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## SOCIO - ECONOMIC IMPLICATIONS OF SEZs - A STUDY OF KAKINADA SEZ IN ANDHRA PRADESH



Sadu Rajesh

Lecturer in Economic, University Arts & Science College, Kakatiya University, Warangal-A.P

**Abs tract:**-This paper explores the various policies taken by the governments for the development of the nation obviously affects the people. SEZ policies are for the name of development of the country. This SEZ policy created an economic, political and social impact in rural villages in India as well as in Andhra Pradesh. This paper main objective to analyze the emergence of SEZs in India as well as Andhra Pradesh, this paper also study the socio economic profile of the Kakinada SEZ and examine the Land acquisition process and problems, R&R policy. The findings of the paper SEZs is creating many hardships in the lives of rural people in Kakinada SEZ in Andhra Pradesh.

**Keyw ords:**Development, SEZs, Socio, Economic.

### INTRODUCTION

More than a decade of opening of India, the Special Economic Zone (SEZ), probably has become the most controversial economic reforms announced in recent time. While some consider it as India's supersonic engine of growth, others severely criticize it as the latest land grab instrument in the hands of the industrialists. Serious discourses on models of development, displacement and rehabilitation, employment generation, foreign investment, primacy of industry over agriculture are being raised in justification as well as against the whole concept of SEZ (Lakshmi, 2009). The state of Andhra Pradesh has occupied second position in setting of SEZs in our country. Particularly private giant firms like Reliance, ONGC, DLF, and Nokia are establishment SEZs. In fact approval board has given formal approvals 109 zones, 78 notified, 6 in-principle Zones (Ministry of Commerce & industry, GOI, 2013) in Andhra Pradesh.

How is the development? Who takes the benefit things from the development? Who needs the development? How do we achieve the development? Our government new development process clearly gives the answer for the above questions. Development here means to establish rich hotels, Cinema Theater, Townships, Hub, and Pubs in the place of small villages, which are giving food to the people. We can say this change is going to help rich people, may be this is the Government view on development. The Government 'New Economic Policies' aimed at grabbing the land forcibly from small and marginal formers. The Development is meant for create the foreign states for the foreign currency in the lacks of acres of the country, for this, the government has chosen the Special Economic Zones (SEZs).

### METHODOLOGY

The data was collected for primary and secondary source. The primary data was collected based on a survey of 60 households. The survey was conducted Kakinada SEZ in

East Godavari district of Andhra Pradesh. The secondary data was collected from various research journals, articles on independent researchers, Commerce and Ministry of India, APIIC.

### OBJECTIVES

- (i) To analyze the emergence of SEZs in India as well as Andhra Pradesh.
- (ii) To study the socio economic profile of the Kakinada SEZ.
- (iii) To examine the Land acquisition process and problems, R&R policy in KSEZ.

### A STUDY KAKINADA SEZ

A SEZ were proposed to be started at Kakinada in Andhra Pradesh. But from the early stages of setting up the SEZ, there had been a militant struggle almost similar to Nandigram struggle in West Bengal. Though it did not attract as much attention as Nandigram struggle, one has reckoned that it could be one of the bitter struggles waged against the formation of the SEZ at Kakinada in Andhra Pradesh. One has to understand the background for the struggle against SEZ at Kakinada. All the lands here are very fertile where 3 crops are raised in an year. Besides growing staple crop like paddy, commercial crops like sugar cane, coconut are also grown extensively in this area.

On 11th October 2005, an announcement had been made that a SEZ will be set up near Kakinada and by Dec. 29, 2005 a notification came in the news papers about land acquisition. Initially the Kakinada SEZ proposed a very ambitions programme as the authorities wanted to acquire 3778 acres from Kakinada rural, 4,946 acres from U. Kothhapally, and 368 acres from Samaralakota mandals. But as lands to be acquired from Kakinada rural as well as Samaralakota mandal belonged to some powerful politician as well as real-estate dealers, they could change the whole plan and land acquisition was confined to Thondangi and

U.Kothhapally mandals only.

A public sector company like ONGC has come forward to setup a refinery at this place with an investment of Rs. 75,000 crores. As the Central government did not give the clearance the ONGC could not setup a refinery here. In the proposed SEZ people from 16 villages are likely to loose their livelihoods and the villagers are to become to almost destitute.

In the SEZ beginning, land acquisition was limited to 9869 acres only. The SEZ Developer and his followers along with revenue officials had gone to different villages and could exert pressure on different households by saying that if they will not surrender their lands they would be subjected to economic hardships. The target for the lands acquisition had been raised to 12500 acres and currently the limit has been further raised to 13500 acres.

As per respondents view the method followed for acquiring land had been a faulty one. For every acre MRO & RDO and village secretaries would pay off only Rs. 3 lakh per acre. If some of them are not willing to sell their lands at that price, they would be getting only Rs 1, 50,000 which is the rate fixed by government and if they are not satisfied with that rate they can approach the court for getting a better compensation. In certain cases, they have played a technique by saying that your neighbours have sold the land and got a higher amount and you can get also that much amount and cajoled the farmers in this way. They got the right over the land by pressuring the farmer in the name of the developer. As their neighbours sold away their land, it would be difficult for the other farmers to continue with cultivation and by this process forcefully they have to come out, to sign on the sale deeds. For that, they must try to state that these lands are not fertile as well as stating that only 1 crop can be raised and the developer had been signing on the statement that the land was suitable only for raising one crop. The reason for the developers action is after the signed statement by the farmer the agreement can be entered for the purchase of land at a below par rate as it is stated that it is only one cropped land.

All these lands are cultivated with irrigation facilities from Eluru and PBC of Dhavaleswaram. Every year normally 3 crops can be raised and on each acre Rs. 30-40 lakhs worth of paddy will be available in the open market. Before the formation of the SEZ an acre was commanding Rs.7 to Rs.8 lakhs. Besides paddy cultivation, sarugudu plantation had been grown and their wood would yield Rs. 1,50,000 in three years, besides the seed trying to fetch Rs. 3 lakh per acre for year. Even other plantations like Sapota, Jeedi mamadi, also would give Rs 30 to 40 thousands per acre, whereas coconut plantation would give Rs. 50,000 per year. All these plantations are grown in sandy soils where water facility is not available. But the other lands are very good irrigation facilities. For instance, the lands under Thondangi mandal are cultivated under Ayakattu of a big tank at Mallavarum and also 3 tanks at A. V. Nagar supply water for their lands. The total acreage under all these lands is 45,000. Thus all these lands were fertile, but the developer had actually pressurized the farmers that their lands grow only one crop per year. As the farmer came to realize that deceitful methods had been applied to take over their land forcefully, they started agitating against the formation of

SEZ as well as the land acquisition programme in their area.

## SOCIO-ECONOMIC PROFILE

**Table-1**  
**Caste Particulars of the Sample Respondents**

Caste Particulars	Respondents	Percentages
B.C	31	51.67
S.C	24	40.00
S.T	0	0
O.C	05	08.33
Total	60	100.0

Source: Field study

Table-1 shows that the caste particulars of the selected SEZ area. In the case of Kakinada SEZ B.C's 51.67 percent of the respondents, S.C's 40 percent and O.C the least percent i.e. 8.33 percent in the KSEZ. The highest percent of backward community affected in the selected SEZ area.

**Table-2**  
**Occupation of the Sample Respondents**

Occupation Particulars	Respondents	Percentage
Agriculture	48	80.00
Agriculture Labour	07	11.67
Fishing	05	08.33
Total	60	100.00

Source: Field study

The occupation particulars of the respondents as shown in Table- 2 indicates that of the total number of respondents, 80 per cent belong to agriculture, 11.67 per cent to agricultural labour and the remaining, 8.33 per cent are fishing, The predominance of those whole belong to agriculture can be seen at Kakinada SEZ area.

**Table-3**  
**Extent of Land to the SEZ**

Extent of Land (in acres)	Respondents	Percentage
0.5	02	03.33
0.8	11	18.33
1	03	05.00
1.5	19	31.67
2	02	03.33
2.5	09	15.00
3	01	01.67
3.5	03	05.00
4	03	05.00
4.5	02	03.33
5	05	08.34
Total	60	100.00

Source: Field study

Table-3 shows the extent of agricultural land surrendered by the respondents as per their size classes. In Kakinad SEZ area it can be seen 2, 11, 3, and 19 surrendering 0.5, 0.8, 1, and 1.5 acres respectively. Thus a majority of the respondents are those who were possessing 1.5 acre, while 9 had lost 2.5 acres respectively.

**Table-4**  
**Compensation Paid Per Acre of Land in KSEZ**

Compensation per acre (Rs)	Respondents	Percentages
10000-20000	03	20.00
20000-50000	03	20.00
50000-1 Lakh	04	06.67
1 lakh- 3 lakhs	46	76.67
Above 3 lakhs	04	06.66
Total	60	100.00

Source: Field study

Table-4 indicates the compensation paid per acre of land in Kakinada SEZ. The compensation of land per acre is varied from 10,000 per acre to 3 lakhs per acre. Of the total 60 respondents who received compensation, 20 percent received compensation in the range of Rs 10,000-20,000 per acre of land. In other ranges such as Rs. 20,000-50,000, Rs. 50,000-1 Lakh, 20, 6.67 percent of the respondents respectively. In KSEZ high percent of respondents received the compensation amount only between Rs.1-3 lakhs.

**Rehabilitation Package**

- 1.Compensation will be paid for those who lost their houses by R&B authorities.
- 2.The site value, besides the constructed house value will also be taken into account.
- 3.All those who are vacating their villages will be resettled in the Rehabilitation colonies.
- 4.Instead of paying compensation for the construction of households in the rehabilitation colonies, the authorities themselves would built houses on 4 cents of land with an expenditure of Rs 1 lakh.
- 5.Cards will be given to the people settling in rehabilitation centers classifying them under various categories. They are a) those who lost their lands b) those who lost their houses those who lost their land as well as their houses d) those who lost their possessions.
- 6.Payment of wage at the rate of Rs 106 per a day for 65 days to agricultural and non-agriculture labour households.
- 7.Payment of Rs 106 per day for 240 days as a lumpsum amount for those who lost their houses.

All these measures are to be provided under the rehabilitation package as per the collector declaration. In view of rehabilitating people 1500 houses have been constructed in the rehabilitation colony at Mulapet. Currently only 60 families are residing in this rehabilitation colony. The people residing at rehabilitation centers are not at all happy with their present conditions as they are of the opinion that the space allotted under the house is found to be inadequate for the living of all their family members together. Besides they don't have earlier freedom that they enjoyed in the villages and they are hopeful of getting employment in the factory which has also not materialized as no factory has been established in the SEZ area.

**CONCLUSION:**

The people of agriculture and the families from the rural communities based on agriculture suffered a lot because of the displacements by the SEZ's. The roller of the SEZ destroyed the village's economic basis and has taken the farmers lives mercilessly. There is a dangerous centurions plot behind the building of SEZs and there are many Multinational companies investments, National investors, Real Estate businessmen and new brokers as developers behind this process (Ahmed Rafi, 2008). Though the democrats and intellectuals are warning that the erstwhile East India Company ruling resembling in SEZs policy. The Kakinda SEZ farmers are getting suicides, their wife's and

children are in grief and helpless and they are asking for their lands with agitation and anguish about their words are under the development chariots. It is a bad thing the farmer's wife and children re not getting the work and they lose their lands, as well as their husbands. The farmers, who are the victims of SEZs are in anguish and fight against the SEZs. They say, "We want our lands and we don't want the companies, we fight for our village social life.

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