

SPECIAL ECONOMIC ZONES OF RAJASTHAN: A CASE STUDY OF SITAPURA SPECIAL ECONOMIC ZONE AND MAHINDRA WORLD CITY

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ABSTRACT

Special economic zone or SEZ refers to a totally commercial area specially established for the promotion foreign trade. A Special Economic Zone (SEZ) is a geographical region that has economic laws more liberal than a country's typical economic laws. The government of Rajasthan has planned up for the establishment of Rajasthan special economic zone in order to originate a nontaxable territory in the state, which will be treated as a foreign territory. The primary aim behind the establishment of the SEZ in Rajasthan is to formulate an absolutely tax free operation in industrial, service, and trade sector which will delineate more liberal policies in terms of the levies, foreign investments, and other transactions. There will be no domestic regulations, infrastructure insufficiency, and other confinements in the special economic zone of Rajasthan. This study undertakes detail of data analysis of the survey of 90 companies from the population of 150 companies of the special economic zones including Sitapura and Mahindra World City. The result of multiple regressions shows association between dependent variable integral development and independent factors like employment generation and export promotion are pretty significant as the beta value are 1.055 and 0.213 and p-value is less than 0.05 level. Whereas, independent factor i.e. economic profile/growth did not explain the variation in integral development of Rajasthan.

KEYWORDS: *Special Economic Zones, Export Processing Zones, Export Promotion, Employment.*

Introduction

According to World Bank and the United Nations Industrial Development Organization "Special Economic Zone (SEZ) or Export Processing Zone (EPZ) is an industrial area that constitutes an enclave with regard to customs tariffs and the commercial code in force in the host country and are intended to provide an internationally competitive duty-free environment and quality infrastructure for the promotion of exports at a low cost". Special economic zone or SEZ refers to a totally commercial area specially established for the promotion foreign trade. A Special Economic Zone (SEZ) is a geographical region that has economic laws more liberal than a country's typical economic laws. In other words SEZs are specifically delineated enclaves treated as foreign territory for the purpose of industrial, service and trade operations, with relaxation in customs duties and a more liberal regime in respect of other levies, foreign investments and other transactions.

Evolution of Special Economic Zones in India

In this era of globalization, export promotion is seen as an important policy measure for achieving economic growth in many developing economies, and India is no exception. India initiated the process of industrial growth in 1948, immediately after independence, when it announced the Industrial Policy Resolution (IPR). As a part of the IPR based strategy, import substitution oriented industrialization was perceived as an important objective of economic growth. Export promotion has been one of the primary concerns of the government, when Jawaharlal Nehru, then Prime Minister announced the setting up of the

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