

A Decade of SEZs Expansion in India – Promises and Paradoxes

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Abstract

This paper attempts to evaluate the trajectories of Indian Special Economic Zones (SEZs) policy and its performance. Specifically, we try to locate: (a) whether the current SEZ policy merely represents old wine in new bottle or there are any new functionalities; (b) how far, operational SEZs meet the expectations of policy makers; (c) are there any basic loopholes still not addressed in the current SEZ policy and if any, how best it can be addressed in the future. The results of the study reveal that, Indian SEZs have failed not only in the idea behind its formulation but also at execution of the policy. Performance analysis of these enclaves reveals a very ambiguous inference. Although in absolute terms, its performance seems quite promising, however, it is quite ineffective in diversifying exports basket and contributing little to promote strong industrial base.