villagers Rs3.8 lakh per acre of land. But since all the families are involved in agriculture, animal husbandry, cane and bamboo handicrafts, and catching of wild pig and rabbit on their lands, they are fearful of their traditional livelihoods being affected by the SEZ.

Fakirtakia is located at a distance of 1km from VSEZ, and has a population of around 1,300 with a Scheduled Caste population of 300. APIIC has taken 6 *bigha* of land from some people, for which they were paid Rs65,000 in 1985. Water is accessed through wells in the village, but has a saline taste and the depth has reached 40ft. 5-6 years ago water was available at a depth of 8-10 ft. There are reported cases of increased iron content in the ground water

Performance of VSEZ:

Table 11 gives key indicators from the website, field visit, and RTI application for the VSEZ. Of particular concern is the information that the VSEZ had promised 15,000 jobs by 2006-07, but the site visit to the DC's office revealed an employment figure of only 4,200, and there too most of the employees were from other parts of Andhra. No regional development has taken place and the familiar pattern of the private units making the maximum investment (76%) as compared to a low 7% for FDI, is visible in this SEZ also. Actual exports have been somewhat lower than projected. While the DC's office maintains that polluting units are not permitted in VSEZ, the fact remains that a CETP has been set up for pollution control. Livelihoods have changed from agriculture to daily wage employment in industry. Regrettably, there has been no response to the RTI application to enable further comparison of performance data.

Table 11: Performance of Visakhapatnam SEZ by different sources

Factors	Secondary (websites)	Primary (interviews and field investigations), 2007	RTI
Employment	15,000 jobs by 2006-07	4,200 Mostly migrants from other parts of AP	No response
Regional Development		No regional development	
Investment (cum till 2007)	Units: 76.05%; Govt: 16.58%; FDI: 7.36%		
Export (Rs)	2003-04: 435.66 crores 2006-07: Projected 1,000 crores; Actual 715 crores		
Infrastructure	Internally well developed, some facilities (dining hall, crèche) for workers No external development		
Environment	CETP set up	"No polluting units are permitted. CETP only for 10-15 water consuming units" No regular monitoring; no solid waste facility	
Other information	Land provided by PM Indira Gandhi. Promise of livelihoods for 35 years. Acquired by APIIC without compensation or jobs. Few ITI and (10+2) qualified village youth get jobs. An MBA gets a job at Rs3,500pm. Livelihoods changed from agriculture to daily wages in Visakhapatnam Steel and other industries.		

Industries:

The total number of functional units in the VSEZ is only 40, although a total of 75 plots have been allotted in the Zone. The major sector of profitable export business is Gems and Jewellery. The industrial sectors of VSEZ include the following:

- Engineering
- Pharmaceuticals
- Chemicals
- Granite
- Iron and steel
- Food processing
- Gem and jewellery
- Bio diesel
- Handicrafts
- Software
- Aqua and pearl culture
- Others

The internal infrastructure of VSEZ is well developed as compared to the other three functional SEZs that have been selected for this study. The infrastructure, provided by the SEZ authority to the units, includes roads, industrial sheds, developed plots, ready built space, dining hall cum crèche, electronic weigh bridge, common effluent treatment plant, power and water supply. But there is no development of external infrastructure in the areas surrounding the SEZ. The chief source of revenue generation is the lease rent charged for the plots and industrial sheds, and two other sources are water and power supply. The lease is for five years (on a renewable basis) and the rent is Rs30 per sq.m per annum. The revenue generated in the financial year 2006-07 was Rs7.20 crores, as mentioned by the ADC.

Investment:

As for the other SEZs, the investment by the units/private parties is the maximum and amounts to 76.05% of the total. The finances put in by government, private/units, and

through FDI amount to Rs67.93 crores, Rs311.58 crores and Rs30.17 crores respectively.

Export:

VSEZ achieved a pattern of steadily increasing growth in exports. The exports increased from Rs435.66 crores in 2003-04 to Rs583 crores in 2004-05 and Rs612 crores in 2005-06. As per projections, the VSEZ will increase its export turnover to Rs1,000 crores in 2006-07 and Rs1,500 crores in 2007-08.

Employment and status of workers:

The total direct employment generated by VSEZ is only 4,200; whereas the norm for employment in industrial areas set by the Andhra Pradesh Government is 60 persons per acre of industrial land, which makes the required employment generation amount to 21,600. According to the SEZ Authority, the workers in the SEZ come mostly from the surrounding villages. All the facilities for the workers – housing, health and safety at the workplace, health care, transportation, and community facilities – are supposed to be provided by the industrial units. There is no monitoring of workers' conditions by the SEZ Authority. The number of persons employed in the SEZ from the affected surrounding villages doesn't cross 50-60. Moreover, they don't have any job security or safety, and the income is lower than what they would earn as daily wagers in agricultural activity.

Environment:

Officials of the Andhra Pradesh State Pollution Control Board stated that the industrial units in the SEZ have to take the same type of environmental clearance as any other industry in the State. Consents under Air and Water Acts are given for a period of one year and the same are extended depending on the type of industry and its environmental performance. But the officials refused to talk about the type of environmental audit and monitoring carried out by the State or any Zonal body on the basis of which the consents are provided. According to the VSEZ Authority, "Only the non-polluting industries are permitted to set up units in the zone; the VSEZ has also set up a CETP to remove the minimum pollution from the industries." But the dilemma is that if only non-polluting industries are permitted then where does the question of "minimum pollution" arise? Within the SEZ, there are industrial units manufacturing pharmaceuticals, chemicals,

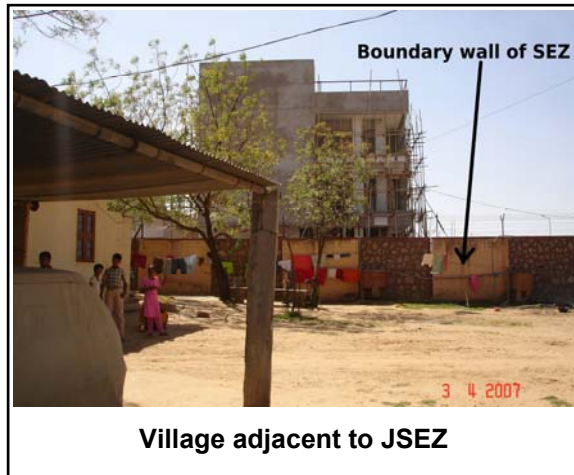
and iron and steel, which come under the category of hazardous waste generating units. When asked about the management of hazardous waste in the SEZ, the Authority replied that such management is “Not Applicable” in the case of VSEZ. On the site observation confirms that all types of industrial wastes are disposed along with municipal solid waste by the Greater Visakhapatnam Municipal Corporation.

C.4 Jaipur Special Economic Zone

History:

The Sitapura Industrial Area near Jaipur was developed in seven different phases, to cover a total area of 1,646.71 acres of land. A part of that area was notified in two phases as an SEZ during 2003-05, specifically for the Gems and Jewellery sector that was to be displaced from within Jaipur city in order to make space for the tourism sector. The developer is the State government's Rajasthan Industrial Investment Corporation (RIICO). The two phases of the SEZ cover a total area of 110.89 acres with a distribution of 21.50 acres and 89.39 acres, and 51 and 189 developed plots respectively, in Phase I and Phase II. The SEZ is surrounded by settlements and other industrial sectors that have also been developed by RIICO.

With the declaration of the JSEZ, people of the nearby area were evacuated to make way for the setting up of industries in very valuable and fertile agricultural fields. Land acquisition by RIICO was begun in 1992. A total of eight villages were evicted from their traditional lands. Four were adjacent to the notified SEZ area, while the other four were on the periphery of projected future



developments. The villagers complained of forcible acquisition of their land by RIICO without giving proper notice and time for evacuation. Some of the evictees got small plots for resettlement at an area known as India Gate. For their highly productive land they got a very low price as compensation – about Re1 lakh per *bigha* – of land whose present value is in crores. Although legal notices were served before procurement of the land, there was no consultation regarding the future plans for development of the zone.

Affected settlements:

The villages surrounding the JSEZ are *Khudsar*, *Ramakrishna*, *Tiba*, and *Chatravala*. For the villagers, the JSEZ has been of no perceptible use, but is seen as an act of the government for the profits and interests of industry. In *Khudsar*, Ramkaran said that at the time of land acquisition promises were made by RIICO to provide water, electricity, maintenance of roads, and other infrastructural activities. RIICO even deducted 2% of the money paid for the land purchase. But none of the promises were kept. Ramkaran wrote to the Tehsildar of the Block and then to the Chief Minister but he was not given a proper or satisfactory reply. There is no redressal mechanism for the villagers.

The people complain that there has been deterioration in the natural environment as well as the social peace of the village ever since JSEZ has come up in the area. The village culture has declined and anti-social activity has increased. Women are the sufferers as they cannot venture out of their houses with the earlier freedom. People are lacking basic amenities, health care facilities, and proper schooling for their children. Villagers also complained of the noise produced from the factories that hampered the education of their children. Earlier, the villagers said that they were self-sufficient in food crops and vegetables, grown on their own land. But after land acquisition by RIICO, they have to depend upon the market. The villagers vividly described the immense changes that have taken place in their livelihoods, household expenditure, peace and harmony, lifestyle, culture and ethnicity, and the transformation of the physical infrastructure and economy.

An important social aspect of the overall process was that these villages were neither given enough time nor money for their valuable lands. Huge tracts were sold for setting up the industries. Apart from the problems of social equity and unequal distribution of resources, the setting up of SEZ in the area has led to the decay of the region. Village surveys conducted in the nearby areas depicted that the overall scenario of the area has been greatly impacted by this 'foreign' territory with its own laws rules and regulations.

Performance of JSEZ:

In the case of JSEZ, the data from the website tallied with what was offered by the DC office at site. Since there was no response to the RTI application, there was no opportunity to compare the different sets of information. However, what was learnt during the field visit was that the JSEZ was established to accommodate the small industries moved from other parts of nearby Jaipur. Hence, there was little additional employment generated as the industries employed the same set of workers as were there in the earlier location. Consequently, less than 2% of the 4,200 workers were estimated to come from the population of the affected villages. RIICO itself had invested heavily in the SEZ with over half the capital coming from its accounts, the rest being invested by the units themselves. Export earnings had increased substantially in two short years as sufficient infrastructure had been provided for the small gem and jewellery industries. There were no water polluting units, but the work environment was unhealthy given the cutting and polishing operations involved in the industry.

Table 12: Performance of Jaipur SEZ by different sources

Factors	Data from both website and field visit(2007)	RTI
Employment	4,200 Small industries mostly shifted from other parts of Jaipur. Little employment generated as same workers employed. Less than 2% of the workers are from affected population.	No response
Regional Development	No regional development.	
Investment (cum till 2007)	Units: 48.3%; RIICO: 51.7%; No FDI	
Export	2004-05: 5.27 crores; 2006-07: 168.74 crores	
Infrastructure	Internal: Well developed but no facility for workers External: Transportation for workers.	
Environment	No water polluting industries. Unsafe work environment, bad working postures. Polishing, buffing, and cutting of gems and stones create many health hazards	
Other information	Forcible land acquisition, low rate of compensation, no rehabilitation, increase in social insecurity, crime rate and harassment of women, low wages	

Industries:

A total of 32 gem and jewellery units are presently functional in the zone. The internal infrastructure in JSEZ is well developed; but this does not include anything for the workers except for a common facility building. The land development charge is Rs2000 per sq.m and the service charge is Rs30 per sq.m per year. No infrastructural facility has been developed for the surrounding areas.

Most of the industries have shifted from Jaipur city to access the facilities for manufacturing export goods under a single shed offered by the SEZ scheme. These industries were functioning in different areas of the city as small units, where cutting, moulding, 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.

Investment:

The total project cost of the Phase 1 is Rs721 lakhs and for Phase 2 it is Rs2,590 lakhs, which includes the cost of development of land and other infrastructure. An amount of Rs250 lakhs was contributed through the central pool of ASIDE, whereas the rest was invested by RIICO. For setting up the industries, the unit holders have invested Rs2,500 lakhs and Rs500 lakhs for the two Phases respectively.

Export:

Export from JSEZ began in the financial year 2004-05 when it was Rs527.62 lakhs. The exports have been growing as the number of industries has been increasing each year. The export from the zone in the year 2006-07 was Rs16,847.18 lakhs.

Table 13: Export growth for Jaipur SEZ (Rs crores)

Year	2004-2005 (Phase-I)	2005-2006 (Phase-I)	2006-2007 (Phase-I&II)	2007-2008 upto 31.05.07 (Phase-I&II)
Exports	5.28	16.70	168.47	40.99

Employment and status of workers:

The total number of directly employed persons in the SEZ till 2006 was only 1,000. The indirect employment generated by JSEZ is negligible. When the industrial sub-units had to shift to the SEZ from the main city, a few people were rendered jobless. As far as additional job generation from JSEZ is considered, out of the entire population of the affected villages, there are hardly 2-3 % people who have been employed there. The industries find it more convenient to employ workers from outside the State, mostly from Bihar, Uttar Pradesh, and West Bengal. The reason being that the people from these States are supposed to provide cheaper labour to the industrial sector than the local people. Thus, the local people become unemployed as they have neither the land to practice agriculture nor do they have skills to do some other job. The working atmosphere within the industries is not healthy. There is no proper arrangement of light and other facilities which are expected to be there for appropriate health and safety measures and safe handling of equipment.

The companies employ the workers on a daily wage basis. Permanent employment is not provided to them. Health care and other facilities are not provided. Only transport facility of pick-and-drop is available for those who are working in the big companies, not for the others. The industry owners said that all the workers are provided with P.F, ESI, personal protective measures, and social security, including the minimum wage. But, some of the workers involved in polishing and stone cutting work reported that they get only Rs1500-1600 per month. It was evident from visiting a few units in the Zone that the workplaces in the smaller industries were not well ventilated, whereas the units with larger number of workers had improved conditions. But the ergonomics of the work involving polishing, cutting, and surfacing of the precious stones have not been given any consideration. The workers reported that they suffer from neck ache, back ache and eye strains. The room where dry-buffing/polishing of stones takes place is very dusty and exhaust ventilation is not effective because the working posture exposes the worker to the chemical dust directly. The workers are also not provided with masks and other personal protective equipment.

Environment:

At Chatravala, a villager, Ram Rai, became nostalgic reminiscing about the past, the green and clean environment, the open spaces the villagers had, the purity and refreshing air that they used to enjoy. But now it has all been replaced by concrete buildings, black smoke emanating from the chimneys, and toxic wastes generated from the industries. The villagers recalled that the ground water level, quality, and availability was very good in the area before the coming of the SEZ, but now the water level as well as the quality of water has deteriorated. Excessive amount of fluoride has been found in the water posing a health hazard to the people residing in the nearby areas. There is no proper management of waste generated from the industries, whether hazardous or not. Dumped toxic wastes could be seen in the neighbourhood of the JSEZ.

Noise and air pollution, as well as anti-social activity are reported to be on the rise with the advent of the JSEZ. While setting up the SEZ, RIICO had promised that it would provide employment to those people whose lands had been taken for the purpose of setting up the SEZ. Promises were also made regarding additional job generation and economic upliftment of the villages. Instead, the villagers find that effluents from the industries are being dumped in drains that join the drainage canal of the village and more and more sewerage is being generated. Since there are no provisions for the cleaning of these drains they become cesspools adding to the burden of disease which the poor are unable to control. Enormous amount of wastes are also generated by the industries that are disposed in the low lying areas leading to leaching of toxins into the ground water. The villagers reported that a few cases of fluorosis have been identified in the area.

Respondent survey:

A small questionnaire-based survey of **41** respondents was conducted in six villages from the areas near the SEZ. These villages were Sukhpuria, Ramchandrapur, Khusar, Delwas, Chatrala, and Tiba.

Table 14				
Occupation				
Agriculture	Industrial Worker	Business	Student	Others
10	13	6	4	8

Occupation: Many of the villagers who responded are workers (13) in the industries.

But very few (3) are working in the factories as permanent workers, the rest are daily wage labourers. A significant number (10) continue to be dependent on agriculture. Business (shopkeeper, property dealer) is also an earning source for a small number (6); a few of the respondents were students (4). Other respondents included Panchayat member, postman, teacher etc. Most of the surveyed persons were 8th to 9th standard graduates.

Table 15			
Living Status			
Ancestral	2-20 years	21-40 years	41-60 years
34	5	1	1

Living status: The majority (34) were born in the area, while a minority (5) are recent migrants. The majority also

belong to the general category with a few in the SC/ST categories. Number of family members ranges from 2 to 22 persons.

Table 16					
Monthly Income					
<3000	3000-6000	6000-9000	9000-12000	>12000	No comments
10	12	3	*	12	4

Monthly Income: In most cases the monthly income is less than Rs9,000. There was also

a correlation with the number of family members, larger families having higher incomes.

Table 17		
Forcible Acquisition (Past)		
Yes	No	No Comments
26	11	4

Present and past status of land acquisition:

Acquisition of lands from the villagers was clearly not voluntary. Out of the surveyed villagers 26 said the land for the SEZ had been acquired from them by force. The maximum lands were acquired (10-20 *bighas* each) from villagers who were

Table 18		
Land Procurement (Presently)		
Yes	No	No Comments
16	20	5

close to the SEZ sites. There was a lot of variation in the value of the land as there was no standard. 33 respondents said they sold their land to RIICO for prices ranging from Rs0.5-1.5 lakh per *bigha*, but even then the market price was much higher than the compensation rate. Most of lands were acquired between 1991 and 2002, but this process of forcible acquisition is still going on at a significant rate according to 16 of the respondents, with illiteracy playing a major role in the marginalisation of the villagers.

Consultation and protest: No consultation was conducted with most of the villagers (22) before planning for industrialisation and land acquisition. These villagers all appeared to be from Ramchandrapur. Some of them (14) also mentioned about their protest against RIICO on this score, but acknowledged that the protest had failed.

Table 19		
Consultation with Localities		
Yes	No	No comments
13	22	6

Table 20		
Protest against RIICO		
Yes	No	No comments
14	21	6

Interestingly, they could give no adequate reason for selling their ancestral lands and purchasing new land in other places. None of the respondents said that their new lands were better than the previous ones from the point of view of water availability or soil fertility. Some wasted their compensation money on marriages, cars, home renovation, loans etc.

Employment and Need of SEZ: 29 of the respondents said no one from their families got any employment in the SEZ. Some of the others got employment on a daily wage basis, but

Table 21	
Employment in SEZ	
Yes	No
12	29

12 of them did not work in a single company. They were skilled labourers hired on a temporary basis with wages not more than Rs3,000 per month. Those who are working in the factories agreed with the need of an SEZ in the area, with employment as the main expectation. But they could not specify any other benefit from the SEZ. A large number (25) said that there was no benefit from the SEZ.

Table 22		
Need of SEZ		
Yes	No	No Comments
15	15	11

Table 23		
Benefit from SEZ		
Yes	No	No Comments
7	25	9

Present status of infrastructure: Presently, there is no infrastructure construction in terms of roads, water supply, power supply, sewage system, solid waste management, and education in the villages. 28 of the respondents said no infrastructure had been constructed in their villages by the SEZ. Some of them (8) agreed that some development had taken place – mainly the roads and power supply in the villages of Ramchandrapur and Chatrala.

Table 24		
Infrastructure construction by SEZ		
Yes	No	No comments
8	28	5

Impacts of SEZ: Animal husbandry and agriculture were the two main occupations affected by the SEZ. Different respondents gave different views regarding the impacts of the SEZ, although all were agreed that the impacts were negative on factors like surface water, ground water, land, vegetation, air and noise pollution, and grazing land for cattle. Some of them also mentioned about the increasing levels of fluoride in ground water.

Migration: Migration is one of the major problems as perceived by the villagers. 39 said that the increase in migrants, mainly from Bihar and UP, is due to the preference of the companies to recruit outsiders as they are more flexible in terms of duration of work and wages. Hence, the locals are no longer able to get any jobs in the industries.

Table 25		
Migration due to SEZ		
Yes	No	No comments
39	*	3

Table 26		
Impacts on safety and security		
Yes	No	No comments
27	7	7

Safety and Security: The villagers do not feel safe and secure as 27 were concerned about the increasing turmoil in the villages. Most of them said that nowadays it is difficult for any villager to safely roam around the area. The new workforce acts as a barrier to free movement, particularly for women and school girls who are harassed. Local workers are also beginning to face the same kind of problem.

Table 27		
Socio-Economic impacts		
Yes	No	No comments
14	14	13

Socio-Economic impacts: Respondents were evenly divided over whether the socio-economic aspects had been disturbed after

the SEZ was set up. 14 felt that the crime rate and incidents of robbery had increased in the region. Their perception was that those who were rendered landless/jobless by the SEZ began engaging in robbery or theft. But, interestingly those villagers who have got jobs in the SEZ hesitated to say anything along these lines although they said they were aware of the growing problems.

Table 28		
Long term effects		
Yes	No	No comments
30	6	5

Long term effects: 30 of the respondents felt that the long term effects of the SEZ would be detrimental for the area.

The various comments of the respondents about the SEZ and its impact on their livelihood and society may be summarised as follows:

- We want the SEZ site to be shifted to any other place.
- Facilities should be provided to the locals.
- Road, school, hospital, and other infrastructural facilities should be developed in the area.
- We need social security, good job opportunity, and better management, with at least one member from each local family being provided employment.
- There is no proper management of drainage, roads, hospitals, schools.
- Water should be available at the community centre.
- New lands should be allotted far away from this polluted area, where traditional agricultural livelihoods may be revived.
- The SEZ should not be expanded anymore.
- No benefits have emerged, but we want the facilities of light, electricity, and water as RIICO had promised before the setting up of the SEZ.
- Salary should be increased for those working in the factories.

C.5 Manesar Special Economic Zone

History

The Manesar SEZ has been allotted to the private developer Uppals Group and is the only one in the study sample that is not yet functional. It is situated 8km from Manesar in Haryana on NH-8. It is proposed as a multi-product SEZ that will host knowledge industries like IT-ITES, biotech, robotics, nanotech, and other R&D-focused operations. It is the first multi-service SEZ that was notified by the Board of Approval. It will also offer warehousing facilities and incubation services (a ready-to-move-in facility from which a newly-arrived MNC can operate while its permanent office is being readied). Uppals Group propose to invest an estimated Rs6,500 crore on developing approximately 22 million sqft of built-up space. "We are in talks with foreign developers and real estate venture funds for equity participation in this project," said the manager.²⁰ It is supposed to generate employment for 75,000 people. The detailed master plan for this project was supposed to be ready by end-November 2006 after which the sale of space would begin. The SEZ is expecting an export potential of Rs1 billion over the next 5 years.

VORNADO REALTY TRUST also announced that it had acquired a 50% interest in a joint venture which owns and plans to develop a Special Economic Zone (SEZ) on a 263 acre land parcel in Gurgaon, Haryana, on the New Delhi-Jaipur highway. The Company's purchase price was \$71.5 million. Vornado's partner in this venture is the Uppals Group, one of the leading real estate developers in the National Capital Region.

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²⁰ "[Uppal group gets nod for first multi product SEZ](#)", [The Indian Express - New Delhi, October 14th, 2006](#)

²¹ "Global realty funds join SEZ rush", April 2007, www.Moneycontrol.com

Affected settlements:

The area allocated for the MSEZ takes over the land of three villages, namely Rathiwas, Bodakalan, and Bhudka. There are about 1,500 acres of land which were taken over by the Uppals Group during the 1980s. The land was acquired for development of Farm Houses. Later after the boom of SEZs, the Housing group achieved approval for SEZ for an area of 269.46 acres. The whole area is fertile agricultural land.

Here the Uppals would be developing business centres for trading, parks, warehouses, commercial centres, offices, hotels, service centres etc. On the remaining part of the land, they plan to construct farmhouses etc. But during the present survey, no construction was found in the land proposed for the SEZ. While interviewing the in-charge of the MSEZ office at the site, it was found that the Uppals Group will be starting their work from December 2007.



Land acquired for MSEZ

Bhudka: According to the villagers, 75% of the land that has been taken over by the Uppals belonged to this village. The people got Rs1.5 lakhs per acre when they sold the land about 8 to 9 yrs ago and about Rs9 lakhs 4 to 5 yrs ago. Some of the villagers used the money for buying land in Rajasthan, while the rest spent it on their current needs or for starting a new business. Most of the villagers are farmers. They grow *jowar*, wheat, corn etc as well as mustard in various seasons of the year. There are about 500 houses in the village, out of which 15 to 20 houses belong to the *dalits* who are landless and work as daily labourers. There is a primary school in the village. For higher studies they need to go to Pathreri village where there is a secondary school. There is no dispensary here and for medical facilities they have to go to Rathiwas village. The Police station is in Bilaspur. There are 2 water supply pumps from where water is provided for drinking purposes. There is a Gram Panchayat in the village which falls under the Pataudi Block. The people in the village said that they get only about 1½ hour of electricity through the day, although the full bill comes at the end of the month.

The people of *Dalit* community have about 20 houses in the village with 74 votes. Every house comprises of at least one person who goes to work. Generally they are daily labourers who work in the nearby factories. As daily wagers they may not get work sometimes for 10-15 days. Situations sometimes compel them to starve. 4 to 5 families have buffaloes whose milk they can sell. The people said that they have got no help from the government. They have set up their own drinking water supply from a hand pump.

Pathreri: The villagers of Pathreri have sold their lands to Asoka Farm near the Engineering College in Bilaspur. There are about 2,500 people in the village. Some of the money they got by selling the land was used in purchasing other lands in Rajasthan and the rest was spent on their own immediate needs. There is no water problem in this area. The nearest railway line is Pataudi-Helimandi which is 25km from the village. They grow crops like *Bajra*, *Jowar*, wheat etc in one season and Mustard in the other. The government charges Rs35 per Horsepower for those with bore wells, and for 80 units of electricity at Rs2.40-4.00 per unit, even though consumption normally does not exceed 40 units.

There are about 27 acres of land left in this village. But the *Dalits* do not own any land and work in factories where they get paid Rs60. If they get work within the village, they charge Rs150 for 8 hours. There are Government dairies in the village where the people sell milk. The number of buffaloes is more than that of cows. The marked presence of *Nilgai* in the area hinders agriculture. The nearest market place is Tauru which is 12km away. There is a government hospital where there are two doctors who are very irregular in attendance. Moreover there is no facility for operations, so people have to go to Rewari or Gurgaon. According to the people, there has been no development in the last 15 years and things have become expensive with no good roads, no drainage system, no sewage treatment etc. There is a Government school up to 10+2. There is also a private school on Gram Sewak Road but, at Rs600 per month, the fees are too high for the villagers. There is a Post-office within the village and the Gram Panchayat is under Pataudi Block.

There are 70 *Panchayats* within Pataudi Block, whose population is estimated to be 1,12,774. The population of SC is 21,584. For each village there is one *Sarpanch* and 8-

20 *Panches*. There are 23 *Panchayat Samities* within the Block and 2½ (including half of Mewar) *Zila Parishads*. The funds are allotted according to the population of the villages. While the BDO is supposed to be the responsible authority for any kind of land development, in the case of MSEZ, he has neither any role nor has he been consulted. The interesting point was that ***the interviewed villagers too have no idea about the SEZ. They were completely unaware about the purpose for which their lands were going to being used.***

Respondent survey:

There were **23** respondents for the survey, who were villagers from the three surrounding villages of Rathiwas, Bhudka, and Bhodakalan.

Table 29				
Years of Living				
Ancestral	2-10 years	10-20 years	21-30 years	31-50 years
16	3	1	2	*

According to the survey, most (16) of the respondents have been living in the region for

generations and have 4-13 members in their families. There are very few recent migrants (3).

Most of the villagers (10) are dependent on cultivation of *Bajra*, maize, and rice as the major crops. Some families are also engaged in different businesses like tailoring and driving.

Table 30				
Occupation				
Agriculture	Business	Worker	Student	others
10	2	3	1	7

Table 31				
Monthly Income				
<3000	3000-6000	6000-9000	9000-12000	>12000
7	4	1	4	5

Monthly income ranges from less than Rs3,000 to more than Rs12,000 per family.

Table 32	
Land Sold	
Yes	No
11	11

Half of the respondents said they had sold their lands during the acquisitions which started from 1987 to 2004. The other half, however, were not keen on selling their fields. No standard land price has been defined by the SEZ developers and the prices being offered were much less than the market price.

At the same time, many of the respondents said that, although there was no consultation with the villagers prior to the land purchase, there was no forcible acquisition by Uppals. According to the villagers, the offered price varied from village to village: Rs1-25 lakhs in Rathiwas; Rs1-6 lakh in Bhudka; and Re1 lakh in Bhodakalan; as compared to the market prices of Rs1-3 crore, Rs0.3-1 crore, and Rs50 lakh respectively. Those villagers who sold their land utilised

Table 33		
Forceful acquisition		
Yes	No	No comments
1	8	14

the money in clearing loans, purchasing other lands and cars. Some of them have reportedly used the major portion of the money in lavish spending.

Table 34		
Water quality		
Good	Average	Poor
16	1	6

Table 35		
Water availability		
Yes	No	No comments
18	1	4

Some of the villagers have purchased land at low prices in various parts of Rajasthan. But they are not satisfied with the agricultural productivity of those lands and are unhappy that they have to stay away from their homes for the purpose of

cultivation in those areas. The original sold lands were highly productive with available irrigation water and good quality of water while the newly-purchased lands are not as fertile.

Table 36		
Awareness about SEZ		
Yes	No	No comments
8	14	1
Need of SEZ		
Yes	No	No comments
8	6	9

Most of the respondents (14) still do not know what the SEZ is, and there is confusion about the need of the SEZ. Some of them, who expressed a desire for the SEZ, said that industrial development creates education, training institutes, schools, cleanliness,

electricity, infrastructure, roads, and proper drainage systems. However, the main expectation is of employment. In reality, only 2 or 3 persons get the chance for working in the SEZ, and that too as a sweeper, labourer, or in the loading and unloading of goods. Nevertheless, the positive perception is that the SEZ will offer better livelihoods, income, houses, lifestyles, culture, physical infrastructure, and economy in the region.

D. CONCLUSIONS

Special Economic Zones are specifically delineated duty free production enclaves that are deemed to be foreign territories, or a sphere of 'economic freedom', for the purposes of trade operations, duties, and tariffs, so as to attract FDI, increase exports, and accelerate the country's economic growth. The purpose of this study was to measure the achievements of five SEZs against the targets of private investment, regional development, revenue generation, export benefits, additional employment, infrastructure improvement, and environmental management. In addition, there was an attempt to assess the impacts on labour and surrounding population.

Three of the selected SEZs are older (1965-89) and operated by the Central Government, while a recent SEZ has been developed in 2003 by the State Government, and the fifth one has been given to a private party for developing. The information available from the SEZ authorities shows that it is in the older SEZs, converted from EPZ/FTZ, that there has been significant investment both by the private units as well as by foreign investors. The number of units in Central SEZs is higher than in the State/Private SEZs, exports are better, and employment is much bigger. In other words, decentralisation does not appear to have attracted more investment or generated more employment.

While FDI was not proposed for any of the older SEZs, except one, there has been actual foreign investment in all the 3 Central SEZs but inflow is very low, thereby contradicting the stated objective of promoting FDI in SEZs. The curious thing is that in all the three older SEZs the major exports are from sectors for which the SEZ was not even planned, indicating poor assessment of market demand. In fact, those SEZs with the lowest per unit investment also have the highest comparative export performances. In the State Government SEZs, the investment per unit is higher; exports per invested rupee are poor; and employment per unit investment is much lower.

All the five selected SEZs demonstrate similar characteristics as far as displacement and rehabilitation of the affected villages is concerned. Villagers everywhere complain of forcible acquisition of their land at very low prices without proper notice and consultation. The compensation money has only partially been used for purchasing other, less productive, lands where available, but much has been spent on daily needs as well as

lavish spending. The livelihoods of the villages have been uniformly deteriorating as the earlier occupation in agricultural and fishing activities has given way to far more laborious work in unsafe environments.

As for labour, there is clearly no provision in any of the SEZs for job protection or social security. On-site investigations revealed that wage rates were consistently low and paid leave unheard of. The extent of the vulnerability can be gauged by the fact that agricultural wages are often higher than factory wages. Child labour and harassment of women workers is fairly widespread. There is a general absence of social security, provident fund, employees insurance, and medical facilities. The workers can't demand their rights because of insecurity of legal tenure, absence of unions, and availability of competing labour. Only in one SEZ has there been any organised protest.

There are many units in all the SEZs which deal with several hazardous processes and substances. But the official stance is that only "non-polluting" units are permitted, although this is belied by the evidence of indiscriminate waste disposal in the field as well as the fact that treatment plants are notionally present. Farmers complain about the reduction in agricultural productivity as their fields are inundated with industrial effluents and villagers point to the deterioration in the natural (and social) environment. On the other hand, workers who are exposed to all the hazards within the factory, are also not provided with any safety devices or personal protective equipment.

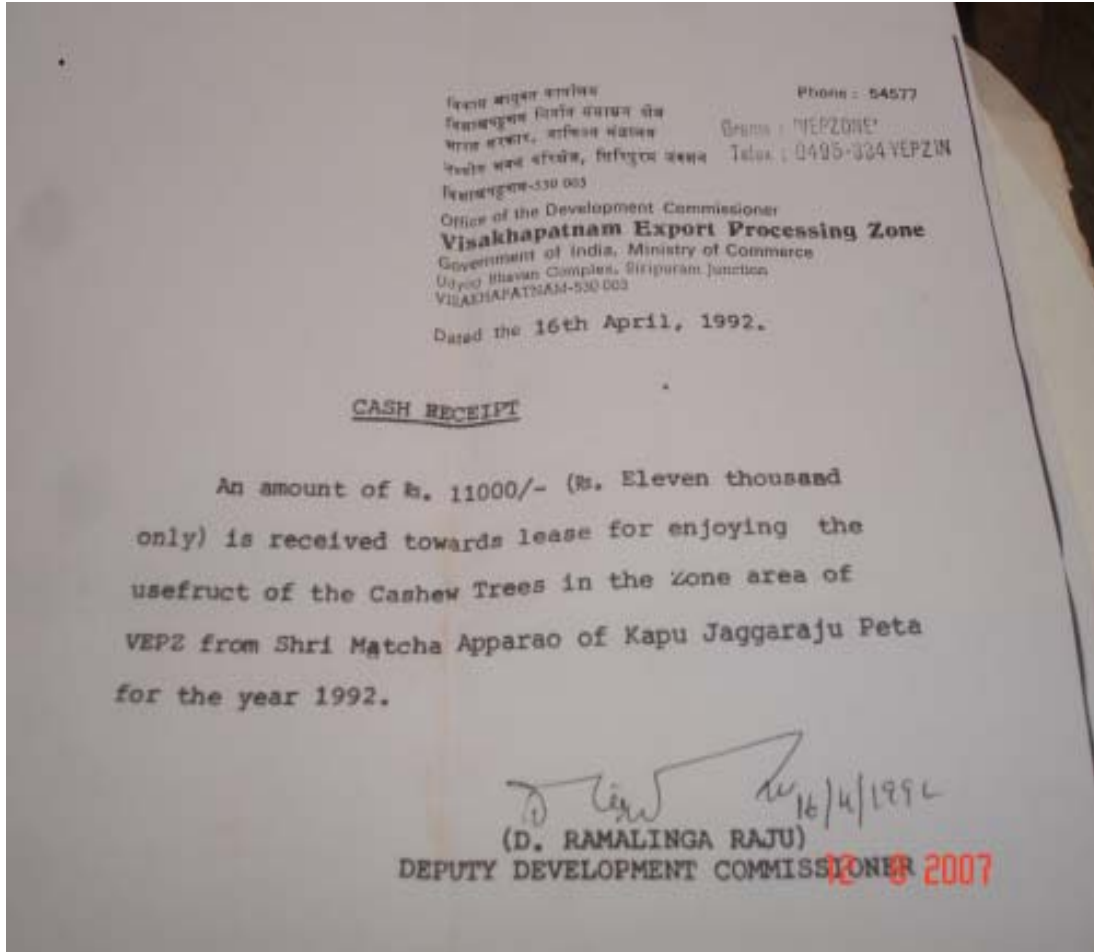
Infrastructure development remains confined to the area within the SEZs without any benefits to either the local population or even the units within the SEZ. No regional development has taken place at any of the five sites. But affected populations remain confused about whether the SEZ is desirable or not, and whether it promotes social and area development. Those villagers who have got jobs in the SEZ hesitate to say anything against the SEZ although they are aware of the growing problems. The interesting point was that most of the people have no idea about the purpose and scope of the SEZ.

The overall trend in the SEZs seems to be that they begin with a high public investment by the concerned governments. The private units increase their investment only when the SEZ has stabilised with respect to the market demands. And foreign investment

comes in much later when most of the risks have been covered. The main source of revenue for the developers is from the lease of the land and the built-up areas. Export growth has been slow, except in the case of dedicated single-product SEZs that have remained true to their objective. But many units close or change operations as they are unable to repay loans and make profits, in spite of the liberal duty and tax exemptions.

In conclusion, therefore, it is evident that the SEZs have fallen far short of meeting the stated objectives for which they were set up. Equally evident is that the entire concept of private enterprise being promoted by the state to conform to social and environmental objectives, with heavy subsidies from the public treasury, is false and has to give way to the clearly demonstrated capacity of public entities alone to meet these objectives.

Annexure II



Annexure III

Questionnaire for Development Commissioner, KASEZ

1. How many units are operational in KASEZ?
2. How many plots are available KASEZ?
3. What is the land use/ land cover of the area under presently functional KASEZ? (pls mention the percentage for manufacturing units, green belt, service sector, Housing colony, community facility etc)
4. Which agency/authority did the land and infrastructure development for the Kandla EPZ and KASEZ?
5. What are the infrastructures and facilities you provide to the units?
 - Internal:
 - External:
6. What is the total amount of investment in the KASEZ?
7. What is the percentage distribution of investments from the followings:
 - FDI:
 - Local Financial institution:
 - Central Government:
 - Industrial Units:
 - State Government:
 - Others: (pls mention):
8. Which authority did the land acquisition for the Kandla EPZ?
9. At what rate land was purchased and in which year?
10. Land of the present KASEZ area previously belonged to which villages? (please mention the names)
11. What were the land use/ land cover of the land before purchasing for the Kandla EPZ? (please mention with the area)
12. What was the rate of compensation paid for the land acquired and paid to how many families?
13. Was there any problem in acquiring land?
14. What are the different phases of the KASEZ, and land area of each phase?
15. What are the dates of starting operation for each of the phases?
16. What is the area of the proposed and ongoing expansion of the KASEZ?
17. What is the land use / land cover of the area proposed for expansion?
18. Which authority/ agency is doing the land acquisition for the present and proposed expansion?
19. What is the present rate of land at which KASEZ purchased for expansion?
20. How many units and what are the different sectors of industries coming up in the present and proposed expansion phase of the KASEZ?
21. When the expansion of the KASEZ will be completed?
22. What is the area of the land acquired for the expansion of the KASEZ till 28.08.2007?
23. What will be the area of land to be acquired for the proposed expansion of KASEZ?
24. How many workers are working in the KASEZ and each of the units? (please do provide additional document to support the information)
25. How many people are employed from the surrounding villages? (please mention the names of the villages and number of persons employed)
26. What were the proposed plans for the followings during your last master plan or for the years 2003-2007 of the KASEZ, what are the projections in the next master plan or for the year 2007-08 and what are your achievements:

Development indicators	Proposed for 2003-07/ previous master plan	Achievements	Projected for the year 2007-08
Export			
Revenue generation			
Infrastructure development			
Regional development			
Employment generation			
Environmental management			

27. How many water consuming units are there in the KASEZ?
28. What are the sources of water supply for the KASEZ?
29. What is the total quantity of water used in KASEZ per day?
30. Which are the responsible agencies for the following inside the KASEZ?
 - Water:
 - Electricity:
 - Housing for the workers:
 - Workers community facilities;
 - Roads:
 - Sewerage/waste water:
 - Solid waste:
 - Health care:
31. How many water polluting units are there in the KASEZ?
32. How many air polluting units are there in the KASEZ?
33. Have the water and air polluting industries taken consent under Water and Air Acts?
34. If the reply to the above Q is YES, then what is the tenure of the consents?
35. Which monitoring agency for pollution control and environmental management of the units?
36. Which authority did provide environmental clearance for the industrial units/ for the KASEZ as a whole?
37. Do the industries submit environmental audit or periodic environmental monitoring reports?
38. If the reply to the above Q is YES, then, to which agency/authority do they submit?
39. What are the facilities presently available for the followings:
 - Waste water treatment:
 - Air pollution control:
 - Solid waste disposal:
 - Hazardous waste treatment and disposal:
 - The units are accountable to which authority in terms of the followings:
 - Wages and social security of the workers:
 - Pollution:
 - Not meeting the targets for export:
 - Which of the followings are provided to the workers: (pls specify)
 - ESI:
 - Occupational Health and safety:
 - Accidental Compensation:
 - Crèche:
 - Transportation:

- Housing:
- Community Centre/recreation facility:
- Training:
- Education:
- Healthcare facility inside the SEZ:
- Minimum wages for the workers on:
- Contract basis:
- Permanent basis:

Annexure IV Questionnaire for evicted population

1. Name:
2. Address:
3. Age:
4. Sex:
5. Education:
6. Occupation:
7. How long have you been living in this area:
8. Category: (if tribe, specify the name)
9. Family details: total numbers: (M+F)=

Members	Education	Age	Occupations	
			Pre eviction	Post eviction

10. Monthly income of the family in Rupees:

	<3000	3000-6000	6000-9000	9000-12000	>12000

11. Distance of the residence from SEZ:

12. Land holding size of your family:

13. Reply the followings w.r.t. Your land:

	Own	Lease	Borrow	Use family holdings	Squat

14. Area of agricultural land you presently own (specify the area):

15. Was there any consultation with local people prior to land procurement:

Yes		No	
-----	--	----	--

16. Land sold to SEZ (specify the area):

17. Land use of the land sold for SEZ:

Yes		No		Area	
-----	--	----	--	------	--

18. Year of selling land:

19. Rate of compensation received for land:

20. Was there any forceful eviction:

Yes		No	
-----	--	----	--

21. Was land provided as a compensation of land loss:

Yes		No	
-----	--	----	--

22. If the Q 20 is YES, what was the area of the land:

Yes		No	
-----	--	----	--

23. Was there any resettlement and rehabilitation:

24. What was the use of the money got as compensation:

Land	Car/house	Family business	Wasted in lavishness	Others (specify)

25. Is anyone of your family employed in the SEZ:

Yes		No	
-----	--	----	--

26. If reply of the Q.24 is YES, then fill up the followings

Industry	Job	Salary	Education	Skill

27. Do you want the SEZ in this area:

Yes		No	
-----	--	----	--

28. Are you getting any type of benefit from this SEZ:

Yes		No	
-----	--	----	--

29. If reply to the Q 27 is YES, then specify what is the benefit:

30. Is there any change in the following after relocation:

Impacts	Livelihoods of your family	Monthly income of your family	Household expenditure	Peace and harmony of the area	Lifestyle	Culture and ethnicity	Physical infrastructure	Economy of the region
Positive								
Negative								

31. Are the following provided in the resettlement area by the RIICO:

House	Employment	Road	Water supply	Power supply	Sewage system	Solid waste management	Education	Health care

32. Is there any impact of the SEZ on: (specify the impacts)

33.

Animal Husbandry	Fishing	Agriculture	Other

34. Is there conflict with the original dwellers of the area with the relocated population:

Yes		No	
-----	--	----	--

35. Is there any problem regarding safety and security of women in the resettlement area:

36. If the reply to the Q 33 is YES, then write what

Yes		No	
-----	--	----	--

are those:

37. In long term, the region will get the SEZ:

Beneficial		Detrimental	
------------	--	-------------	--

38. Any other comments on the SEZ:

39. Any comment about your new settlement:

Annexure V Questionnaire for surrounding population

1. Name:
2. Address:
3. Age:
4. Sex:
5. Education:
6. Occupation:
7. How long have you been living in this area:
8. Category: (if tribe, specify the name)
9. Family members, occupation and education:

Members	Education	Age	Occupation

10. Monthly income of the family in Rupees:	<3000	3000-6000	6000-9000	9000-12000	>12000

11. Distance of the residence from SEZ:
12. Land holding size of your family:
13. Reply the followings w.r.t. your land:

Own	Lease	Borrow	Use family holdings	Squat

14. Area of agricultural land you own (specify the area):	Yes		No	
---	-----	--	----	--

15. Willingness to sell land:	Yes		No	
-------------------------------	-----	--	----	--

16. Was there any consultation with local people prior to land procurement:

17. Land sold to SEZ (specify the area):

18. Land use of the land sold for SEZ:

19. Rate of compensation received for land:

20. Is anyone of your family employed in the SEZ:	Yes		No	
---	-----	--	----	--

21. If reply of the Q.14 is yes, then fill up the followings

Industry	Job	Salary	Education	Skill

22. Do you want the SEZ in this area:	Yes		No	
---------------------------------------	-----	--	----	--

23. Are you getting any type of benefit from this SEZ:	Yes		No	
--	-----	--	----	--

24. If reply to the Q 19 is yes, then what is the benefit:

25. Is there any change in the following after setting up of this SEZ

Livelihoods of your family	Monthly income of your family	Household expenditure	Peace and harmony of the area	Lifestyle	Culture and ethnicity	Physical infrastructure	Economy of the region

26. Are the following infrastructures constructed/improved in your area after setting up the SEZ:

Road	Water supply	Power supply	Sewage system	Solid waste management

27. Is there any post SEZ impacts on the followings:

Surface water	Ground water	Land	Noise	Vegetation	Cattle grazing	Air environment

28. Is there any impact of the SEZ on: (specify the impacts)

Animal Husbandry	Fishing	Agriculture	Other

29. Is there migration of workforce to your area for this SEZ:

Yes		No	
-----	--	----	--

30. Is there any impact on the local people by the exotic population:

31. Is there any post SEZ impact on the safety and security of women:

Yes		No	
-----	--	----	--

32. If the reply to the Q 28 is YES, then write what is the impact:

33. Is there any socio-economic conflict started after the SEZ: (specify)

34. What are the new employment opportunities taken up by your family members after setting up of the SEZ:

35. In long term, the region will get the SEZ:

36. Any other comments on the SEZ:

Beneficial		Detrimental	
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hazards centre

A UNIT OF SANCHAL FOUNDATION

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