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II Seminar on
Special Economic Zones and it's Impact on Agriculture
Synopsis

India was one of the first in Asia to recognize the effectiveness of Export Processing Zone (EPZ) model in promoting exports, with Asia's first EPZ set up in Kandla in 1965. With a view to overcome the shortcomings experienced on account of the multiplicity of controls and clearances; absence of world-class infrastructure, unstable fiscal regime and with a view to attract larger foreign investments in India, the Special Economic Zones (SEZs) Policy was announced in April 2000.

A Special Economic Zone or SEZ is a specially marked territory or enclave within the national borders of a country that has more liberal economic laws than the rest of the country, in which it helps the country's growth by encouraging foreign direct investment and export.

According to special economic zone act 2005, "SEZ is an enclave within a country that is typically duty-free and has different business and commercial laws chiefly to encourage investment and create employment". Apart from generating employment opportunities and promoting investment, SEZs are also created to better administer these areas, thereby increasing the ease of doing business which in turn helping the overall development of the country. With this background the present seminar is conceptualized with the following objectives:

1. To know the concept of Special Economic Zones in India
2. To understand the purpose of the Special Economic Zone in India
3. To understand the impact of Special Economic Zones on agriculture
4. To review the related case studies and research studies

Special Economic Zones in India

Agriculture plays a vital role in India's economy where 54.60 per cent of workforce is engaged in agriculture production and relies upon the income earned from agricultural activities (Anon; 2020). Industrialization in India can help the progress of agriculture, trade transport and all other economic activities. Industrialization is the key to economic commodity development. It will make possible in use of our human and physical resources. As of 31st January 2021; 265 SEZs are operational in the country. About 64 per cent of the SEZs are located in five states – Tamil Nadu, Telangana, Karnataka, Andhra Pradesh and Maharashtra. About 22.84 lakh persons have been employed in the SEZs. In the financial year 2020-21, the exports from SEZs have decreased by about 7.25 per cent when compared to the previous financial year due to lack of proper marketing facilities and decrease in demand caused by pandemic situation all over the world.

Impact of SEZs on agriculture

Even though SEZs have more benefits to the economic development by means of foreign direct investment, export promotion and employment generation it also affect the agriculture in many ways such as:●Fertile land taken by SEZ reduces the cultivable land.●Food

insecurity. ● Small & marginal farmers turn landless. ● Source of livelihood is being snatched by corporate & capitalist. ● Inadequate enforcement of scheme of resettlement cause social destitution. ● It alters the natural resource capital and spoils the cultural identity. ● Downward impact on Tax: GDP ratio leads to loss of public revenue and ● Impact on environment.

Suggestions to overcome the problems of SEZ on agriculture

● Fertile agricultural land should be used only for agricultural purpose. ● Youth should get enriched with importance of agriculture. ● Industrial wastes has to be recycled in an appropriate way. ● SEZ (Special Economic Zone), Thermal Power Plant, for such a large industrial area agricultural land should not be used. ● To stop the migrating farmers small scale business must be nurtured in rural areas, it will enable the farmers with job throughout the year which otherwise will be only on occasional seasons. ● Industries established in rural areas should prefer non-agricultural land.

Review of the research studies

Preethamshetty and Sureshramana (2015) in a study on impact of industrialization on agriculture in Mangalore taluk reported that, 40 per cent of farmers expressed agriculture land has been reduced due to industries followed by 24 per cent were informed due to urbanization agriculture land was decreased and 11 per cent respondents expressed due to lack of irrigation facilities and 10 per cent people blamed on the negligence of the Government are the major causes for the reduction in agricultural land.

Holkar *et al.* (2018) stated that, all the respondents strongly agree, regarding increase in air pollution and increase environment heat. However, 95.84 per cent are agree with minimization in milk production and 92.50 per cent of respondents are agree with area under agriculture decreased. More than two third (68.34 %) of the respondents opined that industrialization has adverse effect on germination and more than three fifth (64.17 %) of them opined that industrialization leads to water contamination which leads to death of fishes and aquatic insects and 64.16 per cent were strongly agree that industrialization has adverse effect on human health.

Conclusion

Special Economic Zones plays very important role in income generation, export promotion and employment generation but also affecting agriculture by land acquisition of cultivable land and migration problems. It would be difficult to produce enough food to feed the population, if industries start to utilize the agriculture lands to construct their plants. The country only be developed if industries act in favor of agriculture and being complementary to each other. The SEZs in India more focused about the IT, manufacture and service oriented, there is a lot of opportunities in agriculture to collaborate with industries and private partnership since India is primarily an agricultural country due concentration must be paid to agriculture development.

References

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