



Quality of infrastructural facilities and governance of public and private sponsored special economic zones in India

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Abstract

Sufficient infrastructural facilities and quality of governance are essential for the development of business. Authorities are guaranteeing sufficient infrastructural facilities and better governance for the development and promotion of Special Economic Zones in India. There is no significance difference on levels of satisfaction about the quality of governance and infrastructure facilities available in both Madras and Mahindra World City Special Economic Zones This confirms that the both the Special Economic Zones is well prepared for performing enhanced, well Governance for the successful performance. Hence the researcher concluded that the authorities are performing well for the successful performing of both the Special Economic Zones.

Keywords: madras special economic zone, Mahindra world city Chennai special economic zone, quality of infrastructural facilities and quality of governance

Introduction

Special Economic Zones in India are rendering various services like quality infrastructure, an attractive fiscal package, minimum possible regulations, Single Window Scheme for clearance within the zone, promotion of exports of goods as well as services, promotion of investment from domestic and foreign sources, creating new employment opportunities to skilled and unskilled workers, encouraging public- private partnership to develop world- class infrastructure, providing an internationally competitive and hassle –free environment and an attracting private investment (domestic and foreign), to boost economic growth, exports and employment.

Review of earlier studies

Kwan- Yiu Wong and David K. Y. Chu (1984) had found that the Zones is a tactic to encouraging economic progress in Asian countries with contribution of infrastructure amenities, unsettled labor problems and missing pleasant connection between diverse stake holders in Zones. Schweinberger G Albert (2003) ^[8] clear that Special Economic Zones is a universal partitioning approach and it had been obtaining the Government revenue, speeding the practice of enlargement of infrastructure amenities and the production of public goods. Aggarwal Aradhna (2006) ^[1] understood that the package of incentives, infrastructure amenities obtainable and efficacy of governance are vital for the effective operation of Export Processing Zones. Ranjan Ram Krishna (2006) ^[7] The functional efficiency of the Special Economic Zones was precise with the value of exports obtained, Foreign Direct Investment mobilized, number of employment opportunities generated and growth of infrastructure amenities. According to Manab Majumdar (2007) ^[3] Indian Special Economic Zones are building world classes infrastructures, generating employment opportunities, promoting exports, mobilizing

investments and encouragement the connection with the rest of the economy. Ram Krishna Nallathiga (2007) ^[6] shows that Special Economic Zone is an mechanism to enhance the industrial growth in Mumbai province by generating huge number of employment opportunities, mobilized foreign capital, knowledge, modern technology, management skills and world class infrastructure. Menon S. Narayan and Soumya Kanti Mitra (2009) ^[4] found that the Special Economic Zones policy in India is determined by the aim of accelerating the economic action by means of obtaining exports, mobilizing investments, generating employment opportunities and expansion of infrastructure amenities. Nidheesh K B and Palanichamy P (2010) ^[5] Location specific factors, quality of infrastructure, quality of governance and policy concessions are the various factors which determined the success of Zones in India.

Objectives of the Study

For conducting detail study, the following objectives were framed.

1. To study the basic infrastructural facilities availed in Madras and Mahindra World City Chennai Special Economic Zone during the period under study.
2. To compare the level of satisfaction about quality of infrastructural facilities availed in Mahindra World City Chennai Special Economic Zone under the study period.
3. To compare the level of satisfaction about quality of governance availed in Mahindra World City Chennai Special Economic Zone under the study period.

Methodology of the study

A Field Study Method was used for analyzing quality of infrastructure facilities and governance of Special Economic Zones in India with reference to Madras and Mahindra World City Chennai Special Economic Zone. Madras Special

Economic Zones being one of the oldest Government of India supported Special Economic Zones and Mahindra World City Chennai Special Economic Zones is one of the oldest private supported Special Economic Zones in India. Hence researcher chooses Mahindra World City Chennai and Madras Special Economic Zones are the sample units

The Primary data was collected by way of discussion with managers of the Special Economic Zone units. There are 100 Mangers (50 from Madras Special Economic Zone and 50 from Mahindra World City Chennai Special Economic Zone) had co-operated with the researcher to gives their views on working of Special Economic Zone.

Basic infrastructural facilities in special economic zones

An infrastructure amenities deficiency is one of the key

restrictions which will influence the economic progress in growing countries. There are realistic complexities in the expansion of infrastructure amenities in all the spaces in a nation. So the Government of India commences a thought called Special Economic Zone with the objective to encourage the infrastructure amenities in the nation. In India the infrastructure amenities presented to the Special Economic Zones are differing from one Special Economic Zone to another. Hence researcher effort is made to assess the performance of the Madras and Mahindra World City (Chennai) Special Economic Zone in terms of infrastructure amenities

Table. 1 shows the diverse essential infrastructure amenities presented by the Special Economic Zones to the industrial units for carrying away their business in flourishing approach.

Table 1: Provision of basic infrastructural facilities in Special Economic Zones

	Yes		No	
	MSEZ	MWCSEZ	MSEZ	MWCSEZ
Water exclusive arrangement	✓	✓		
Water purifier	✓	✓		
Effluent treatment	✓	✓		
Electricity exclusive arrangement	✓	✓		
Tele communication	✓	✓		
Power Plant Scheme	✓	✓		
Storage	✓	✓		
Hotel facilities	✓	✓		
Dispensary	✓	✓		
Banking service with ATM facilities	✓	✓		
Post Office	✓	✓		
Road Networks	✓	✓		
Spaces for conducting business	✓	✓		
Educational Facilities		✓	✓	
Recreational Facilities		✓	✓	
Residential facilities		✓	✓	
Shopping Complex		✓	✓	

Sources: Primary data collected during the field study

Their replies explains that the significant infrastructure amenities like water, power, effluent treatment plants, communication facilities, road network, spaces for conducting business, hotel, dispensary and banking services were made accessible to the units in the Madras Special Economic Zone as well as Mahindra World City Special Economic Zone.

However some of the other amenities like residential, educational facilities for the children of the employees and the shopping facilities are not made available to Madras Special Economic Zone and hence require consideration.

Quality of infrastructure facilities in special economic zones

Researcher clears that the Special Economic Zones in India present a variety of infrastructure amenities to the encouragement and expansion of economic actions. The worth of infrastructure amenities presented to Zones is one of the significant aspects which resolved the practice of industrial expansion in Zones area. So the researcher had meeting with the managers to know the satisfaction about the worth of infrastructures presented in Special Economic Zones and their replies are exhibits in the table 2.

Table 2: The levels of satisfaction about the quality of infrastructure facilities available in Special Economic Zones

	Not Satisfactory		Satisfactory		Highly Satisfactory	
	MSEZ	MWC SEZ	MSEZ	MWC SEZ	MSEZ	MWC SEZ
Adequacy of Water Supply	15%	12%	41%	42%	44%	46%
Water Charges	19%	17%	67%	68%	14%	15%
Continuity of Power Supply	2%	0%	43%	44%	55%	56%
Power Charges	16%	14%	66%	67%	18%	19%
Warehouse Facilities	22%	20%	63%	64%	15%	16%
Container Handling Facilities	10%	8%	80%	71%	10%	21%
Efficiency of Banking Facilities	22%	21%	64%	63%	14%	16%
Quality of Agency Services	5%	10%	45%	46%	50%	44%

Transport Facilities	13%	12%	65%	63%	22%	25%
Logistics	12%	12%	59%	50%	29%	28%
Port Facilities	13%	11%	64%	62%	23%	27%
Tele Phone Facilities	11%	15%	58%	55%	31%	30%

Sources: Primary data collected during the field study

The above table shows that maximum level of dissatisfaction on the quality of infrastructural amenities perceived were towards the competence of banking activities and ware house services. The significantly satisfied infrastructure amenities are agency services, sufficiency of water supply and stability of power supply. The satisfactory level of infrastructural comprises container handling services, amount paid for water, amount paid for electricity, transport amenities, banking services, warehouse services and port amenities. There is no significance difference on levels of satisfaction about the quality of infrastructure facilities available in both Madras and Mahindra World City Special Economic Zones.

Quality of governance in special economic zones

The victory or collapse of any business based up on the worth

of the Governance. In India, Special Economic Zones are operating with hassle-free dealings for receiving clearance from different authorities. ‘The Single Window Schemes’ could lessen the time and money for receiving consent from different establishment. The Development Commissioner is the important personality who would made arrangement with all organizational staffs with the assistance of supporting staff. Their judgment, approach, services and ability to resolve different matters in India Special Economic Zones are the range of aspects which concern the quality of governance in Special Economic Zones. For evaluating the presentation of the Special Economic Zones with reference to quality of governance the pertinent data is collected and presented in Table 3.

Table 3: Levels of satisfaction of the managers about the quality of governance in special economic zones

	Not Satisfactory		Satisfactory		Highly Satisfactory	
	MSEZ	MWC SEZ	MSEZ	MWC SEZ	MSEZ	MWC SEZ
SEZ Act	7%	8%	42%	40%	51%	52%
Transparency in the implementation	16%	17%	50%	51%	36%	32%
Authorities Timely Decision	4%	3%	45%	44%	51%	53%
Attitude of the Government Officers	14%	13%	52%	51%	34%	36%
Effectiveness in providing Custom related Services	11%	10%	52%	52%	37%	38%
Effectiveness in dealing with labour problems	7%	8%	42%	41%	51%	51%
Effectiveness in providing Single Window Clearance	9%	11%	34%	33%	57%	56%
Effectiveness in providing Banking related Services	11%	13%	50%	52%	39%	35%
Effectiveness in providing Tax related Services	11%	12%	52%	53%	37%	35%

Sources: Primary data collected during the field study

The above table shows that the quality of governance in both Madras and Mahindra World City Special Economic Zones is highly satisfied with the effectiveness of Single Window Scheme for getting clearance from various authorities, coverage of Special Economic Zone Act, Authority timely decision and effectiveness in dealing various labor problems. The most of the respondents were satisfied in transparency in execution of the project, attitude of the Government authority, efficacy in dealing with custom interrelated services, banking related services and tax related services. Less number of respondents were dissatisfied the levels of satisfaction of the managers about the quality of Governance in both Special

Economic Zones. So there is no significance difference on levels of satisfaction about the quality of Governance available in both Madras and Mahindra World City Special Economic Zones.

Frequency of visits made by authorities in different process

The core aspect of Indian Special Economic Zones is the Single Window Schemes for receiving consent from different level of authority. Likewise there is a separate office solely inevitable for prompt approval of different issues. Manager’s judgment about frequency of asymmetrical visits for receiving authorization from different establishment is shown in Table 4

Table 4: Frequency of visits made in different process

	Never		Frequently		Highly frequently	
	MSEZ	MWC SEZ	MSEZ	MWC SEZ	MSEZ	MWC SEZ
Approval Process	72%	70%	20%	21%	8%	9%
Acquiring Licenses	83%	82%	16%	16%	1%	2%
Custom Clearance	77%	74%	21%	20%	2%	6%
Labour Inspection	74%	72%	21%	20%	5%	8%
Environment Inspection	80%	77%	17%	21%	3%	2%
Judicial Measures	82%	83%	16%	14%	2%	3%
Interaction with Police	83%	77%	14%	21%	3%	2%
Interaction with Tax Authority	92%	90%	6%	8%	2%	2%

Sources: Primary data collected during the field study

The above table shows that majority of the managers of the Units located in Special Economic Zones (both Madras and Mahindra World City) that there were no frequencies of visits made in different regulatory process (approval process, acquiring licenses, custom clearance, labor inspection, environment inspection, judicial measures, interaction with police and interaction with tax authority). Very few respondents have been not accepted the efficacy of the Special Economic Zone Authority efficacy. From this understood that there is no significance difference on frequency of visits made in different process available in both Madras and Mahindra World City Special Economic Zones.

Conclusion

Special Economic Zones Authority are providing infrastructural facilities for the development and promotion of Special Economic Zones in India. However some of the amenities like residential, educational facilities for the children of the employees and the shopping facilities are not made available to Madras Special Economic Zone and hence require consideration. There is no significance difference on levels of satisfaction about the quality of governance and infrastructure facilities available in both Madras and Mahindra World City Special Economic Zones This confirms that the both the Special Economic Zones is well prepared for performing enhanced, well Governance for the successful performance. Hence the researcher concluded that the authorities are performing well for the successful performing of both the Special Economic Zones.

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