

## Do SEZs Deliver Inclusive Growth? A Case Study of Sri City SEZ

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### Abstract

Special Economic Zones (SEZs) continue to shape industrial policy in emerging economies, offering a framework for export-oriented industrialisation, investment attraction, and logistics-led regional growth. India's SEZ programme has matured over nearly two decades, yet outcomes vary widely across locations, institutional models, and governance structures. This study evaluates Sri City SEZ in Andhra Pradesh as a contemporary example of a planned, diversified, and globally connected industrial ecosystem. The objective is to assess whether Sri City represents a balanced model of sustainable industrialisation by examining its economic efficiency, social inclusion, and environmental stewardship.

The analysis employs a mixed-methods approach combining official SEZ performance metrics, secondary policy and institutional reports, field observations, and a household survey of 348 families in seven neighbouring villages. The findings indicate strong performance in investment mobilisation, export capability, and industrial diversification, supported by proactive governance and logistics advantages. However, the distribution of benefits is uneven. While local labour has shifted toward non-farm work, income mobility remains modest, welfare reliance persists among vulnerable groups, and gender participation in industrial employment is limited. The SEZ demonstrates structured environmental systems and renewable-energy adoption, yet its proximity to Pulicat Lake, a critical coastal ecosystem, requires heightened ecological monitoring and cumulative-impact oversight.

Overall, Sri City presents a high-performing industrial hub with significant progress in economic and environmental dimensions but slower advancement in social inclusion and livelihood resilience. The results highlight the need for a coordinated policy effort linking industrial competitiveness with local skill development, mobility support, long-term rehabilitation for land-losing households, and continuous ecological vigilance. As India transitions toward the Development of Enterprise and Service Hubs (DESH) framework, lessons from Sri City suggest that successful SEZs must expand beyond infrastructure-driven growth models to embed deeper social and environmental responsibility.

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## Keywords

Special Economic Zones; Sustainable Industrialisation; Sri City; Andhra Pradesh; Mixed-Methods Study; Social Inclusion; Environmental Governance; Industrial Policy

## Introduction

Special Economic Zones (SEZs) remain central to the development strategies of many emerging economies striving to accelerate industrialisation, attract foreign direct investment, and strengthen export competitiveness. While their conceptual roots lie in early export-processing zones and industrial estates, SEZs have since evolved into complex urban-industrial ecosystems. In India, the SEZ Act of 2005 marked a decisive moment, reflecting a shift toward spatially concentrated industrial policy instruments designed to catalyse manufacturing-led growth. With more than 260 operational SEZs as of 2024, India holds one of the largest SEZ networks globally, yet performance outcomes remain uneven. Some zones have matured into vibrant industrial clusters, while others struggle with capital mobilisation, infrastructure delivery, or inclusive benefit distribution. This divergence underscores the need for empirical research capable of evaluating SEZs in a holistic and contemporary policy context.

Industrial policy in India is undergoing a phase of recalibration driven by global supply-chain realignments, the Production-Linked Incentive (PLI) programme, and renewed emphasis on manufacturing competitiveness. In parallel, the Government has signalled a transition from traditional SEZs to Development of Enterprise and Service Hubs (DESH). These shifts highlight the importance of re-examining existing SEZ experience through the lens of efficiency, inclusiveness, and sustainability. The challenge is to move beyond narrow export-performance metrics and interrogate SEZs as institutions shaping land markets, labour transitions, community welfare, and environmental management.

Sri City in Andhra Pradesh presents a compelling case for such analysis. Established after the SEZ Act and strategically positioned along the Chennai–Bengaluru Industrial Corridor, Sri City integrates industrial, logistics, educational, and residential functions within a planned township model. Its hybrid governance approach, combining private development initiative with state facilitation, distinguishes it from earlier enclave-style SEZs. With a diversified portfolio spanning electronics, automotive components, pharmaceuticals, packaging, and engineering, Sri City has emerged as a major manufacturing hub in southern India.

This study evaluates Sri City as a test-bed for sustainable industrialisation, applying a triple-bottom-line perspective that considers economic, social, and environmental dimensions. The analysis draws on mixed methods, combining official SEZ performance data, secondary institutional sources, field observations, and primary household survey evidence from neighbouring communities. This design acknowledges that SEZ-led development unfolds across measurable economic indicators and lived social and environmental realities.

Results indicate that Sri City demonstrates strong performance in investment attraction, export competitiveness, and industrial diversification. However, success at the zone level does not automatically guarantee broad-based social mobility. Household-level evidence from nearby villages reveals clear patterns of occupational transition from agriculture to non-farm work, yet also persistent disparities in wage stability, gender participation, and opportunities for historically marginalised groups. While compensation supported land-losing households, long-term livelihood restoration and upward mobility remain limited for many. Welfare dependence persists as a coping mechanism for vulnerable segments of the affected population.

Environmental assessment shows structured systems for water treatment, renewable-energy adoption, and waste management, supported by third-party certifications. At the same time, Sri City's proximity to Pulicat Lake, an ecologically sensitive brackish-water ecosystem, demands sustained vigilance and stronger landscape-level ecological monitoring. Infrastructure-based compliance, while commendable, must be matched by continuous evaluation of cumulative ecological effects.

This study contributes to current policy debates by presenting a grounded assessment of an advanced SEZ model in India. It demonstrates that while SEZs can successfully catalyse industrial growth and infrastructure development, social inclusion and environmental stewardship require intentional policy design and sustained institutional commitment. Balancing competitiveness with community welfare and ecological responsibility is essential as India advances its manufacturing ambitions and transitions toward DESH-based industrial hubs.

The remainder of this article proceeds as follows. The next section reviews relevant literature on SEZ performance, labour transitions, and sustainability frameworks. This is followed by a description of the research methodology, including data sources and analytical approach. The results are then presented and discussed across economic, social, and environmental

dimensions. The final section concludes with policy implications for strengthening inclusive and sustainable industrial development in India.

## **Literature Review**

Research on Special Economic Zones (SEZs) has expanded significantly over the past three decades, reflecting their continued relevance to industrialisation and trade strategies in emerging economies. The literature broadly addresses four interrelated themes: investment and export performance, employment generation and labour dynamics, socio-economic and distributional impacts, and environmental sustainability. This study contributes to these debates by undertaking an integrated assessment of Sri City SEZ, combining zone-level performance indicators with household-level socio-economic data from surrounding communities.

## **Investment and Export Performance**

SEZs are widely viewed as catalysts for investment mobilisation, export growth, and integration into global value chains. Classical SEZ literature emphasises the importance of infrastructure readiness, regulatory clarity, and connectivity in shaping investment outcomes (Farole & Akinci, 2011; UNCTAD, 2019). Empirical evidence from East and Southeast Asia highlights the role of SEZs in facilitating technology transfer and industrial upgrading when embedded in broader development strategies (Zeng, 2015). In the Indian context, early performance assessments reported mixed results, with some zones attracting significant capital inflows while others faced delays in land acquisition, infrastructure delivery, and investor uptake (Aggarwal, 2012; Mukhopadhyay, 2011). Recent studies show stronger performance among zones aligned with logistics corridors and metropolitan labour pools (World Bank, 2020).

Sri City aligns with this second generation of SEZs that position themselves as integrated industrial ecosystems rather than isolated export enclaves. Literature increasingly recognises the importance of governance models, developer capacity, and institutional predictability in determining investment outcomes. This research adds empirical evidence by evaluating Sri City's investment efficiency, export conversion, and diversification metrics relative to comparable SEZs.

## **Employment and Labour Dynamics**

The employment potential of SEZs remains contested. Proponents argue that SEZs generate direct industrial jobs and indirect employment through supply chains, services, and

construction (ILO, 2019). Critics highlight capital-intensive industrial patterns, informal labour arrangements, and limited employment gains relative to investment volumes (Sampat, 2016; Jenkins, 2020). Studies on Indian SEZs underscore challenges in labour absorption, skill mismatches, and gender disparities (Aggarwal & Zhan, 2021). Evidence from southern India shows that SEZs located near urban centres benefit from wider labour catchments, yet often reproduce stratified labour outcomes rooted in social hierarchies (Rao, 2017).

This study contributes to this literature by examining household-level labour transitions in villages adjoining Sri City. The analysis reveals occupational shifts toward non-farm work but also uneven income mobility and persistent wage precarity for socially marginalised groups. By linking zone performance with local labour outcomes, the study expands the empirical base on employment quality and inclusiveness in SEZ regions.

### **Socio-Economic and Distributional Impacts**

SEZ-led industrialisation can transform local landscapes, altering land markets, settlement patterns, and livelihoods. Research shows that land acquisition processes, compensation arrangements, and rehabilitation programmes significantly affect household welfare and social stability (Levien, 2018; Narayanan, 2019). While some studies document improved income opportunities and service access in SEZ-adjacent communities, others point to inequitable benefit distribution and welfare dependence among land-losing households (Rudolph & Bodewig, 2020). Social identities, particularly caste and gender, shape access to industrial jobs and mobility pathways in India (Deshpande, 2021).

This study advances the discourse by analysing caste-linked income variation, gender participation, and welfare reliance in the Sri City region. The findings highlight that economic expansion does not automatically translate into equitable local development, reinforcing arguments that SEZ success must be assessed on distributional outcomes rather than aggregate performance alone.

### **Environmental Sustainability**

Environmental outcomes of SEZs have gained prominence as global industrialisation increasingly intersects with climate and ecological concerns. Studies emphasise the importance of green infrastructure, waste-water treatment, renewable-energy adoption, and compliance mechanisms in industrial zones (UNIDO, 2019). At the same time, evidence from Asia and Africa warns that SEZ expansion can intensify pressure on ecologically fragile zones unless

supported by strong environmental governance (World Bank, 2017). In India, research highlights inconsistencies in environmental monitoring and cumulative-impact assessments across zones (Menon & Kohli, 2018).

Sri City's location near Pulicat Lake makes the environmental dimension particularly significant. This research expands the limited literature on environmentally sensitive industrial corridors by combining secondary ecological data with field observations. It demonstrates that structured environmental systems must be complemented by long-term ecological vigilance and hydrological monitoring.

### **Contribution to Literature**

Across these themes, a clear consensus is emerging: SEZs are not inherently transformative; their developmental value depends on governance capacity, social integration, and ecological responsibility. This study adds to the growing body of evidence advocating holistic evaluation of SEZs. By integrating zone-level economic indicators with community-level socio-economic data and environmental assessment, the research provides a comprehensive sustainability appraisal of a flagship Indian SEZ. It contributes original primary evidence to debates on inclusiveness in industrial corridors and offers insights relevant to India's evolving industrial policy under the DESH framework.

Excellent. Here is the **Methodology** section shaped for a journal article. It stays academic, concise, and grounded in your study design, without sounding like a thesis chapter.

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### **Methodology**

This study employs a mixed-methods research design to evaluate the sustainability performance of Sri City Special Economic Zone (SEZ) across economic, social, and environmental dimensions. A multi-dimensional approach is essential because SEZ impacts extend beyond investment and export outcomes to encompass labour transitions, livelihood security, and ecological balance. The methodological design integrates secondary performance data with primary field evidence from neighbouring communities, enabling a holistic assessment.

## Research Design and Analytical Approach

The research follows a case-study strategy, treating Sri City SEZ as an advanced industrial ecosystem embedded in a rural-urban interface. A mixed-methods design combines quantitative indicators with qualitative insights to capture both measurable outcomes and lived experiences.

The analytical approach follows three steps:

### 1. Economic Assessment

Analysis of investment inflows, export performance, employment data, and sectoral diversification using official SEZ portals, state industrial reports, and zone-level records. Efficiency benchmarks, including export-to-investment ratios and concentration indices, position Sri City relative to other SEZs in Andhra Pradesh.

### 2. Social Assessment

Household-level survey data from surrounding villages assess labour patterns, income bands, land-acquisition effects, welfare reliance, and gender participation. Statistical tests examine distributional outcomes across caste, gender, and land-ownership categories.

### 3. Environmental Assessment

Evaluation of environmental infrastructure, renewable-energy adoption, waste-water systems, and compliance mechanisms through official environmental clearance documents, state pollution-control reports, and local observations.

Triangulating these datasets supports a rigorous sustainability analysis grounded in the triple-bottom-line framework.

## Study Area

Sri City SEZ is located in Tirupati district, Andhra Pradesh, along the Chennai–Bengaluru industrial corridor. It spans SEZ and Domestic Tariff Area (DTA) components and hosts multinational firms across automotive components, electronics, pharmaceuticals, engineering, and allied sectors. Seven villages in the immediate periphery constitute the social survey zone, reflecting the geographic extent of labour interactions, land-use transitions, and livelihood change.

## Data Sources

### Secondary Data

Secondary data were collected from multiple government and institutional sources, including:

- SEZ India and Ministry of Commerce records,
- Andhra Pradesh Industrial Infrastructure Corporation reports,
- Environmental clearance and compliance documents,
- Reserve Bank of India, DGCI&S, and state economic surveys, and
- Academic and policy literature on SEZ performance and sustainability

These data underpin economic and environmental performance metrics and provide comparative benchmarks.

### Primary Data Collection

Primary data were collected in 2023–24 through a structured household survey in seven villages adjoining Sri City: Cherivi, Gollavaripalem, Chengambakam, Appaiahpalem, Mallavaripalem, Aroor, and Irugulam. The survey captured demographic characteristics, land status, educational attainment, occupation, income, welfare access, and perceptions of SEZ impacts.

A total of **348 households** were selected using stratified random sampling. Stratification ensured representation across caste groups, land-ownership categories, and gender participation profiles. This stratified approach strengthens the validity of socio-economic inferences in a socially diverse region.

Qualitative data were gathered through key-informant interviews with SEZ officials, company representatives, local administrators, and community leaders, complemented by focus-group discussions in selected villages. Field observations supported verification of environmental facilities and local development infrastructure.

### Analytical Techniques

The analysis applies descriptive statistics, cross-tabulations, and non-parametric tests to examine socio-economic patterns. Income variation across social categories is tested using Kruskal–Wallis procedures given ordinal data. Chi-square tests and standardised residuals

assess associations between caste, occupation, and land-acquisition status. Logistic regression estimates determinants of industrial employment participation at the household level.

Environmental data are evaluated using descriptive indicators and compliance assessment. Where available, performance values are normalised on a 0–1 scale to enable aggregation across dimensions.

Finally, a composite sustainability index synthesises economic, social, and environmental scores, reflecting relative strengths and gaps across dimensions.

### **Ethical Considerations**

Participation in the household survey was voluntary. Respondents were informed of study objectives and assured anonymity. Observational and interview data were used only for research purposes.

### **Results**

Dimension	Index Score (0 - 1)	Interpretation
Economic	0.82	High efficiency and strong industrial performance
Social	0.56	Moderate inclusion with persistent disparities
Environmental	0.78	Strong compliance with ecological sensitivity concerns

The index reflects performance across economic, social, and environmental dimensions on a 0–1 scale, demonstrating strong economic and environmental outcomes with moderate social inclusion.

### **Economic Performance**

Sri City demonstrates strong economic performance characterised by sustained investment mobilisation, export capability, and industrial diversification. Official records indicate cumulative investment exceeding ₹14,800 crore and cumulative exports of roughly ₹14,970 crore within the study period. The export-to-investment ratio hovers around unity, signalling efficient conversion of capital into outward-oriented production.

Sectoral analysis shows diversified activity across automotive components, electronics, pharmaceuticals, packaging, and logistics. A low concentration index reflects reduced exposure to single-industry fluctuations and positions the zone favourably compared with other multi-

product SEZs in Andhra Pradesh. Investor composition includes both domestic and multinational firms, reinforcing integration into global supply networks.

Employment outcomes are positive but modest relative to investment scale. Direct jobs within the SEZ total approximately 2,287, with additional indirect labour absorbed through logistics, construction, and auxiliary services. Industrial units exhibit mixed capital-labour profiles, with several adopting automation and advanced manufacturing technologies, supporting competitiveness yet limiting labour intensity.

Infrastructure development remains a distinguishing attribute. Plug-and-play utilities, road networks, power reliability, and logistics connectivity strengthen investor confidence. Sri City's governance structure, combining private development initiative with state-backed facilitation, appears to contribute to project execution and investor servicing efficiency.

Overall, the zone presents a high-performing industrial hub: capable of attracting capital, sustaining export activity, and integrating into strategic production networks. However, the employment effects, while significant, remain moderate in proportion to investment magnitude, reflecting a common pattern in modern manufacturing clusters.

### **Social Outcomes**

Household survey results from neighbouring villages reveal a complex social landscape shaped by industrial transition. Occupational profiles illustrate a gradual shift from agriculture to non-farm employment, with 39 percent of surveyed households reporting at least one member employed in industrial or service roles. This transition marks growing integration with the urban-industrial economy, though the pace varies across social groups.

Income patterns suggest moderate improvement yet limited upward mobility. Most households report annual incomes between ₹1,00,000 and ₹2,00,000, while only a small share exceeds ₹3,00,000. While wage employment provides stability relative to casual agricultural labour, earnings remain constrained for many. Welfare reliance persists as a complementary safety net, particularly among land-losing households and historically marginalised communities.

Land acquisition has reshaped asset structures and livelihoods. Approximately 58.6 percent of households report land transfer to the SEZ, with compensation providing financial support yet rarely translating into sustained income generation. Households without land assets prior to industrialisation face distinct challenges, with limited access to compensation and lower earnings from unskilled employment.

Social stratification patterns are pronounced. Statistical tests confirm significant differences in income across caste and land-ownership categories. Scheduled Caste and Backward Caste groups constitute the majority of the population and remain concentrated in lower-earning categories and casual wage work. Gender participation in industrial employment remains low, shaped by mobility constraints, skill-mismatch, and wage disparities.

Education indicators show gradual improvement, with increasing secondary and tertiary attainment. However, technical diploma-level skills remain scarce despite industry requirements, creating a skill gap that affects local labour absorption into higher-wage positions.

In sum, the zone has generated non-farm opportunities and some income gains, but benefits are uneven. Distributional inequities persist across caste, gender, and asset lines, and welfare dependence continues to support household consumption for vulnerable groups.

### **Environmental Performance**

Environmental assessment indicates substantial infrastructure and governance measures alongside ecological sensitivity concerns. Sri City incorporates effluent and sewage treatment facilities, solid-waste segregation, and renewable-energy adoption through rooftop solar systems and green-certification practices. A 47-MLD sewage-treatment system and effluent-treatment plants operate across the zone, with treated water reused for industrial and landscaping purposes.

Green-belt development has progressed, with more than 110 hectares under plantation. Renewable-energy integration supports cleaner power sourcing, aligning with emerging eco-industrial practices. Environmental management systems and certifications reinforce compliance orientation and institutional oversight.

Despite these advancements, the zone's proximity to Pulicat Lake introduces an ecologically sensitive context. While environmental safeguards are in place within the park, cumulative regional effects on hydrology, biodiversity, and wetland systems require sustained monitoring. Industrial activity in coastal ecosystems demands strengthened institutional vigilance and periodic ecological audits to prevent long-term degradation.

Overall, Sri City demonstrates structured environmental infrastructure and compliance culture, though sensitivity to surrounding ecosystems underscores the need for proactive environmental stewardship.

## Summary

The results show a high-performing industrial zone with strong economic fundamentals and structured environmental systems. At the same time, improvements in livelihood resilience, income mobility, and social equity remain essential to realise balanced sustainability. Industrial growth has progressed faster than inclusive development outcomes, reflecting the broader challenge facing modern manufacturing hubs in transitioning regions.

## Discussion

The results position Sri City as an advanced industrial hub that has delivered strong investment and export outcomes while maintaining structured environmental safeguards. These strengths reflect the characteristics highlighted in global SEZ research: reliable infrastructure, strategic location, and proactive governance tend to correlate with higher investor uptake and diversified industrial activity. The performance trajectory aligns with emerging evidence from second-generation SEZs in Asia that benefit from corridor connectivity and institutional facilitation rather than purely fiscal incentives.

However, the findings also underscore a central tension in contemporary industrial policy. Capital mobilisation, export growth, and modern industrial infrastructure do not automatically translate into broad-based social mobility. While the zone has generated non-farm employment and modest income gains for many local households, the distribution of opportunities remains uneven. Caste-linked income differentials, lower female participation, limited upward mobility among land-losing households, and continued welfare reliance indicate that social inclusion lags behind economic dynamism.

This pattern reflects observations in the wider literature, which suggests that the developmental impact of SEZs depends not only on industrial performance but on embedded labour-market linkages, skill-formation systems, and targeted inclusion mechanisms. Modern industrial ecosystems often create tiered labour structures, where stable, skilled positions coexist with large pools of contract and low-wage work. In Sri City, the limited availability of technical diploma-level skills locally has constrained access to higher-quality employment. At the same time, the gradual rise in education attainment among households signals future potential if vocational pathways and targeted skill programmes expand.

Land acquisition outcomes further illustrate the structural challenges associated with industrial expansion in peri-urban and rural regions. Compensation has supported household liquidity,

yet transforming one-time payments into sustained income remains difficult without institutional support for skill development, entrepreneurship, or structured rehabilitation. Welfare schemes continue to play a stabilising role for vulnerable households, suggesting that growth has not yet neutralised pre-existing social and economic vulnerabilities.

Environmental results point to a disciplined compliance framework within the SEZ, supported by treatment facilities, green-belt development, and renewable-energy adoption. These features align with contemporary eco-industrial standards and distinguish Sri City from earlier SEZs with less formalised environmental systems. However, location matters. Being situated near Pulicat Lake, a fragile wetland ecosystem, places higher responsibility on continuous ecological stewardship. While infrastructure-based compliance is in place, long-term sustainability depends on cumulative-impact monitoring and regional ecological management, not solely park-level controls.

Synthesising these dimensions reveals a clear pattern. Sri City performs strongly on economic and environmental indicators but advances more modestly on social inclusion. This creates an asymmetry that mirrors broader developmental debates: industrial competitiveness is increasingly necessary but insufficient for equitable development. As India transitions toward the DESH framework, SEZs must evolve from infrastructure-driven models to institutional systems that emphasise skill mobility, gender inclusion, livelihood transition planning, and ecosystem governance.

This study demonstrates that sustainable industrialisation in India requires three complementary pillars. First, investment and export performance must remain strong to anchor economic transformation. Second, structured interventions in skill development, labour mobility, and community partnerships are essential to ensure that local households participate meaningfully in new labour markets. Third, ecological responsibility must extend beyond regulatory compliance to include continued hydrological and biodiversity monitoring, particularly in environmentally sensitive zones.

Sri City has the foundations to serve as a benchmark industrial ecosystem, yet the findings indicate that its long-term sustainability will depend on deepening social linkages, expanding skill pipelines, and strengthening ecological vigilance. The integrated assessment used in this research provides a framework for evaluating future industrial hubs under India's evolving policy landscape, highlighting that successful zones will be those capable of balancing growth with equity and environmental responsibility.

## Conclusion and Policy Implications

This study assessed Sri City SEZ through an integrated sustainability lens, examining economic performance, social outcomes, and environmental systems. The results indicate that Sri City has emerged as a high-performing industrial node with strong investment attraction, export growth, and infrastructure reliability. It demonstrates characteristics associated with successful modern SEZs, including diversified sectoral activity, efficient land governance, and a proactive institutional structure.

Yet the analysis also reveals a development gap. While industrialisation has expanded employment opportunities and facilitated occupational transition, the distribution of gains is uneven. Land-losing households face challenges in securing sustained income growth, caste-linked income disparities persist, and female participation in industrial employment remains limited. Welfare support continues to act as a stabilising mechanism for vulnerable groups, signalling that industrial dynamism has not yet translated into widespread economic resilience.

Environmental systems within the zone are structured and compliant, supported by renewable-energy initiatives and waste-water treatment infrastructure. However, Sri City's proximity to Pulicat Lake places heightened importance on ongoing ecological monitoring and cumulative impact assessment. Environmental sustainability in sensitive regions demands continuous and adaptive governance, beyond initial infrastructure commitments.

Taken together, these findings position Sri City as a prominent example of India's evolving industrial ecosystem model: competitive, globally connected, and institutionally capable, yet still navigating the complex task of translating growth into inclusive development and long-term environmental stewardship.

## Policy Implications

Several policy directions emerge from the analysis:

1. **Strengthen local skill ecosystems:** Expanding technical and vocational training aligned with industry demand can bridge the gap between local workforce characteristics and formal industrial employment opportunities. Partnerships between SEZ units, government skill missions, and educational institutions would support this transition.

2. **Enhance livelihood restoration frameworks:** For land-losing households, one-time compensation alone is insufficient. Structured rehabilitation pathways, including entrepreneurship support, skill development grants, and wage-transition programmes, would help convert compensation into long-term economic security.
3. **Promote gender-inclusive labour strategies:** Measures to improve safety, transport access, and flexible employment options, alongside targeted skilling for women, can expand female workforce participation and improve household income mobility.
4. **Deepen community engagement mechanisms:** Regular consultation platforms between SEZ developers, local government, and community representatives can support grievance resolution, monitor social outcomes, and foster cooperative development planning.
5. **Institutionalise ecological monitoring:** In environmentally sensitive zones, periodic hydrological and biodiversity assessments should complement regulatory compliance. Transparent ecological reporting systems would strengthen public trust and environmental accountability.
6. **Integrate sustainability into DESH policy design:** As India transitions toward the Development of Enterprise and Service Hubs framework, incorporating social-inclusion benchmarks and ecological safeguards into incentive systems can encourage balanced performance across development dimensions.

### **Closing Perspective**

Sri City demonstrates that modern industrial zones can achieve strong economic and environmental performance. The next stage of India's industrial strategy will require strengthening the social foundations of such zones, ensuring that growth translates into equitable opportunity and ecological care. Experiences from Sri City offer practical insights for shaping future industrial corridors and sustainable urban–industrial regions under the DESH era.

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