

## The Role of Special Economic Zones in Accelerating Regional Economic Growth

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### ABSTRACT

Special Economic Zones (SEZs) have emerged as a significant policy instrument for promoting export-led industrialization, attracting investment, generating employment, and strengthening regional development in India. Introduced as a formal policy framework under the Special Economic Zones Act, 2005, SEZs were designed to create internationally competitive enclaves supported by improved infrastructure, simplified regulatory systems, and fiscal incentives. In the Indian context, the policy has aimed not only at export promotion but also at stimulating broader regional economic growth through industrial clustering, infrastructure expansion, technology transfer, and the creation of forward and backward linkages with local economies. This paper examines the role of SEZs in accelerating regional economic growth by analyzing their contribution to employment generation, investment inflows, export performance, and spatial economic transformation. It also evaluates the uneven regional outcomes of SEZ development, noting that while some regions have benefited from enhanced industrialization and connectivity, others have experienced limited spillover effects due to issues such as uneven state capacity, land acquisition concerns, infrastructure gaps, and non-operational or underutilized zones. Recent official updates continue to show a large network of notified and operational SEZs in India, reinforcing their policy relevance while also highlighting the need for reforms focused on inclusiveness, balanced regional dispersal, and long-term sustainability. The study argues that SEZs can serve as catalysts of regional economic growth when supported by effective governance, local integration, and complementary state-level development strategies. It concludes that the future success of SEZ-led growth in India depends on shifting from a narrow export-centric approach to a more regionally embedded and development-oriented model.

**Keywords:** Special Economic Zones, Regional Economic Growth, India, Export Promotion, Industrial Development, Employment Generation, Regional Disparities, Infrastructure Development, Investment Attraction, Inclusive Growth.

### Introduction

Special Economic Zones (SEZs) have become an important instrument of industrial and regional development policy in many emerging economies. Broadly, SEZs are geographically demarcated areas where business and trade laws are made more flexible than in the rest of the domestic economy in order to attract investment, promote exports, generate employment, and improve industrial competitiveness. In the Indian context, SEZs represent a major policy effort to combine trade liberalization with spatially targeted development. The Indian SEZ framework was strengthened through the Special Economic Zones Act, 2005, which sought to provide a stable policy environment, simplified procedures, and a single-window approval mechanism for developers and units. The policy also explicitly

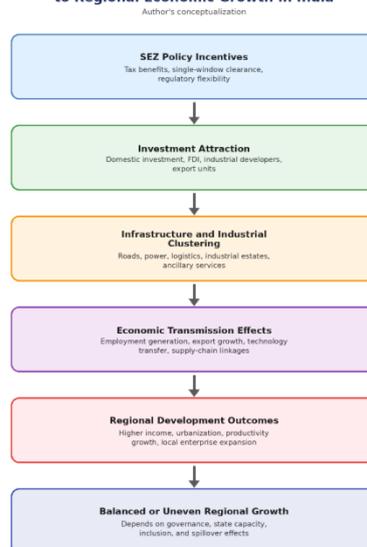
recognized the role of state governments in export promotion and infrastructure creation, making SEZs not only a trade tool but also a regional development strategy.

India's SEZ programme evolved from the earlier Export Processing Zone (EPZ) model and was expected to create internationally competitive enclaves that would stimulate industrial growth through investment concentration, improved logistics, and regulatory facilitation. Over time, SEZs have been viewed as growth nodes capable of generating multiplier effects beyond their physical boundaries. In theory, when SEZs function effectively, they can contribute to regional economic growth by attracting domestic and foreign investment, creating jobs, expanding infrastructure, supporting industrial clustering, and strengthening backward and forward linkages with local firms. This broader developmental logic has been emphasized in both policy and scholarship, where SEZs are treated not merely as export enclaves but as instruments for structural transformation.

The relevance of this topic in India is especially significant because regional development remains uneven across states and districts. Industrial growth in India has historically been concentrated in relatively more developed corridors, while many regions continue to face infrastructure deficits, low private investment, weak manufacturing bases, and limited employment opportunities. In this setting, SEZs have been promoted as catalytic spaces that can accelerate regional development by channeling capital and production into designated locations. Official data continue to show the scale of India's SEZ ecosystem: as of 31 December 2025, India had 417 formal approvals, 370 notified SEZs, and 276 operational SEZs. The same official fact sheet reports total investment of about ₹7,82,192 crore, total employment of about 31,77,893 persons, and exports of ₹14,63,669 crore in 2024–25, indicating that the policy remains economically significant even after two decades of implementation. ([SEZ India](#))

Scholarly discussions on SEZs in India have highlighted both their promise and their limitations. Aggarwal (2010) argues that the contribution of SEZs in India should be understood not only in terms of direct gains such as investment and employment, but also in terms of wider economic transformation through agglomeration economies, industrial diversification, and integration into global value chains. Her analysis suggests that SEZs can help shift economic activity toward more productive, skill-intensive, and technology-driven sectors, with possible benefits at both national and regional levels. At the same time, Alkon (2018) notes that India's SEZ policy has also been politically contentious, especially because of concerns related to land acquisition, uneven development, and the distribution of benefits. This indicates that while SEZs may generate growth, the extent to which such growth becomes regionally inclusive depends on governance quality, state capacity, and the degree of local economic integration.

**Figure 1. Conceptual Pathway Linking SEZ Development to Regional Economic Growth in India**



**Figure 1: Conceptual Pathway: How SEZs Influence Regional Economic Growth in India**

Source: Curated by the author

International policy literature also supports a balanced view. The World Bank's operational reviews of SEZs underline that such zones can increase firm-level investment, productivity, and participation in global value chains, but their success depends heavily on design, governance, infrastructure quality, and linkages with the domestic economy. In other words, SEZs are not automatically engines of regional development; they become effective only when embedded in a broader strategy of infrastructure expansion, skill development, logistics efficiency, and institutional coordination. (World Bank) This perspective is highly relevant to India, where the developmental outcomes of SEZs differ considerably across states such as Gujarat, Maharashtra, Tamil Nadu, Telangana, and Andhra Pradesh, compared with less industrially advanced regions.

Against this backdrop, the present study examines the role of Special Economic Zones in accelerating regional economic growth in India. The central argument is that SEZs can function as regional growth accelerators when they move beyond a narrow export-enclave model and become integrated with local production systems, labour markets, and infrastructure networks. At the same time, the study recognizes that the impact of SEZs is uneven and may be constrained by issues such as policy inconsistency, underutilized zones, land-related conflicts, and weak spillover effects in some regions. Therefore, a critical academic inquiry into SEZs must assess not only their aggregate economic contribution, but also their spatial developmental significance in the Indian federal context.

### Review of Literature

The literature on Special Economic Zones (SEZs) shows that they are generally studied from three major perspectives: trade and export promotion, industrial and employment effects, and regional development spillovers. In the Indian context, this literature has evolved from an early focus on SEZs as export-oriented policy enclaves to a broader concern with whether they actually generate balanced regional growth. The shift is important because India's SEZ programme was never intended to be only a trade facilitation mechanism; it was also expected to encourage industrial clustering, infrastructure development, and local economic transformation.

One of the most frequently cited Indian scholars in this area is Aradhna Aggarwal. In her work on the economic impacts of SEZs in India, **Aggarwal (2010)** explains that SEZs should be understood through a wider theoretical lens that includes agglomeration economies, external economies of scale, export competitiveness, and institutional facilitation. Her analysis of newly notified SEZs in India suggests that the expected benefits of these zones go beyond export earnings and include employment creation, industrial diversification, technology inflows, and regional growth impulses. She argues that the rationale for SEZs lies in their capacity to function as concentrated growth spaces where better infrastructure and procedural flexibility can reduce transaction costs and enhance productivity.

In an earlier and highly relevant contribution, **Aggarwal (2007)** examined the social-development dimensions of SEZs, especially their impact on employment, poverty, and **human** development in India. This work is important because it broadens the conventional economic assessment of SEZs. Rather than treating zones merely as export-generating enclaves, she identifies three major channels through which they may contribute to development: employment generation, skill formation, and technology/knowledge upgradation. At the same time, the study warns that the mere establishment of SEZs does not automatically ensure developmental outcomes; supportive governance and effective implementation are necessary for realizing their full potential. This insight remains central to later debates on regional growth.

A broader comparative policy perspective is offered by the World Bank's operational review of SEZs. The World Bank literature, including Farole (2011), emphasizes that SEZs can attract foreign direct investment, raise firm-level investment, improve productivity, and promote participation in global value chains. However, this literature also stresses that SEZ success depends less on tax incentives alone and more on reliable infrastructure, governance quality, strategic location, and domestic linkages. This is especially relevant to India because it suggests that SEZs become effective regional growth accelerators only when they are connected with the wider local economy rather than operating as isolated enclaves. The policy implication is that zone performance must be judged not only by exports but also by spillovers into surrounding districts and states.

More recent empirical work adds greater nuance to the debate. **Gallé et al. (2022)** provide evidence from India's SEZs using georeferenced and firm-level data. Their findings indicate that SEZ establishment increased local manufacturing and service employment, and that positive spillover effects extended to areas up to 10 km from the SEZ boundary. This is a particularly valuable contribution for a

paper on regional economic growth because it directly supports the argument that SEZs can generate localized economic transformation and not just firm-specific gains inside the zone. The study also strengthens the case for viewing SEZs as a form of place-based policy, capable of influencing labour-market structure and sectoral change in nearby areas.

At the same time, not all scholarship is optimistic. **Meir Alkon (2018)** offers one of the strongest critical assessments of Indian SEZs from a regional development perspective. His study on developmental spillovers across India's states finds that SEZs do not always produce the expected wider regional benefits. Alkon argues that political economy incentives matter greatly: local political actors may use SEZ-linked institutions in ways that weaken broad-based developmental outcomes, including through rent-seeking and distorted implementation. This work is highly significant because it challenges the assumption that SEZs naturally lead to regional upgrading. Instead, it suggests that without institutional accountability and state capacity, zones may generate limited or uneven spillovers.

A policy-oriented retrospective analysis by **Tantri (2013)** also contributes to this critical understanding. Tantri reviews India's SEZ policy as a legal and institutional reform that attempted to correct the procedural weaknesses of earlier Export Processing Zones. The study notes that the SEZ Act, 2005 and SEZ Rules, 2006 were major steps in simplifying procedures and encouraging exports and investment. Yet the paper also implies that the performance of SEZs depends significantly on state-level policy support, implementation quality, and the broader development ecosystem. This literature is useful because it links legal reform with differential regional outcomes, reinforcing the idea that SEZ effects vary across states.

Another strand of literature, including policy discussion papers and retrospective assessments, questions whether SEZs in India have fully delivered on their promise as "growth engines." These works often recognize gains in exports, employment, and investment but also point to challenges such as land acquisition conflicts, underutilized zones, uneven geographic concentration, and weak integration with local enterprises. Such findings are important for regional economic analysis because they indicate that the location and governance of SEZs shape whether growth is dispersed or concentrated. In other words, SEZs may strengthen already-developed regions unless their design actively supports lagging areas.

Overall, the literature suggests that SEZs have the potential to accelerate regional economic growth in India, but their outcomes are conditional rather than automatic. Supportive studies emphasize employment creation, productivity gains, export expansion, and localized spillovers. Critical studies, however, show that these benefits may remain spatially limited, politically distorted, or unevenly distributed across regions. Thus, the literature does not treat SEZs as universally successful; instead, it presents them as policy instruments whose regional developmental impact depends on infrastructure, governance, location, institutional design, and domestic linkages. This makes the present study both relevant and necessary, particularly in evaluating whether SEZs in India are functioning as true regional growth catalysts or primarily as selective enclaves of economic activity.

### **Research Gap**

The existing literature on SEZs in India is substantial, but it remains uneven in focus. A large part of the scholarship has concentrated on exports, investment, employment generation, and policy design, especially in relation to the rationale and functioning of SEZs as trade-oriented growth enclaves. For example, Aggarwal's work explains the theoretical and economic logic of SEZs in terms of agglomeration, competitiveness, and industrial growth, but much of this discussion is centered on their broader economic justification rather than a detailed examination of their differentiated regional outcomes within India.

A second strand of literature has explored whether SEZs create developmental spillovers beyond their boundaries. This scholarship is highly valuable because it shifts attention from internal zone performance to wider local and state-level effects. However, studies in this area also show mixed conclusions. While some work suggests the possibility of positive local employment and structural effects, critical studies argue that such spillovers are often weak, uneven, or shaped by political economy constraints rather than by the SEZ model alone.

The literature therefore reveals three clear gaps. First, there is a need for a more integrated analysis that connects SEZ performance with regional economic growth indicators such as infrastructure expansion, local industrialization, employment, and spatial development. Second, much of the discussion either evaluates SEZs at the aggregate national level or critiques them from a policy perspective, but

fewer studies synthesize their role specifically as regional growth accelerators in the Indian federal context. Third, the literature often treats SEZs either as successful export engines or as contested enclaves; less attention is given to the conditions under which they may generate inclusive and regionally embedded development. The present study attempts to address this gap by examining SEZs not merely as export institutions, but as instruments of spatial and regional economic transformation in India.

### **Objectives of the Study**

- To examine the role of Special Economic Zones in promoting regional economic growth in India.
- To analyze the contribution of SEZs to key regional economic indicators such as investment, employment, industrial development, and infrastructure expansion.
- To evaluate whether SEZs generate positive spillover effects on surrounding local and regional economies.
- To identify the major challenges that limit the effectiveness of SEZs as instruments of balanced regional development.
- To suggest policy measures for making SEZ-led growth in India more inclusive, regionally balanced, and development-oriented.

### **Research Questions**

- How do Special Economic Zones contribute to regional economic growth in the Indian context?
- To what extent have SEZs influenced investment inflows, employment generation, and industrial development in different regions of India?
- Do SEZs create meaningful spillover effects on nearby local economies, infrastructure, and enterprise development?
- Why do the regional outcomes of SEZs differ across states and locations in India?
- What policy and governance factors can improve the role of SEZs in achieving balanced and inclusive regional growth?

### **Research Methodology**

This study adopts a qualitative and analytical research design to examine the role of Special Economic Zones (SEZs) in accelerating regional economic growth in India. Since the paper is intended as a conceptual-academic study of around 5000 words, the methodology is based primarily on the review and interpretation of secondary data rather than on primary field surveys.

The study relies on secondary sources such as government reports, SEZ policy documents, official fact sheets, research articles, working papers, policy reviews, and institutional publications. Particular attention is given to materials related to the Indian SEZ framework, including policy provisions, operational trends, investment performance, employment generation, export contribution, and region-wise developmental implications. Scholarly literature on industrial clustering, regional development, export-led growth, and place-based policy is also used to build the analytical base of the study.

The research follows a descriptive-cum-analytical approach. The descriptive aspect is used to explain the evolution, objectives, and functioning of SEZs in India. The analytical aspect is applied to assess how SEZs influence regional economic growth through channels such as investment attraction, infrastructure development, employment creation, industrial concentration, and economic spillover effects. The paper also compares the expected developmental role of SEZs with the actual challenges observed in implementation, such as uneven regional concentration, weak local linkages, land-related concerns, and underutilization in some zones.

For analytical clarity, the study uses a thematic framework. The literature and secondary evidence are examined under key themes, namely:

- **SEZs as instruments of export and investment promotion**
- **SEZs as drivers of employment and industrial development**
- **SEZs as catalysts of regional infrastructure and spatial transformation**
- **Challenges to inclusive and balanced regional growth through SEZs**

This thematic classification helps in organizing the discussion and linking policy intent with regional development outcomes.

The unit of analysis in this paper is not an individual firm or a single SEZ, but the broader SEZ model in India as a regional development mechanism. Accordingly, the paper interprets findings at a macro and meso level—focusing on national policy direction as well as its implications for states, districts, and surrounding local economies.

The methodology is also interpretive in nature, as it seeks to understand not only measurable economic contributions but also the broader developmental significance of SEZs. Thus, the study does not limit itself to numerical indicators alone; it also considers institutional, spatial, and governance dimensions that shape regional outcomes.

### Scope of the Study

The study is confined to the Indian context and examines SEZs as a post-reform policy instrument for regional economic development. It focuses on their role in promoting growth through industrialization, employment, exports, and infrastructure, while also discussing constraints that affect balanced regional progress.

### Limitations of the Study

As the paper is based on secondary data, its findings depend on the availability, quality, and interpretation of existing literature and official records. The study does not include field-level case surveys or econometric testing. Therefore, the conclusions are analytical and interpretive rather than statistically causal. However, this approach remains appropriate for a conceptual paper aimed at understanding the broader developmental role of SEZs in India.

### Analysis and Discussion

The analysis of Special Economic Zones (SEZs) in India shows that their role in regional economic growth must be understood through both direct economic outcomes and indirect spatial spillovers. At the direct level, SEZs are designed to attract investment, promote exports, and create employment by offering a more facilitative business environment than the general domestic economy. At the indirect level, they are expected to stimulate wider regional development through infrastructure creation, industrial clustering, and local economic linkages. India's SEZ system remains substantial in scale: the official SEZ factsheet issued in February 2026 (for the position as of 31 December 2025) reports 417 formal approvals, 370 notified SEZs, and 276 operational SEZs, indicating that SEZs continue to be a major policy instrument in India's development framework.

Figure 2. India's SEZ Pipeline Status

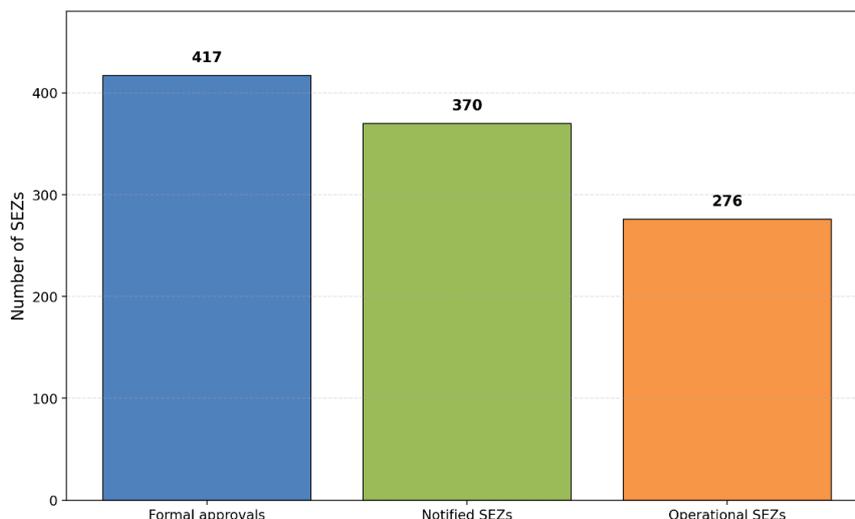


Figure 2: India's SEZ Pipeline Status

Source: Curated by the author

- **SEZs as Investment and Export Growth Nodes**

A major argument in favour of SEZs is that they function as concentrated growth nodes where policy incentives, simplified clearances, and infrastructure support reduce business costs and encourage industrial activity. In India, the official SEZ factsheet for December 2025 reports cumulative investment of about ₹7.82 lakh crore and employment of about 31.78 lakh persons, with exports of about ₹14.64 lakh crore in 2024–25. These numbers suggest that SEZs have made a visible contribution to output expansion, investment mobilization, and employment creation. From a regional perspective, such concentration of capital and production can generate strong local demand for services, logistics, warehousing, transport, and labour, thereby influencing the economic structure of the surrounding area.

This supports the view that SEZs can accelerate regional growth when they act as anchors for industrial ecosystems rather than as isolated fiscal zones. In practice, however, export and investment performance alone do not automatically prove balanced regional growth. A region may host a high-performing SEZ and still experience limited local integration if supply chains remain externally linked or if labour is drawn mainly from outside the local economy. Therefore, the real developmental question is not only whether SEZs create value, but also where that value circulates and how deeply it penetrates the local economy. This distinction is central to assessing SEZs as regional development tools rather than merely export enclaves.

- **Employment Generation and Local Economic Multipliers**

Employment generation is one of the most visible channels through which SEZs can influence regional economic growth. Direct employment inside SEZs contributes to household income, local consumption, and urban expansion, while indirect employment emerges through transport, retail, construction, food services, maintenance, and ancillary industries. The official Indian SEZ factsheet's estimate of over 3.1 million jobs underscores that the employment dimension is not marginal. In a regional development framework, this matters because rising employment can trigger multiplier effects by increasing demand for housing, services, and local enterprise activity in nearby towns and peri-urban areas.

Recent empirical evidence strengthens this argument. A 2024 peer-reviewed study on India's SEZs reports that SEZ establishment increased local manufacturing and service employment, with positive spillover effects extending up to 10 kilometres from SEZ boundaries. This is particularly important for your paper because it provides concrete support for the claim that SEZs can generate development effects beyond the zone itself. It suggests that SEZs may contribute not only to internal job creation but also to structural shifts in adjacent local economies, thereby supporting the idea of place-based regional growth.

At the same time, the quality and inclusiveness of employment remain important concerns. If jobs are concentrated in low-skill, temporary, or externally recruited segments, the long-term regional benefits may be weaker. Thus, while SEZs clearly create employment opportunities, their contribution to regional transformation depends on whether those jobs support local skill development, labour participation, and sustained income growth. This makes employment a necessary but not sufficient condition for meaningful regional development.

- **Infrastructure Development and Industrial Clustering**

Another major pathway through which SEZs can accelerate regional growth is infrastructure-led transformation. SEZs typically require better roads, power supply, water systems, logistics connectivity, storage facilities, and digital support. These investments often improve not only the internal efficiency of the zone but also the accessibility and attractiveness of the surrounding region. In economic geography terms, SEZs can help create localized agglomeration economies by concentrating firms, suppliers, services, and labour in one area. When successful, this clustering reduces transaction costs, improves productivity, and encourages supporting industries to emerge nearby. ([World Bank](#))

This is where SEZs have the strongest potential as regional growth accelerators. A functioning SEZ can convert previously underdeveloped land into an industrial-service corridor, raising land values, improving connectivity, and attracting complementary investments. Such effects are especially significant in states that already possess stronger governance, logistics, and industrial ecosystems. In these areas, SEZs can reinforce regional competitiveness and create cumulative growth. However, this also reveals a structural limitation: SEZs often perform better in already-advantaged regions, which means they may

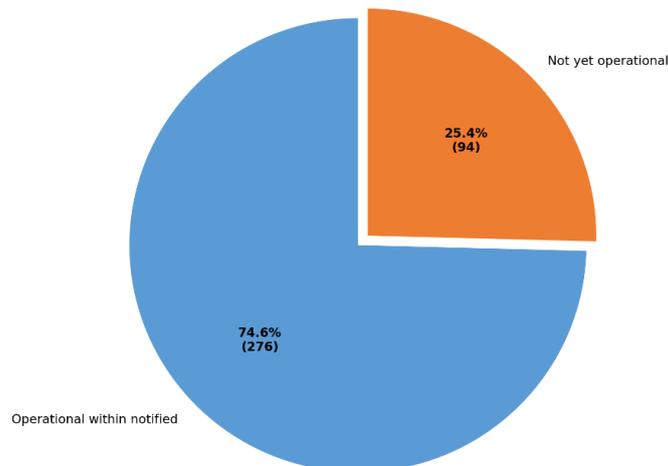
deepen existing regional disparities unless policy deliberately steers them toward lagging areas with supporting infrastructure and institutional capacity.

- **Uneven Regional Outcomes and the Problem of Concentration**

The literature and policy evidence both suggest that the effects of SEZs in India are uneven across regions. Notified and operational SEZs are not evenly distributed; they are concentrated more heavily in industrially stronger states and corridors, where land markets, ports, business ecosystems, and state support are relatively stronger. This creates a paradox. A policy intended to promote regional development may, in practice, disproportionately benefit regions that already have an economic advantage. As a result, SEZs may accelerate growth, but not necessarily balanced growth.

This pattern aligns with broader international SEZ research, which finds that zones succeed when embedded in a supportive economic ecosystem. The World Bank's operational review emphasizes that SEZ performance depends on governance quality, infrastructure reliability, and domestic economic linkages, not just on fiscal incentives. In the Indian context, this means the regional success of SEZs is strongly conditioned by state capacity and local institutional support. Regions lacking these complementary conditions may end up with underutilized or less effective zones, limiting their developmental impact. ([World Bank](#))

Figure 3. Composition of Notified SEZs



**Figure 3: Composition of Notified and Functional SEZ**

Source: Curated by the author

- **Key Constraints Limiting Regional Growth Effects**

Despite their promise, SEZs in India face several constraints that reduce their effectiveness as tools of broad-based regional development. One limitation is the enclave tendency: some SEZs may remain economically productive inside their boundaries while generating weak backward linkages with local firms and suppliers. A second concern is land and governance friction, which can affect both implementation and local legitimacy. A third issue is differential utilization—formal approval or notification does not necessarily guarantee that a zone will become fully active, productive, or regionally transformative. These concerns are consistent with both critical scholarship and broader policy reviews of SEZs.

A further challenge is that regional growth should be assessed not only by aggregate investment and exports, but also by the spread of benefits across districts, workers, local enterprises, and surrounding communities. If SEZ-driven gains remain concentrated among a narrow set of firms or urban nodes, then their contribution to regional development remains partial. This is why a purely output-based

evaluation is inadequate. For a more meaningful assessment, SEZs must be examined in terms of spillovers, local absorption capacity, and inclusiveness.

Figure 4. SEZ Investment and Export Scale in India

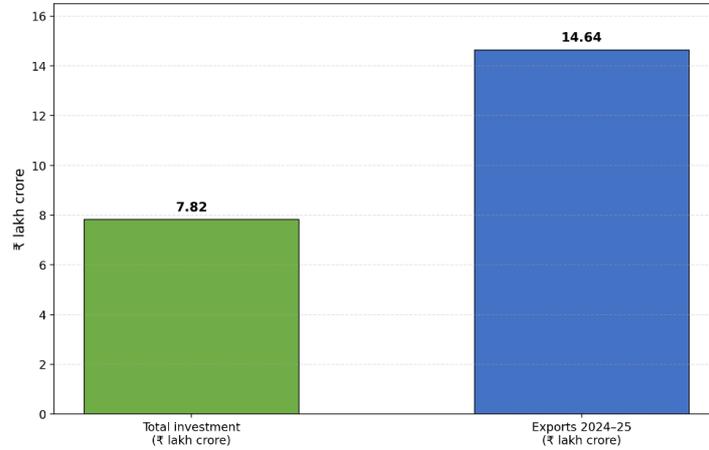


Figure 4: Investment and Export Scale in India

Source: Curated by the author

- ### Overall Interpretation

Overall, the discussion indicates that SEZs in India have a real but conditional role in accelerating regional economic growth. They have clearly contributed to exports, investment, and employment at scale, and recent empirical evidence supports the existence of positive local spillovers in nearby areas. At the same time, their regional impact is not automatic, uniform, or universally inclusive. SEZs work best where infrastructure, governance, industrial ecosystems, and local linkages are already reasonably strong. Therefore, the role of SEZs in regional development is best interpreted as that of a catalyst rather than a standalone solution. They can accelerate growth, but the direction, depth, and distribution of that growth depend on the broader regional development environment in which they operate.

Figure 5. Employment by SEZ Category

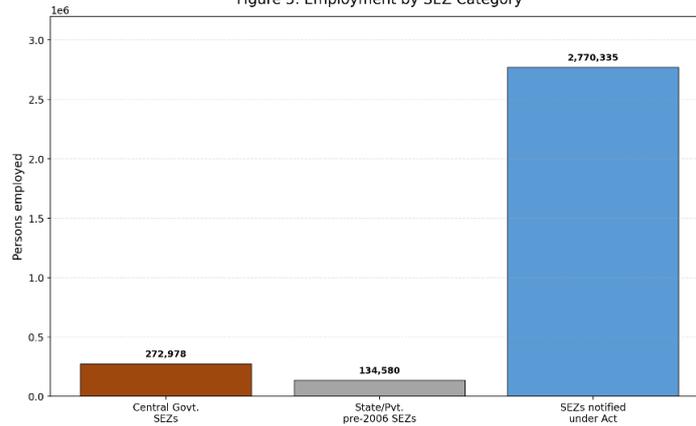


Figure 5: Employment by SEZ

Source: Curated by the author

### Conclusion and Policy Recommendations

Special Economic Zones (SEZs) have played a meaningful role in accelerating regional economic growth in India, but their impact is best understood as significant yet uneven. The analysis shows that SEZs have contributed to investment mobilization, export expansion, employment generation,

and infrastructure-led industrial concentration. India's SEZ framework remains substantial, with 417 formal approvals, 370 notified SEZs, and 276 operational SEZs as of 31 December 2025, along with cumulative investment of about ₹7.82 lakh crore, employment of about 31.78 lakh persons, and exports of about ₹14.64 lakh crore in 2024–25. These figures confirm that SEZs continue to be an important policy instrument in the Indian development landscape.

At the same time, the study also finds that SEZ-led growth has not been uniformly distributed across regions. Their stronger presence in already industrially advanced states suggests that SEZs often reinforce existing regional advantages rather than automatically correcting spatial imbalances. Their wider developmental value depends on whether benefits move beyond the zone through employment multipliers, local enterprise linkages, and infrastructure spillovers. Research on India also indicates that positive local effects can occur around SEZs, but such benefits remain conditional on governance quality, local absorption capacity, and integration with surrounding economies.

From a policy perspective, India should move from a narrow export-enclave approach to a more regionally embedded development model. First, SEZ policy should prioritize stronger backward and forward linkages with local MSMEs so that surrounding districts benefit more directly. Second, future SEZ expansion should be aligned with infrastructure planning, skill development, and logistics support in relatively lagging regions to reduce regional concentration. Third, state governments should strengthen governance, transparency, and post-approval monitoring so that notified zones become genuinely functional and productive. Fourth, policy evaluation should go beyond exports and include indicators such as local employment quality, enterprise development, and district-level spillovers. Finally, a balanced SEZ strategy must combine competitiveness with inclusiveness, ensuring that growth generated within these zones contributes to broader regional transformation rather than remaining confined within privileged industrial enclaves.

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