Special Session Proposal

SEZs and SDGs

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Abstract

Special Economic Zones (SEZs) have long been central to India's industrial strategy, contributing significantly to exports, which reached USD 157 billion in 2022–23 (Ministry of Commerce, 2023). However, their alignment with the Sustainable Development Goals (SDGs) remains partial and uneven. Globally, nearly 58% of SEZs track SDG-related indicators, yet this figure drops sharply in India, with only 12% reporting environmental metrics, compared to 53% in China (UNCTAD, 2023; World Bank, 2022). While extensive literature highlights the economic contributions of SEZs - particularly in exports, employment generation and investment flows - their linkages to specific SDG targets are underexplored. This special session proposes to address this knowledge gap by examining SEZ performance through key SDGs such as SDG 8 (Decent Work), SDG 9 (Industry and Innovation), SDG 11 (Sustainable Cities), and SDG 13 (Climate Action).

International evidence shows that well-governed SEZs can foster inclusive growth, with many zones generating substantial employment and reporting higher female workforce participation than surrounding regions. SEZs adopting gender-sensitive workplace policies, including childcare facilities, safer work environments, and skill development programmes, demonstrate lower attrition and stronger labour outcomes (Gallé et al., 2018). Globally, 83% of SEZs identify SDG 8 as a priority, reflecting the strong alignment between decent work and zone-based development (UNCTAD, 2023). Similarly, SEZs hosting diversified industrial clusters - such as electronics, automotive, pharmaceuticals and textiles—tend to enhance backward and forward linkages, contributing to regional industrial ecosystems (Aggarwal, 2012). Evidence also indicates that 15–20% of firms in advanced SEZs are adopting Industry 4.0 technologies, leading to notable productivity improvements (World Bank, 2022).

This session seeks to explore whether SEZs can transition from traditional export enclaves into sustainable industrial ecosystems. It will present empirical insights, comparative global

experiences, and a structured analytical framework to assess SEZ outcomes through an SDG lens. By bringing together researchers, policymakers, and practitioners, the session aims to advance theoretical understanding and generate policy-relevant recommendations for embedding sustainability into SEZ governance and industrial development strategies.