

Governance and Management of Labour in SEZs of India

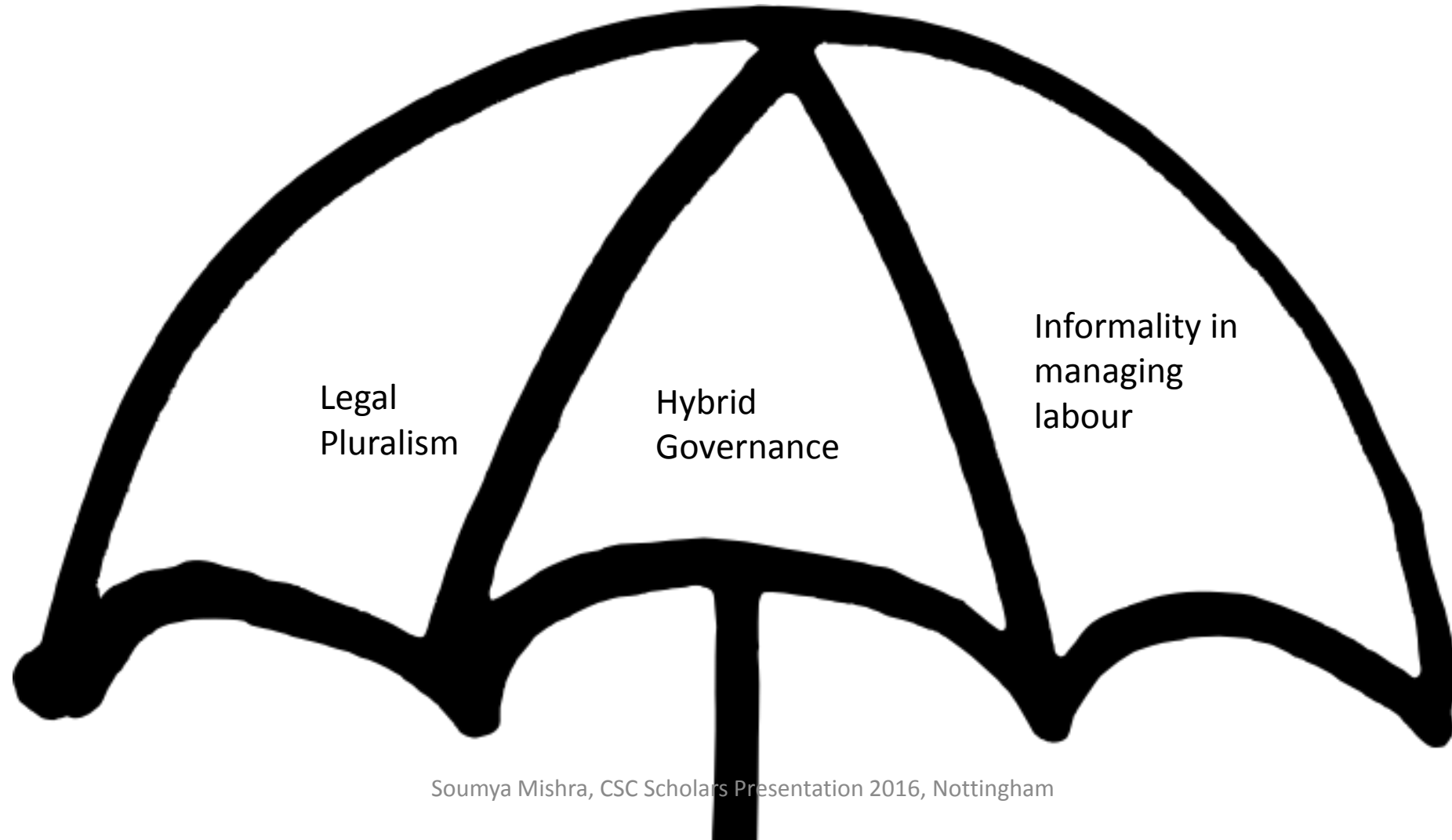
What are SEZs?

- Segregated Industrial Zones Established by SEZ Act, 2005 for mass manufacturing and industrial activities
- *Features:* Liberal economic environment compared to rest of the country, exemption from income tax, service tax, sales tax and custom duties
- *Purpose:* Attract investment, promote exports and employment
- Focus of Research: Labour in SEZs
- New Legal Space: weak presence of State
 - Monitoring Committee,
 - Elimination of 74th Amendment Act (main agenda profit maximisation)
 - Conflict of Interest: Development Commissioner is also the Labour Commissioner ,
 - Section 23: special courts,
 - Section 49A yet other routes, e.g. “Public Utility Services”(Industrial Disputes Act, 1947): illegalizes strikes/union activities

Previous Research

- Parallel structures of governance and its impact on citizenship in SEZs (Dey 2009, Shrivastava and Kothari 2012)
- Governance and acquisition of land through extra legal mechanisms (Sharma 2009, Sud 2009)
- My study will look specifically at the management of labour due to hybrid regulatory mechanisms
 - Previous research in industrial settings show:
 - Labour is recruited through subcontracting which often relies on kinship in villages in industries (De Neve 2005)
 - Women are preferred and treated poorly (Bangladesh:Kabeer 2004, India: Swaminathan 2002)
 - Example from Pakistan, case of Nike 1999 (Scamardella 2015)

Theoretical Framework: *Hybrid Regulatory Mechanism*



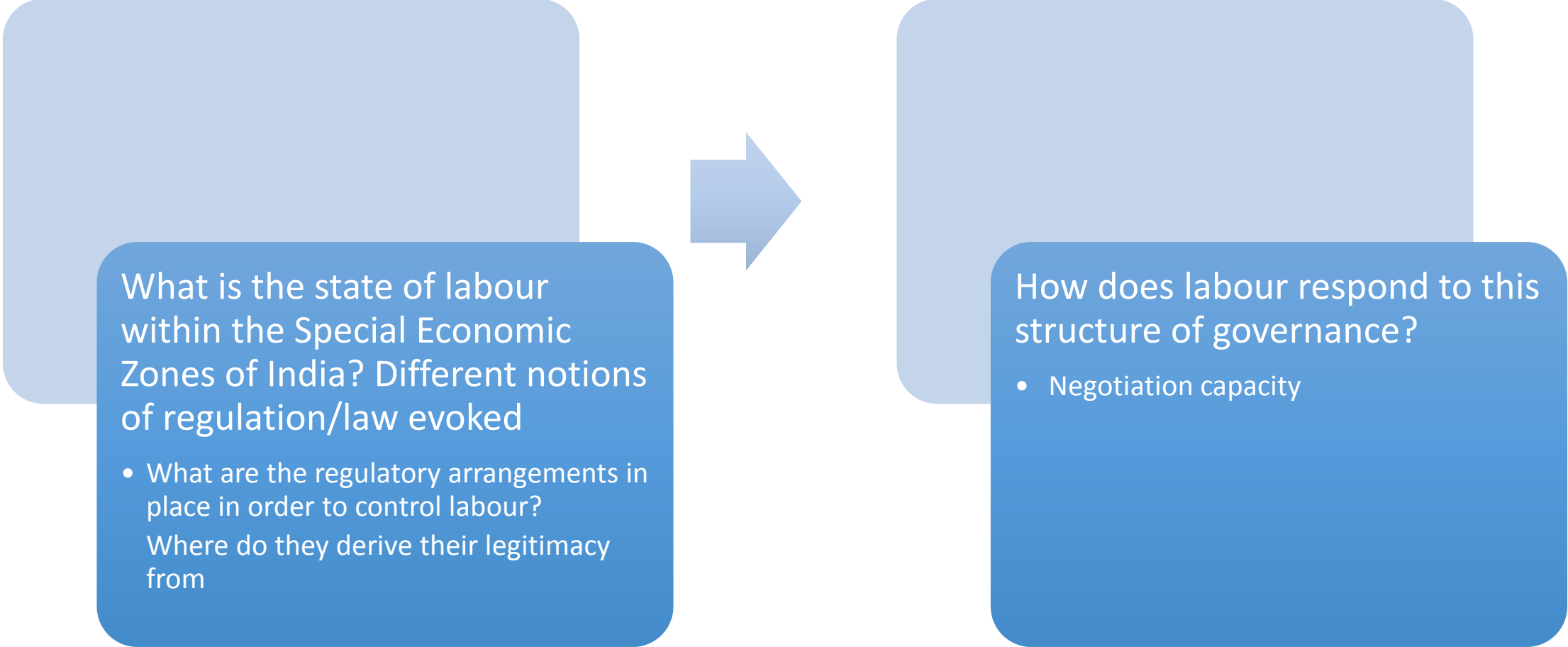
What is Legal Pluralism?

- More than one legal order within a geographical space (Davies 2015)
- Presence of more than one source of law (Griffiths 1986)
- Multiple mechanisms such as rules, clusters or institutions could also suffice (Vanderlinden 1972)
- *Such a condition can be understood to become a “template for institutional entrepreneurship” (Jayasuriya 2012)*
- In SEZs, the various levels of law are:
 - State Laws
 - Ethical Guidelines of the MNCs
 - Administrative mechanisms
 - Non-State Laws – categories of gender/caste
 - ILO conventions ratified by India

...which leads to Hybrid Governance

- Weak State challenged by normative orderings of alternative organisations
 - Non-state actors fill regulatory gaps (example of Nigeria, Meagher 2007)
 - Reconstitution of the informal institutions with the formal (Jayasuriya 2012)
- In SEZs:
 - Bureaucrat+ Corporate Developer have supreme authority without accountability
 - Regulation of labour utilises social norms as studies show

Research Questions



What is the state of labour within the Special Economic Zones of India? Different notions of regulation/law evoked

- What are the regulatory arrangements in place in order to control labour?
Where do they derive their legitimacy from

How does labour respond to this structure of governance?

- Negotiation capacity

Selection of Field(s)

1. Noida SEZ

- Previous research shows workers within zones have lower security than those outside in the same area (Sen and Dasgupta 2005)
- Different kinds of industries, comparative perspective as research shows workers' security depends on nature of industry

2. Sriperumbudur SEZ

- Newer than the rest, specializes in hardware
- Disadvantage: Language

3. Kandla SEZ

- Oldest EPZ converted to SEZ, more literature available
- Disadvantage: Language

Depending on access, one of the three will be chosen.

Methodology

- Qualitative:
 - Understand the complex social setting of SEZs
 - Discover the context of application of laws
 - Understand the complementary perspectives of workers and managers
- Methods:
 - Snowballing
 - Focus Group Discussions with workers; Elicitation
 - Individual semi-structured interviews with workers, managers/employers and trade union activists working on SEZs
- Review of Secondary Literature:
 - SEZ Act 2005 and related policy documents published by the Ministry of Commerce
 - Policy documents of the Investors and Multinationals
 - Documents published by Trade Unions active near the SEZs

Challenges

- *Access is restricted so difficult to visualise the field*
- *Difficult to gain clarity on the functioning of governance with secondary literature*

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Thank You!

- Questions and comments are invited