



## Globalization and Industrialisation

### Abstract

*The purpose of the article is to introduce the status of industrialisation that has started taking place with reference to the process that the India has initiated in post 1980s. It includes the context in which the process of initiation of large scale industrialisation that took place in India, the fact sheet of Special Economic Zone (SEZs) in India, total land needed for these SEZs, likely to be creation of employment, investments, etc., the issue of industrialisation and displacement the population, loss of public revenue, criticism of the SEZ, its resistance and lastly, concluding remarks. It is based on the secondary source.*

**Keywords:** Industrialisation, Special Economic Zone, Globalisation

### Introduction

Generally, it is assumed that only rapid industrialisation of a country can effectively solve the problems of growing joblessness, inflation, eradication of vast poverty and allocation of suitable living standard, exploit of the human and natural resources at large extent, above all ensuing the defense to the country (Kirloskar C.: 1981). Many underdeveloped countries now realised that industrialisation is the major source of economic development and is the main key for restructuring the economy. Structural changes in these countries begin with the transfer of surplus population from agricultural to non-agricultural sector. Politicians, policy makers, scholars (Niranjan R. : 24 May 2017, Sutcliffe: 1977, Bhalla G.: 1981), etc. have accepted the fact that without industrialisation progress and prosperity of a nation cannot be possible. The Indian economy had adopted vast policy shift in post 1990s for achieving the above mentioned goal. Liberalisation, Privatisation and Globalisation (LPG) model was the main component of the New Economic Policy. Through the policy of LPG emphasis was given to the large scale industries by opening up its economy to the national and inter-national private players (Mohan, B. 1995).

### Initiation of SEZs as a part of Globalisation process

In the era of new economic reform more and more land were needed to acquire for industries, infrastructure and its related activities. Government is now started encouraging large scale industries by promoting Special Economic Zone (SEZ)/ SIR policy. The Export Processing Zone (EPZ) model was accepted first in Asia by India for enhancing the exports. Kandla was the first EPZ in Asia started in 1965.

In the month of April 2000, India has declared the SEZs Policy for receiving huge overseas investments in the country. This policy intended to make SEZs an engine and accelerated force for economic growth, supported by quality infrastructure, complemented by an attractive fiscal package, both at the central and state level, with minimum possible regulations.

The SEZ is an particularly define area of land, possessed and run by a firm, owned by individual. It is considered as separate sovereignty for trade and business. It enjoys exemptions of obligations several taxes, including customs duties, income tax, sales tax, service tax, etc. (<http://business.mapsofindia.com/sez/india/>). In June 2005, the Parliament has passed the SEZ Act, that has implemented in February 2006, while the state, like Gujarat, had passed the state SEZ legislation prior to the Central SEZ Act and land acquisition Act, in 2004.

Response to this policy- change many national and multi-national corporate sectors have come up and started investing in varied sectors including engineering, energy, power, gas, oil, infrastructure, mines, etc. More and more land of the public and private lands are also acquired for this purpose.

## SEZs in India – Fact Sheet

In all most all the states of India, SEZs have established in more or less numbers. As on 21st January, 2015 total 523 total approved (formal + in principle), 352 total notified and 196 total operational SEZs existed in India ( <https://factly.in/the-special-economic-zones-in-india-fact-sheet/>). In terms of numbers, Maharashtra has the highest, followed by Telangana, Karnataka, Tamil Nadu, etc. (Table 1). Total nearly 56,000 hectares of land needed for the proposed SEZs. Total investment in SEZs in Rs 3.57 lakh Crores is envisaged (Table 2), Table 3 gives details about the total employment in SEZs in terms of number of people envisaged 3.80 lakh. The author has studied in details about the SEZs, particularly with reference to the Gujarat states and its impact. (refer Patel A. 2012).

**Table 1. Top 10 States of SEZs in India (As on 21st January, 2015)**

State/Country	Total Approved (Formal + In principle)	Total Notified	Total Operational
Maharashtra	78	52	25
Telangana	60	42	24
Karnataka	59	39	25
Tamil Nadu	59	51	36
Andhra Pradesh	44	30	18
Gujarat	39	28	18
Maharashtra	78	52	25
Telangana	60	42	24
Haryana	37	25	6
Kerala	32	25	14

Source: <https://factly.in/the-special-economic-zones-in-india-fact-sheet/>

**Table 2. Total land for these SEZs**

Types of SEZs	Area in Hectare
Notified	43258.42
Formally Approved	9981.16
7 Central Govt. + 11 State SEZs before, 2005	2827.11
Total Area Under SEZs	56066.69

Source: <https://factly.in/the-special-economic-zones-in-india-fact-sheet/>

Note: 1 Hectare = 2.47 acres

**Table 3. Total investment in SEZs in Rs Crores (As on 30th September, 2014)**

Types of SEZ	Total investment(Rs.)
Central Govt. SEZs	12282
State Govt. SEZs set up before, 2006	16694
SEZs Notified under the Act	357308

Source: <https://factly.in/the-special-economic-zones-in-india-fact-sheet/>

**Table 4. Total Employment in SEZs in terms of number of people (As on 30th September, 2014)**

Types of SEZ	Total Employment
Central Govt. SEZs	12282
State Govt. SEZs set up before, 2006	16694
SEZs Notified under the Act	357308
	380284

Source: <https://factly.in/the-special-economic-zones-in-india-fact-sheet/>

## **Industrialisation and Displacement**

The exact data on displaced populations are not available. The exact data of all States is not centrally maintained as the land and its management falls within the legislative and administrative jurisdiction of the State Government. Despite this limitation here we have produced some of the data in order to know the magnitude of the displacement through industries.

It is estimated that total 114,000 cultivator household (HH)s and 82,000 agricultural laborers families who are eking their livelihoods from agriculture will going to be affected by the development projects. ([http://www.sacw.net/Nation/sezland\\_eng.pdf](http://www.sacw.net/Nation/sezland_eng.pdf)). It means about one million population who are chiefly depend upon the primary occupations for their subsistence will face displacement. According to one estimation the cultivators and the farm laborers will lost Rs. 212 crores annually, exclusive of the loss of other income on account of the devastation of local economy. Of course, the authority has promised for 'humane' resettlement and rehabilitation to the affected population.

However, the historical record does not offer any room for hope on this count: an estimated 40 million people (of which nearly 40 percent are Adivasis and 25 percent Dalits) have lost their land since 1950 on account of displacement due to large development projects. At least 75 percent of them still await rehabilitation. Almost 80 percent of the agricultural population owns only about 17 percent of the total agriculture land, making them near landless farmers. Far more families and communities depend on a piece of land (for work, grazing) than those who simply own it. However, compensation is being discussed only for those who hold titles to land. No compensation has been planned for those who don't.

## **SEZs and Employment**

It is observed that the employment rate found insignificant increased in post 1990s. Less than 3 crores employment found in the organised sector. The employment in the sectors like Information technology and Information Technology Enabled Services found less than 0.15 crores. It is to be noted that out of 10 SEZs 6 belongs to Information technology. As against these, the job seekers in the country estimated at 45-55 crores. It has mainly happened due to increase of capital intensive technology and modernization. Besides, few jobs that were created required extremely expertise, that are not found in the countryside. The ordinary workers have becomes a victims of such development of SEZs.

The government does not provide information on jobs lost, only on jobs created. Moreover, it is found that the working conditions of the workers found paid low wages, no other benefits, usually more than 8 hours of working in a day, non-conducive working condition, social exclusions, etc. The human rights violate also found extravagantly. That has pushed the poor in the marginalized condition. ([http://www.sacw.net/Nation/sezland\\_eng.pdf](http://www.sacw.net/Nation/sezland_eng.pdf)).

## **Loss of Public Revenue<sup>1</sup>**

According to the data announced by the Finance ministry, it is estimated that the country lost Rs.1,60,000 crore revenue<sup>2</sup> at the end of year 2010 by way of exemption of various taxes and the duties. It is to be noted that even the luxury hotels, malls, health clubs and recreation centers are given such exemption. in the SEZs.

It is estimated that the amount of tax exemption is so high that every year the industrialists are given five times the annual amount given under the National Rural Employment Guarantee Scheme. It is adequate to feed 55 million hungry people every day. Besides, the concessions given on import duties both to the investors as well as the developers is so high that it will resulted in huge loss of foreign exchange. The data shows that the amount of exports is found less compared to the exemption of the

<sup>1</sup> [http://www.sacw.net/Nation/sezland\\_eng.pdf](http://www.sacw.net/Nation/sezland_eng.pdf)

<sup>2</sup> The Ministry has also asked for capping the number of SEZs at 100. Finance Minister P. Chidambaram wrote to Cabinet colleagues saying: "SEZs per se will distort land, capital, and labour cost, which will encourage relocation or shifting of industries in clever ways that can't be stopped. This will be further aggravated by the proliferation of a large number of SEZs in and around metros.

taxes. For instance, during the 1992 to 1996, the SEZs exported worth of Rs.13563.87 crore as against the tax/ duties exemption of Rs.16461.58 crore. ([http://www.sacw.net/Nation/sezland\\_eng.pdf](http://www.sacw.net/Nation/sezland_eng.pdf)).

### **Resistance Movements for the protection of rural lives and livelihood**

It is observed that in every corner of the country, the local people are launching the resistance movements on a small and big scale against such development. They have fighting against the native governments and large national and international corporations, around the issues of indiscriminate appropriation of the local natural resources, onslaught on sources of their living and sustenance. In the Southern States one will find the protest held against Coca-Cola in Plachimada, Kerala. The Coca-Cola company is accountable for scarcity of water and environmental degradation in the vicinity area. The agitation was so furious that in March 2004, the local population forced the Coca-Cola to shut down bottling plant. Inspired by Coca-Cola Virudha Samara Samiti, the farmers of Waynad, Kerala- and the • Muthanga forest farmers' have led a struggle against Reliance SEZ in Navi Mumbai. (Frontline). Adivasi Gothra Sabha (AGS) and its leader C K Janu launched a rally for Tribal land rights. Likewise, the local cultivators have protested against land acquisitions for Highway in Karnataka leading from Bangalore to Mysore. The local people belongs to Krishna River fought against the Reliance Company for mining project. Under the banner of the 'Jameen Adhikar Andolan', the Dalits have protested for the preservation of pasture land in Marathawada region, Maharashtra. Similarly, the local people have launched an agitation against Reliance Gas lines in Sindhudurg district of Maharashtra. In Greater Mumbai, the cultivators have struggled against land acquisition by Reliance SEZ in Raigad,

Under the banner of "26 Gaon Bachao Sangharsh Samiti" peasants agitated against the land acquisition for Special Economic Zone, in Raigad. Similarly the Fishermen folk of Umbergaon in South Gujarat have fiercely struggled against the proposed huge port. In Kaladera of Rajasthan, Jay Sangharsh Samiti carried out struggle against the Coca-Cola project. People of Maharashtra and Gujarat opposed over 20 years against The World known Sardar Sarovar irrigation Dam Project under the banner of 'Narmada Bacho Andolan'. The main issues of agitation were included displacement, rehabilitation, justice and damages caused due to mega projects. Similar instances found at Chattisgarh, National Alliance of People's Movements against Privatization of Shivnath river, the Nadi Ghati Sangharsha Samiti by the All India Youth Federation, and the Chhattisgarh Mukti Morcha opposing privatization of river. Shivnath. 26 Kms length River has been sold to 'Radius Water Company'.

It is observed that similar instances happened in other parts all over India. Eg. The people of Kashipur, Gopalpur, Kalinganagar in Odisha have agitated against displacement in Eastern Region. The people of Singur and Nandigram in West Bengal against Nemo SEZs was launched. Adivasi in Jadugoda have struggled against Uranium mining and displacement. The affected population of North-East Region, have been launched over three decades resistance against the construction of the Koel-Karo Hydro-Power Project. Like-wise the local people of Pahladia irrigation Dam in Assam have launched struggle against the forcible eviction from the forests area in Doyang and Tongani, Assam. Similarly the in Manipur at Northern Region fought against the Tipiamukh Multipurpose Hydrel Project, the people of Mehdiganj, near Varanasi of UP resisted against Coca-Cola. The people of Delhi have agitated against privatization of water, The cultivators of Jhajjar, Haryana have struggle against Reliance SEZ. The In Barnala Punjab, the farmers have launched a stir against land acquisition for Trident SEZ.

### **Concluding Remarks**

This new industrial policy aims to make SEZs for speedy financial growth, supported by high slandered of infrastructure, supplement by an striking monetary package with minimum rules. The imminent displacement of thousands of people and livelihoods in the countryside, where these SEZs are slate to come up, shall lead to massive protests. It is worth noting that, while a fact sheet on SEZs on the GoI website, give details of the number of approved and proposed SEZs, their land requirements as well as export and employment potential, there is no mention of the number of people to be displaced by these zones, leave alone how the government intends to attend the issues of displacement. Displacement thus gets pushed to a private arena with compensation, potentially negotiated by the market and without the state's responsibility for rehabilitation. The increasing role

of the state as the promoter of corporate-led economic growth is underlined by the acquisition of land for SEZs and the transfer of ownership of this land to “developers”.

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