

COMMENT

## FOREIGN ENCLAVES

THE UNION AND STATE GOVERNMENTS have given green light to the establishment of about 25 Special Economic Zones by private players. Of these the Haldia one in West Bengal by the notorious Salem Group of Indonesia has created a lot of controversies in recent weeks. The immediate purpose is to give a big push to exports. These Special Zones will be treated as foreign territory insofar as economic regulations are concerned. Indian domestic economy is allegedly plagued by laws relating to labour, environment, small industries, foreign investment and Pan-chayati Raj which raise the cost of production and price Indian manufacturers out of the global markets. These laws will not be applicable in the Special Zones. Industrialists will be free to pay lower-than-minimum wages to the employees. In truth these Zones are being created to circumvent the pro-poor laws applicable in the domestic area. Colonial era is back under the guise of SEZ. But toilers had to fight and make enormous sacrifice for several decades to earn some social security and minimum wages in the form of laws. In all fairness trade union movement will not be allowed in SEZ. No trade union rights for wage-slaves of SEZ!

It is likely that the sweep of these Special Zones will be expanded in times to come. The experience of Insurance companies is relevant here. Initially only 25% foreign equity was allowed. But gradually that was expanded. Similarly, the government signed the WTO agreement in 1995 arguing that free trade will provide opportunities to Indian farmers to sell their produce in the developed countries. But later, the same accession was held to be the reason for amending out Patent and Copyright laws. That enabled Microsoft to sell Windows software at exorbitant prices. The government often surreptitiously introduces reforms the full meaning of which becomes clear after some time. It is possible, therefore, that industries located in these Special Zones may be allowed to sell part of their production in the domestic area later to come thereby nullifying the labour and other laws across the country.

No doubt those whose land is acquired for the creation of these colonial protectorates are more affected. They lose their means of livelihood. Thus social activists are demanding jobs for the affected families or establishment of these Zones on uncultivated and barren lands. But this opposition will not be successful. Industries have to be located close to transport corridors and in locations where water and sewage facilities are available. They say the loss of agricultural production will be small in comparison to the gains by the industry. But this is also questionable. Experience of landlosers in most industrial hubs is pathetic. 

[Contributed]

