Indian Capitalist Development: An Exploration of Labour Relations in Special Economic Zones

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Introduction:

The conceptualization of Special Economic Zones (SEZs) in India was based on a neo-liberal theorization of industrial growth and development. It was oriented to emulate the development of industry in the advanced capitalist economies, and was inspired by the experience of China, albeit in a removed time and space. India's specific historical experience of colonial de-industrialization and post-independence attempts at state protection as well as liberalized market forces enervated its industrial base.

In effect, the development of capitalist production has strayed from the classical path of the developed capitalist economies in that it did not develop fully its agricultural sector to feed the growth of its industry, but jumped the gun in the expansion of its services sector, that too decades later from the 1980s. This warped process of capitalist development has been the result of a set of factors particular to India that forms a complexity of gears; from the period of colonial rule of the British Empire, but that continue to function in post-independence India.

The process of capitalist development has been instigated with phased liberalization in increasing doses, particularly with the opening of the domestic economy from the 1980s onwards. Over time, and with increased liberalization, the concept of development has lost its socialist connotations and been collapsed with economic growth; economic growth, in turn, has become a 'public purpose' for which social costs are reasoned to be incurred (Levien, 2013). The capitalization of space, in the form of protected enclaves for export production such as SEZs and industrial corridors, has become rhetorical of growth and development in India (Singh, 2012).

The accumulation from the establishment and operation of SEZs derives from the acquisition of land, in the first impulse, and the extraction of surplus from labour, in the production of goods and services. The former is in the form of absolute ground rent, and it is primarily effective in the stages of acquisition of land by the state and the sale of land to private developers; continuing as rent from the utilization of the property by the units. Land is, however, limited. The number of SEZs that were approved and notified, per annum, registered robust numbers and growth of upcoming establishments but soon tapered out to single digits by the early 2010s (Table 1). The acquisition and sale of agricultural land for SEZs has faded from public discourse to the extent that their existence, in form and in operation, is now questioned. Moreover, the status of SEZs as protected enclaves has limited the access and study of the labour engaged in their construction and subsequent activities of manufacturing and services, purportedly for export.

TABLE 1: Notification of SEZs in India by Year

Year	Number of SEZs Notified	Percent of SEZs Notified
2006	49	14.85
2007	97	29.39
2008	61	18.48
2009	57	17.27
2010	23	6.97
2011	18	5.45
2012	9	2.73
2013	11	3.33
2014	5	1.52
Total	330	100

Note: Data as on May 18, 2016.

Source: Verma (n.d.)

TABLE 2: Employment in SEZs in India

Employment	Employment (as on February 2006)	Incremental Employment	Total Employment (as on 31st March 2018)
Central Government SEZs	1,22,236 persons	1,14,035 persons	2,36,271 persons
State/Private SEZs before 2006	12,468 persons	86,571 persons	99,039 persons
Notified SEZs after 2006	0 persons	16,41,906 persons	16,41,906 persons
Total	1,34,704 persons	18,42,512 persons	19,77,216 persons

Note: Data as on July 31, 2018.

Source: Factsheet of SEZs, MoC&I, GoI. Accessed sezindia.nic.in.

After the dealings of land, the scope for exploitation and extraction must be extended to the surplus from labour power. Total employment by SEZs in India, according to the MoC&I, increased from 1.35 lakh people after the enactment of the SEZ Rules in 2006 to 19.77 lakh people in 2018 (Table 2). Mansingh et al (2012), however, report that the additional acquisitions of land were not matched by the incremental employment generated by the operational SEZs. The entry and operations of unions are restricted, by invoking Clause 49 of the Industrial Disputes Act (IDA) but the workers and the unions have persisted with alternate methods of organization (Mansingh et al, 2012). Labour, thus, acquires its significance as the source of surplus value as well as the agents of production which effect any change in the working of the institution.

Industry in Post-Independence India:

India's attempts at industrialization are a core aspect of the interactions between its economy and polity. The first three Five Year Plans drew on the role of the state, but the subsequent Plans freed market forces supported by pricing, financial, and trade policies. Attempts at driving industrialization were made, in multiple phases after the Third FYP, by lessening state intervention and increasing the component of laissez-faire in production. It was a process of phased liberalization exemplified in Export Processing Zones (EPZs) from 1965, delicensing and deregulating in the 1980s, Liberalization-Privatization-Globalization (LPG) reforms in the 1990s, Special Economic Zones (SEZs) from 2000, and industrial corridors from the late 2000s. There was a continuation of the old forms of accumulation with the new forms, as EPZs were converted to SEZs. Further, with the de-notification of numerous SEZs, there were shifts in investment to industrial corridors because of tight labour laws and regulations (Aggarwal, 2004; A Strategy of Corridors, 2014).

In the period covering the first three Five Year Plans, India experienced steady growth in its industrial sector. However, there was a decline in the industrial growth rate beginning from the mid-60s and continuing up till the mid-70s. The First Plan (1950-55) indicated a thin state with negligible state intervention because of the low amount of budgetary allocations at the time of independence. It was essentially a period of free markets that experienced a fall in both Gross Domestic Capital Formation (GDKF) as a percentage of Gross Domestic Product (GDP) as well as of capital stock as a percentage of GDP, both acting as the push factors towards more concrete Plans (Das Gupta, 2017). The Second Plan (1955-60), then, reasoned an increase in public investment and expenditure to resolve the inefficiencies from the state of low employment and demand-constrained markets. The Nehru-Mahalanobis Plan was, thus, implemented with an emphasis on import substitution of heavy industrial goods and consumer goods; based on a strong mass market (Das Gupta, 2017). Steel was accorded special significance as the building block of post-colonial national development, and hence, public-sector steel towns came to represent Nehruvian socialist development (Roy, 2007; Levien, 2013). The steel towns were state spaces wherein land was not only acquired but also owned by public-sector firms; characterizing "a domestically-oriented nationally autonomous growth model" (Levien, 2013, p.385-86). They were fundamentally productive spaces for industrial manufacturing and they generated significant employment opportunities in their sectoral activities (Levien, 2013). Alongside steel towns, industrial estates and areas were also developed for small and medium enterprises, respectively, that sought to achieve balanced regional development in industrially-backward rural areas. They decentralized the power of operations from the central government to the state government but retained their industrial focus on technology rather than deviate to local handicrafts (Levien, 2013). Therefore, the steel towns and industrial areas embodied the dispossession that served the state-driven, productive, and employment-generating form of development; although it remains that "few benefitted from the industrialization that their pauperization subsidized" (Levien, 2013, p. 387). The Third Plan (1960-65) decided to take it a step further by emphasizing on import substitution of capital goods and intermediaries, but too soon too fast.

The decade of the 1960s was a tumultuous one for India as it embarked on the Third Plan, miserably failed, consequently declared three Plan Holidays with annual plans, and pivoted its development strategy to open markets (Das Gupta, 2017). There was also a withdrawal of international aid from the advanced capitalist countries that resulted in a drastic decline of industrial growth rates from 9.3% in 1960-65 to 3.2% in 1965-70; especially since India was largely dependent on the aid for financing its import-substitution. The rupee was devalued and imports were liberalized in order to resume the inflow of international aid and rehabilitate the domestic economy. This, further, served as the impetus for the development of India's first Export Processing Zone (EPZ) in Kandla (Gujarat) in 1965, then in Santa Cruz (Maharashtra) soon after in 1973, and six more in the 1980s and the 1990s; with the objective of developing export-oriented industries and earning foreign exchange to offset the cost of the import-substitution strategy (Aggarwal, 2004; Chibber, 2003; Singh, 2012). Additionally, it was expected to stimulate investment and generate employment while having created an environment for internationally-competitive exports at low costs. All this ultimately resulted in the slowdown of industrial (excluding construction) growth rates from 6.76% in the period of the first three Five Year Plans, 1950-65, to 4.53% in the next decade and half, 1965-80.

However, the industrial sector experienced a remarkable recovery and high growth rates in the 1980s; effected by enhanced government spending, debt-financed expenditure, liberalizing licensing, deregulating capital markets, and borrowing from abroad (Chandrasekhar, 2015). The liberalization of markets also led to the inflow of foreign capital that had hitherto been shunned but now entered profitable investment opportunities with foreign exchange (Chandrasekhar & Ghosh, 2002). EPZs, being characterized as areas with internationally-competitive cheap labour as well as relaxations in taxes and labour laws to exploit the available labour, were increased in number.

> "*Industrial areas also became more outward-looking as the emphasis on attracting outside and foreign investment and promoting exports became more pronounced … The industrial space produced through land dispossession was thus becoming increasingly oriented towards external investments and markets*" (Levien, 2013, p. 392-93).

EPZs in India, although inspired by the economic success of the export-oriented strategies of the East Asian countries, were essentially an experiment in liberalization in the prevailing political regime of licenses and regulation (Aggarwal, 2004; Gopalkrishnan, 2007; Singh, 2012). The EPZs developed by the central government differed from those in the East Asian economies and the SEZs in China in that they remained small in size and attracted more domestic than foreign investment (Aggarwal, 2004; Gopalkrishnan, 2007). In terms of their stated objectives, however, their contribution to exports, employment, and foreign exchange was low (Aggarwal, 2004; Banumathi, 2010; Kundra, 2000). The foreign exchange from the sectoral activities of the EPZs and liberalized capital markets was outstripped by the government expenditure on import of commodities to rein in inflation (Chandrasekhar, 2015). Additionally, the government financed imports of capital equipment, intermediates and components, but not final goods, of non-essential manufactured consumption durables, by debt-financed expenditure and borrowings from abroad (Chandrasekhar, 2015).

Cumulatively, the State's economic activities resulted in a widening of the current account deficit and a doubling of the external debt-GDP ratio; the consequence of which was the precipitation of the balance of payments (BOP) crisis in 1991. Due to the crisis, the government sought emergency financial assistance from the International Monetary Fund (IMF) which was provided with the dual condition that India liberalize its policies and regulations relating to trade, Foreign Direct Investment (FDI), and portfolio investments as well as actuate a process of fiscal consolidation and reform to curb its deficit (Chandrasekhar, 2015). The neo-liberal economic reforms in 1991 reduced the role of the state and instigated a process of fierce competition between states for private investment, unleashing characteristics of market agents in government agencies (Chandrasekhar & Ghosh, 2002; Sharma, 2009; Singh, 2012).

With the progression of liberalization, there was a mutation in the spatial form of industry from the developmentalist regime of dispossession, as embodied in EPZs, to a regime of dispossession for private profits, in the form of SEZs (Levien, 2013, p. 395). Aggarwal (2004, 2005) explains that SEZs were essentially borne out of the lessons from the experiment with EPZs; with enhanced emphasis on liberalization of FDI, greater fiscal incentives and facilities, and looser labour laws. Hence, the aspects of development and operation of industrial areas were privatized and the State increasingly acquired land for any economic activity that yielded a higher value land use than agriculture; no matter whether unproductive, speculative, or consumptive (Levien, 2013). There was also a shift from the promotion of productive labour-intensive manufacturing, as alluded to in the hegemonic view of development, to attracting external investment and promoting exports.

The Idea of Special Economic Zones (SEZs):

Manufacturing for the domestic market, externalizing the internal market through import substitution, and gradual liberalization acquires greater significance than export promotion in a developing economy, such as India (Nayyar, 1994). This is not to undermine the importance of export promotion but to argue that a balance must be struck between the two so as to 'be walking on two legs' (Chinese Proverb). The liberalization of market forces after the 3rd Five-Year Plan, with the operation of EPZs from 1965, signalled the thrust by the state for capitalist industry. This was further driven by the neo-liberal economic policies of 1991; soon followed by the formulation of SEZs and industrial corridors, less than a decade after. SEZs, in India, signify the concept of 'liberalized peripheries' in terms of their liberal economic incentives and their informal production relations (Levien, 2012; Verma, 2015). Further, they were conceptualized precisely for the primary purpose of export promotion without a parallel and complementary institution for import-substituting production.

The Special Economic Zones (SEZs) Act was enacted by the Government of India on 23rd June, 2005 "to provide for the establishment, development and management of the Special Economic Zones for the promotion of exports and for matters connected therewith or incidental thereto" (p.1).

SEZs were conceptualized post the Second World War with the objective of attracting foreign capital and generating employment (Kennard & Provost, 2016; Singh, 2012). The trend caught on in the 1980s and the 1990s with more than half of the countries in the world establishing SEZs in the last couple of decades; from Ireland to South Korea, Burma to Cuba (Kennard & Provost, 2016). There are currently over 3000 SEZs which employ above 6 million people, mostly young migrant women, that function on incentivized tax and tariff breaks as well as cheap land, water, electricity, and most importantly, labour (International Labour Organization (ILO) cited in Kennard & Provost, 2016).

China established its first SEZ in 1980 with robust policies to attract foreign capital, trigger export-oriented production, and catalyse market-driven activity. In the near 40 years to 2018, it expanded its operations to 7 SEZs which includes the entire island province of Hainan. Since 1984, China has also opened several coastal cities and inland areas through ports and river routes to foreign investments in order to stimulate the import of technology and production for export. Together with its industrial clusters, the SEZs account for about 22 percent of China's GDP, about 46 percent of FDI, about 60 percent of exports, and they have generated over 30 million employment opportunities (Zeng, 2011).

Inspired by China, in an attempt to emulate its industrial growth, India declared its intention to establish SEZs in 2000 with the political and economic thrust of the SEZ Act coming in 2005. However, in the immediate years after the announcement of the plan in 2000 by the National Democratic Alliance (NDA)-formed Government of India, the development of SEZs was inhibited by movements against land acquisition – both politically by the opposition and socially by activist groups (Aggarwal, 2004). 18 Greenfield SEZ projects had been notified but only 1, in Indore, was on track to be operational. A few others were also progressing, albeit slowly, with the Gopalpur SEZ projected to attain financial closure by 2004 and 3 other 'fast-tracked' SEZs by 2006 (Special Economic Zones, 2003).

The Exim Policy of 2002-07 was implemented by the NDA, as the Union Government of India, in an attempt to sharpen incentives for Special Economic Zones (SEZs) and, further, to attract FDI to these Zones (Jenkins et al, 2015). A bundle of incentives was developed, apart from those by the state governments, which included, but were not limited to, the following (Special Economic Zones, 2003):

(1) Sales of commodities from domestic tariff areas to SEZs to be counted as exports which entitle the domestic suppliers to duty drawback and duty entitlement pass book schemes. (2) Sales by SEZs to domestic areas to be exempt from the additional customs duty of 4 percent and also exempt from the 1-year time period for filing remittance of export proceeds. (3) Passengers travelling out of the country to be allowed to carry commodities from nationally-located SEZs in order to promote trade.

Around this time, the government also converted several erstwhile EPZs to enhance the number of SEZs; indicating the persistent lack of activity in the 'free market'. It was, thus, that the need for an Act that provided, legally, for SEZ units arose and was eventually passed in 2005 by the United Progressive Alliance (UPA) – as the Union Government of India.

Analyses of Institution and Operation of SEZs:

Sharma (2009) argues that SEZs are being justified not only for the purported expansion of exports but also as an engine of growth and employment. This opens a can of worms. A spike in exports in SEZs, 95 percent of investment and 60 percent of employment was registered after the implementation of the SEZ Rules in 2006 (Sheel, A. in Sharma, 2009). However, Special Economic Zones (2003) argued that, on the basis of the emerging trends at the time, there would be a diversification in the export basket as well as in the export destinations albeit alongside a continued dominance of low-technology goods in the traded volume. This can be interpreted as an accurate prediction of the increased global consumerism as well as the embedded position of India at the lower rungs of the global value chains (GVCs) with the liberalization of the economy in 1991. The investment was also largely private domestic investment and the employment, though it initially increased, eventually tapered to less than proportionate increases with additional acquisitions of land (Mansingh et al, 2012).

The period from the 1950s was essentially characterized by 'land for production', in the form of steel towns and industrial estates, whereas the period from the 1990s developed 'land for the market', in the form of SEZs. The State acquired, owned, and managed the land for industrial production and infrastructural development, before the neo-liberal economic reforms, in its propagation of balanced regional development and manufacturing activities in rural regions.

The industrial areas, estates, and townships had housing and real estate as a secondary component of their space. In contrast, SEZs were, and continue to be, operationalized for the primary objective of developing residential and commercial complexes in order to extract absolute ground rent (Jenkins et al, 2015). Moreover, although the State acquires the land, corporate developers eventually own and manage the land as well as the accruing rent; it contributes to private profits (Jenkins et al, 2015).

Evidently, only a few private SEZs are operated by a single industrial manufacturer to take advantage of tax breaks, while most are developed by real estate companies or real estate subsidiaries of large domestic corporations whose objective is to turn farmland into housing and commercial complexes (Jenkins et al, 2015; Levien, 2013). Moreover, SEZs are largely being located on the rural periphery of metropolitan centres with booming real estate markets; about two-thirds of the zones are developed for IT/ITES, which implies the construction of office buildings as real estate, that are then adjoined by luxury housing and shopping complexes, which taps into the expanding area and populace of the metropolitan city (Anand & Sami, 2016; Jenkins et al, 2015, Levien, 2013).

There is, thus, a shift from capitalist production to a production of capitalist space from the dispossession of the acquired land for the SEZs (Lefebvre, 1991). SEZs in India allow 100% FDI in both their development and productive units, but almost all are developed and operated by Indian companies; indicating “their privatization rather than foreignization of space” (Levien, 2013, p. 397). The maturing domestic capitalist class has been financing its protected enclaves by internal accruals and domestic bank loans, and further availing the inexpensive land acquisitions and tax holidays.

With the SEZ Act of 2005, the Ministry of Finance projected a loss of about Rs. 1,75,000 crores in direct taxes, custom duties, and excise duties over the subsequent five years due to the increased activity of corporations in establishing SEZs and claiming the benefits of trade and tariff incentives (SEZ Frenzy, 2006). This was considered a plausible estimate since not only income and corporation taxes along with customs, excise, and state sales taxes were to be waived but also the minimum alternate tax from exporters and developers (SEZ Frenzy, 2006).

A Performance Audit Report was tabled by the Comptroller and Auditor General of India on 28th November, 2014 in the Parliament in which it was stated that the tax exemptions availed by the operational SEZs amounted to Rs. 83,100 crores. This led Upadhyaya (2015) to examine the utilization, the de-notification, and the idleness of the acquired land. First, the incidence of

IT/ITES SEZs is noted to be significantly higher, with 56.6% approvals and 60% operational, than multi-product SEZs which are relatively more labour and capital intensive, at 9.6% approvals and 8.6% operational (Upadhyaya, 2015). Upadhyaya (2015) argues that the high incidence of IT/ITES SEZs can be explained by the tendency of the units to shift from their status of Software Technology Park (STP) to SEZ when the tax exemption period had expired in the previous scheme. Second, of the 45,636 hectares of total land that was notified for SEZs, 39,246 hectares were in the six states of Gujarat, Maharashtra, Karnataka, Andhra Pradesh, Odisha, and West Bengal, but the operations for the ‘public purpose’ of SEZs had commenced in only 62.42% or 28,488 hectares (Upadhyaya, 2015). Upadhyaya (2015) further reports that 5400 hectares of 52 SEZs in the mentioned states were initially acquired for the development of SEZs but were subsequently de-notified. In this statistic, 100% of land sanctioned to 35 developers was de-notified; enabling them to use or sell the sanctioned land for commercial purposes (Upadhyaya, 2015). Third, much of the land also remains idle with 31,886 hectares in 424 SEZs not having been put to any use (Upadhyaya, 2015). Of these, 54 units had been approved and sanctioned in 2006, almost immediately after the enactment of the SEZ Act. The seven states which recorded the highest figures of idle land were West Bengal (96.34%), Odisha (96.58%), Maharashtra (70.05%), Karnataka (56.72%), Tamil Nadu (49.02%), Andhra Pradesh (48.29%), and Gujarat (47.45%). Further, as a point in the Act, 50% of the sanctioned area is required to be utilized as a ‘processing area’ which is essentially for generating positive net foreign exchange through exports. Upadhyaya (2015) shows that there was a shortfall with only 16.29% of the total of 4815 hectares in 18 SEZs were being utilized as a processing area.

SEZ Frenzy (2006) observed that the attempts by India at promoting industrial investment and growth through EPZs and other export-oriented units, like China, had been futile, in the more than three decades up to the SEZ Act of 2005, precisely because of the absence of the political and economic conditions of the power of decision-making concentrated in a strong central government. Most SEZs, post 2005, are connected with IT/ITES and are concentrated along select corridors around the urban centres of Delhi, Mumbai, Hyderabad etc. (Anand & Sami, 2016; Jenkins et al, 2015, Mukhopadhyay, P. in Sharma, 2009). They are relatively small in area, but large in number, and employ skilled workers.

Hence, two lessons from the Chinese experience can further be gleaned that India did not follow, according to SEZ Frenzy (2006). First is that an SEZ must be of an adequate size in order to capitalize on increasing returns in large-scale operations. China maintained the size of its SEZs at over 1000 hectares whereas, in India, small ITES units of less than 10 hectares can also file for SEZ status. Second is that the number of SEZs must be few. China restricted the number of its SEZs to seven, in 2018, whereas 150 zones were approved and 250 were awaiting their approval in the immediate year after the SEZ Act of 2005 in India.

However, it can be reasoned that the higher incidence of IT/ITES, rather than manufacturing activities, in the Indian SEZs require lesser space and, hence, are adjusted in multi-storied buildings to offer technological support services. Also, the size and number of the fragmented land acquisitions for SEZs is also contingent on the reception or the resistance of the opposition and the people (Jenkins et al, 2015).

There is now a marked de-notification of SEZs and a subsequent shift of its related developmental activities from ‘public purpose’ to ‘commercial purpose’.

TABLE 3: Number of De-notified SEZs by Year

Financial Year	Number of SEZs Approved for Denotification/Cancellation of Approval
2008-09	1
2009-10	24
2010-11	24
2011-12	28
2012-13	18
2013-14	14
2014-15	15
Total	124

Source: Nirmala Sitharaman, Rajya Sabha, Starred Question No. 68.

There was a spike in requests and approvals for de-notification in 2011-12 – 28 de-notified SEZs – largely because of the expiry of the five-year period of the 50% tax holiday (SEZ Act, 2005). Then, 81 SEZs were cleared for de-notification by the BoA, in 2017, on claims of economic slowdown, poor market response, lack of demand for SEZ space, and changes in the fiscal incentive regimes (Board of Approval Clears De-notification of 81 SEZs, 2017). Earlier in 2016, the union government mandated that SEZs and export-oriented units (EOUs) must also file the Minimum Alternate Tax (MAT) and the Dividend Distribution Tax (DDT);

amounting to a change in the fiscal incentives. The MAT was introduced in 2012 and was increased to 18.5% on the book profits, plus surcharge and cess, of the SEZ and its developers, but without a sunset date. However, the union government amended the mandate to set the sunset date in 2016 which became the fiscal bone of contention between the Finance Ministry and the Commerce Ministry that proposed to review and revert. There is, therefore, a flight of private investment in constant search of lucrative profits that feeds off from the 'fight to the bottom' by the state governments and their related fiscal facilities.

Labour and Resistance in SEZs:

> "*Overall, the SEZ debacle has generated great concern within the state and capitalist class that farmers will be the biggest obstacle to India's emergence as a world-class economic power…*" (Levien, 2013, p. 398).

The resistance by farmers against the forcible acquisition of land by the government for corporate developers of SEZs achieved a limit of 5000 hectares to their maximum size and an increase in the required processing area from 35% to 50%. An announcement was also made in 2007, by the union government, that there would be no approval to SEZs for which agricultural land had been forcibly acquired.

The implementation of the SEZ Act, in June 2005, further led to a general one-day strike by trade unions to bolster a general list of Charter of Demands on 29th September, 2005, wherein a demand was made to "strengthen inspection and enforcement machinery to ensure strict implementation of all labour laws including statutory minimum wages in all sectors including SEZs and EPZs … no pro-employer changes in labour laws in the name of flexibility" (General Strike: Reflection of Working Class Power). However, not much has been articulated about labour engaged in operational SEZs, in specific or explicit terms, because of the insidious regime that does not strip labour of its rights but rather reorients the rules to cause a disproportionate effect (Singh, 2012).

The objectives of the SEZ Act are comprehended to be – (i) the generation of additional economic activity; (ii) the promotion of exports of goods and services; (iii) the promotion of investment from domestic and foreign sources; (iv) the creation of employment opportunities; and (v) the development of infrastructure facilities. Chakraborty et al (2017) evaluate the flow of FDI in 16 states over 14 years in accordance with the state's SEZ policy, and argue that the enactment and operation of SEZs has significantly induced greater FDI flow. Hence, liberal policies for SEZs need to be implemented, and sooner, by states to avail the higher FDI flow (Chakraborty et al, 2017). However, Mansingh et al (2012) indicated the context of the increased exports and FDI, and also emphasized the wages, working conditions, and restricted union activity of the labour in the SEZs. The increase in employment, even taking low-skilled and restricted, did not increase in proportion to the additional land parcels that were acquired for export-oriented activity and FDI (Mansingh et al, 2012).

Specifically, in the Act, Singh (2012) points out the emphasis on 'single window approvals' and self-certification as the dominant mode of transmitting information to simplify compliance procedures and documentation. The labour laws governing labour relations in SEZs are stated to be outside the purview of alteration; otherwise provided in Section 49 of the Act (Singh, 2012). Hence, although individual states are empowered to modify the Act and related fiscal laws, rules and regulations, the provision does not extend to the set of labour laws, rules, regulations, and orders related to labour matters (Singh, 2012). However, there is a loophole that allows state governments to implement modifications by notifications and other administrative means (Singh, 2012).

Administratively, there is a Board of Approval, at the apex, which approves of a proposed SEZ, and then there is an Approval Committee for each approved SEZ which approves of its units and activities. A Development Commissioner is assigned the duties and responsibilities of the ex-officio chairperson of the Approval Committee which, on a close reading, is noticed to be delegated enormous power (Singh, 2012). The power of implementation of labour laws, typically deputized to the Labour Commissioner, is officially transferred to the SEZ's Development Commissioner which results in a conflict of interest in the office; simultaneously having to attract investments from private developers and maintain standards of wages and working conditions for the labourers (Mansingh et al, 2012; Singh, 2012).

Another device that is utilized to mitigate labour laws is a provision in the Industrial Disputes Act (IDA) that enables the state governments to account all economic activity in SEZs as 'public utility service'. The provision effectively curtails the ability of workers to unionize and strike; lowering their bargaining strength (Mansingh et al, 2012; Singh, 2012).

In the Shenzhen SEZ in China, the workers are controlled by the 'dormitory labour regime' that ties accommodation with employment; effectively collapsing the space for work and for rest into one area (Pun, 2004; Smith & Pun, 2003). The arrangement, in turn, accords power to the developer to control the non-working time of the workers and their scope to scout for alternate employment (Chan, 2008; Pun, 2004). Moreover, it results in a situation in which the workers cannot organize themselves, and hence, are trapped in the exploitative situation (Smith & Pun, 2003). In SEZs in India, Singh (2012) argues the many complaints are against terrible working conditions as also low wages. Interestingly, a commonality of multi-product manufacturing SEZs across countries is the higher employment of women as workers for the reason that "[…] females possess the nimble fingers and patience with routine tasks required by the labor-intensive processes generally occurring in the zones and that they are also less likely than males to strike or disrupt production in other ways" (Asian Economic Integration Report, 2015 cited in Kennard & Provost, 2016).

Pun (2004) studied the Shenzhen SEZ that was the first to be established in China in 1980, with a case study. The globalization of Shenzhen was essentially driven by the 'cheap and compliant' migrant women workers from the rural provinces; more than 90% of the total labour force in the plants, for garments and for electronics, were young rural women under the age of 25 (Pun, 2004). The wages for the work of manufacturing and production were low but accepted by the women workers because of the migration cycle, patriarchal culture, and the gaping divide between living and wages in rural and urban areas (Pun, 2004).

Mansingh et al (2012) conducted a study on SEZs in India and similarly found a preference for women workers in multi-product zones. The proportion of women in the labour force of all operational SEZs, of which a majority are IT/ITES, is much lower; indicating that the preference is specific to multi-product SEZs. Women represented 37% of the total workforce in the multi-product EPZ-converted SEZs, in 2008, and the figure was an underestimation since most women workers were casual or contract workers, and hence, not recorded on the rolls (Mansingh et al, 2012).

Conclusion:

In terms of employment, SEZs encapsulate organized and unorganized, formal and informal, as well as permanent and contractual labour. There has been a continuation of contracted labour employment and ensuing labour relations, through the regimes of EPZs to SEZs, in the larger context of capitalist development of India. The Planning Commission, in 2011, reported informal employment at 91.15% of total employment in 1999-2000 which increased to 92.82%

in 2009-10. Taking into account that informal employment occurs in both the organized and the unorganized sectors, informal labour in the organized sector increased from 37.67% in 1999-2000 to 58.20% in 2009-10. Attempts at organization and unionization by the workers have largely been thwarted by the developers and the capitalists, but in their stead, alternate mechanisms have sprung in SEZs, such as in Bangladesh (Murayama & Yokota, 2009). Mansingh et al (2012) recorded the challenges encountered by the unions, encapsulating restricted entry into SEZs, denial of registration, and de-notification and disappearance of units. Some unions have managed to establish solidarity with each other in the same area and organize the labour outside the protected premises of SEZs while also having built supportive relations with the locals (Mansingh et al, 2012).

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