

Survey of Working Conditions and Related Perceptions in Cochin Special Economic Zone

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As a means to boost exports, employment and income, countries around the world are establishing Special Economic Zones. In India, a liberalised SEZ policy intends to make the firms operating in the Zones export competitive. It intends to maximise production for exports simultaneously, by maintaining a lower cost of production. Often the labour class bears the burden of competitive strategy of SEZs. This article is an attempt to investigate the status of working conditions provided to the labourers working in Cochin Special Economic Zone, in the backdrop of ILO labour standards.

I Introduction

To sustain their competitiveness in the export market and to simultaneously maintain a lower cost of production, firms in SEZs follow the strategy of provision of poor working conditions to its workers. Exceptions are some firms with modern employment practices that provide good standards to enhance the labour productivity. Article 49 of SEZ Act, 2005 specially mentions that all labour laws relating to trade unions, industrial and labour disputes, welfare of labour including conditions of work, etc., are applicable to SEZs. But, with the transfer of powers from Labour Commission to Development Commissioner, the labour law enforcement in Zones is very lax.

This paper attempts to analyse the exact status of working conditions in Cochin Special Economic Zone (CSEZ) and tries to explore the extent to which good working conditions have been compromised or maintained on the pretext of strategy of maintaining export competitiveness.

II Literature Review

Several authors have argued about the violation of workers' rights in the Zones. Lang (2010), in view of the low and deteriorating labour standards at EPZs (i.e., Export Promoting Zones), comments that the human rights violations that take place in EPZs are more serious than labour issues. Under the assumption that union-free-EPZs attract greater investments, most governments do not confer collective bargaining rights to its workers.