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# Geographical Conditions and Sez's

### Meenakshi

Student, Department of Geography, P.U., Chandigarh, India

#### Abstract:

Undoubtedly corporate sector in India is passing through a phase of complete transformation. But every coin has two sides. SEZ's are important for the development of the economy but at the same time geography of the region should be considered while planning a SEZ. Because loss of fertile land is harmful for farmers as well as agricultural production of nation. The conflict between farmers and industrialists over the land has become the greatest contradiction for capitalism in India today. SEZ's have become epicentres of "land wars" as farmers across the country have resisted the states use of eminent domain to transfer their land to private companies.

Till February 18, 2016 we have 7 operational SEZ's in Haryana. These are in Gurgaon and Sonipet districts of Haryana. These IT's and luxury real estate companies acquired rural land at cheaper rate which created inequalities and give minimal benefit for rural India in this model of development, farmer resistance to land dispossession is likely to continue.

In this paper an attempt is made to understand the position of these farmers and the affect of the SEZ on agrarian transformation. While the SEZ is providing the jobs to people at the same time due to loss of the cultivable land it is acting as one of the biggest cause of displacement and loss of livelihoods. So the paper is divided into three parts. The first part deals with the location of SEZ's in Haryana, second part deals with affect of these SEZ's on agricultural production of Haryana and lastly the socioeconomic condition of these regions.

### 1. Introduction

A special economic zone is a geographical region which has economic laws that are more liberal than a country's general economic laws. It is a specifically delineated duty-free enclave treated as a foreign territory for the purpose of industrial, service and trade operations with exemption from custom duties and more liberal regime in respect of levies, foreign investment and other transactions in fact, the SEZ is a development tool, with the goal of promoting rapid economic growth by using tax and business incentives to attract foreign investment and technology. The policy of SEZ was first adopted by china in 1978 as part of its economic reforms. On seeing the success of this policy in china, India adopted the scheme in April 2000. Introduction of SEZ policy brings the socioeconomic change in the region. In some regions it brings complete transformation not only in terms of income level of the residents but also the purchasing power parity and infrastructure. It play crucial role in reducing poverty. It generates direct employment for skilled and unskilled labour and it generates indirect employment to those who provide services for the employees working in the SEZ's. It is believed that employment creation generates incomes, creates non pecuniary benefits, improves the quality of life of labour and enhances their productivity. These in turn, have poverty reduction effect.

While SEZ is beneficial for bringing change in life of people. At the same time over the past few years SEZ have become synonymous in India with grabbing land from farmers. In March 2007, 14 people were killed and many more injured by police and party-goons in Nandigram, West Bengal for refusing to give their land for a petrochemical SEZ promoted by an Indonesian company Nandigram was the tip of the iceberg as farmers across the country were resisting the states use of eminent domain to acquire and transfer their land to private companies for the development of these hyper-liberalized enclaves. These land wars over SEZ's has led to the cancellation, delay and downsizing of projects across the country including two massive SEZ's for reliance industries outside of Mumbai and Gurgaon.

In this paper we will see the challenges of SEZ's in India and critically evaluate the socio economic development which is result of the SEZ.

# 2. Methodology

The study deals with the topic "socio-geographic challenges of SEZ" the study is focused on geographical regions SEZ. To analyse the socio-geographic challenges of the SEZ. Its impact on the lifestyle of the society of that region specially the effects of the SEZ on farming community. This study is divided into three parts a) location of SEZ's in India. b) Effects of SEZ's on agricultural production and farming community. c) Geographic challenges for SEZ's. The data is collected from various sources which include papers presented in seminars, ministry of commerce and industries department of commerce etc.

## 2.1. Location of SEZ in India

According to ministry of commerce and industries department of commerce number of notified SEZ's in India is 329 which are spread ever almost every state of India. India was one of the first in Asia to recognize the effectiveness of the export processing zone (EPZ) model in promoting exports, with Asia's first EPZ set up in kandla in 1965 with the view to overcome the shortcomings experienced on account of the multiplicity of controls and clearance; absence of world class infrastructure, and an unstable fiscal regime and with a view to attract larger foreign investment in India, the SEZ's policy was announced in April 2000.

The SEZ rules provided for:-

- Simplified procedures for development, and maintenance of special economic zones and for setting up units and conducting business in SEZ.
- Single window clearance for setting up of an SEZ.
- Single window clearance for setting up a unit in SEZ.
- Single window clearance on matters relating to central as well as state governments.
- Simplified compliance procedures and documentation with an emphasis on self-certification

No. of approved SEZ's is 416 on 18 Feb. 2016. While the no. of operational SEZ's is 187.

One of the goals of SEZ policy is the promotion of regional growth and development of infrastructure. However, most of the SEZ's that have been established so far are concentrated around urban area and their peripheries, and other centres with well-developed infrastructure in states already considered industrially progressive including Andhra Pradesh, Gujarat, Karnataka, Maharashtra and Tamilnadu. Thus for, SEZ's have been allotted under a million hectare of land. This does not appear to be a high figure at the outset. However, the bone of contention pertains to the location of the SEZ's: much of the land identified for establishing SEZ's is under use, and is likely to displace cultivated land and cultivators as well as a range of other land dependent activities and communities. Indeed a number of the objections and resistance raised against SEZ's pertain to their proposed location on fertile and strategically located infrastructure-rich agricultural and coastal lands. The need for easily accessible and well developed parts for use in the transportation of raw materials and finished goods is a clear factor in the choice of land. As a result, many states have allotted coastal land, even ecological sensitive areas for industrial projects despite the fact that in 1991, the government of India had banned number ecologically destructive activities along the coast. Indeed, there is no mention of coastal regulation-related provisions in the SEZ act, 2005 and its rules.

## 2.2. Impact of SEZ on Agriculture

In India 74 % population resides in the rural areas and out of them 70% are directly depending upon agriculture whereas the other 4% depends upon agro based occupations. Out of the total cultivable agricultural land of Maharashtra one third has been acquired for sales. Due to this the farmers, labourers and local businessman are turned to be unemployed. It has also decreased the productivity of food items. In future we also expected a no. of such other complications.

In India in 1999-2000 the area used for production of food grains was 123.11 million hectares. It had been decreased in the year 2004-06 to 120.16 million hectares. This decrease of land for food grains production is due to SEZ. In 1999-2000 the wheat production was 76.3 million tons which decreased in 2004-2005 to 67.6 million tons. This decrease is due to the acquisition of cultivable for SEZ. It is expected that in future there will be further deterioration in food production and the nation would have to face its adverse effects.

India being a major agro based nation most of our population depends directly and indirectly upon agriculture for their daily bread. At present in India there are 60 crore farmers. Most of them have a land hold of about 1 hectare. Their life is completely depending upon agriculture.

Globalization cannot be underestimated at any cost but we should take care while adopting it. In adoption of globalization there we will be same profit as well loss involved. But we should properly balance them and legislative bodies should enact laws to control the ill effects of globalization.

## 2.3. Geographic Challenges for SEZ's

The basic intention of government of India behind the development of SEZ's was to develop the social economically backward regions and geographic location terrains to understand the importance of geography in the development of SEZ of India i.e. which is located at sea port on the gulf of Kutchch. It is one of the major ports on west coast kandla was constructed in the 1950's as the chief sea port serving western India this location is the biggest advantage of kandla due to which export and import from this region is convenient and each and every SEZ has its own geographic advantages which differentiate them and provide special location which h provoke government to set up SEZ. Following are geographic challenges for setting up SEZ.

# 2.3.1. Connectivity

Connectivity is the most important factor which play key role in determining location of SEZ. The government's intentions behind establishing SEZ in poorly connected areas is to provide incentives to industrialists so they can develop transport network to that SEZ.

## 2.3.2. Soil Fertility

The fertility and soil are lifelines of agriculture but the fertile soil should be avoided while planners are planning for SEZ. As the agriculture is backbone of our country and one third of our population is directly dependent on it so planners need to think about them while planning for the location of SEZ.

## 2.3.3. Undulating Terrain

SEZ is an attempt to develop the backward region so in this process planners look after each and every area which needs an industrial revolution and try to develop a SEZ in that area and the area with undulating terrain are one of them.

#### 2.3.4. Desert

SEZ become the hope for those areas which do not have any other way to develop themselves and the desert regions are one of them these regions can't develop themselves on the basis of agriculture on other land based activities in such a situation industrialization is best way for the development of these regions.

### 3. Conclusion

SEZ affect each and every section of the society but in a country like India its impacts is negative for a large population. The geography play key role in this as it is the central discipline which deals not only with the agriculture but planners and industrialists need to consider it while planning to locate any industry. If we look at the SEZ we will find that undoubtedly it changed the life of a large population by providing employment and it also attracted the investment for the economic growth of our country but at the same time it is the biggest cause of the displacement of our farmers. This is the region to rethink about this and think about the geographical factors like fertility of soil, cultural geography of region, rehabilitation of the displaced population.

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