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Industrialisation through Special Economic Zones: Opportunities and Challenges for Bihar

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***Abstract*-- Special Economic Zones are widely used to draw investment and export manufacturing into places that have a lack of these opportunities, yet in India they have clustered in already-industrial states. This paper asks what that means for Bihar, which has two notified zones and none operational. Using state-wise SEZ statistics, sectoral output and employment data, factory counts and the BIADA industrial land bank, it finds the usual explanation does not hold: serviced land is not scarce, with roughly 800 acres unallotted at rates as low as Rs 52 per square foot. What is scarce is demand. Land near Patna is nearly full at forty-seven times peripheral prices, no industrial area lies within 442 kilometres of a seaport, and industrial land demand is in effect confined to the capital region. Cheap land and tax concessions, the standard SEZ offer, address neither constraint. This reframes rather than forecloses Bihar's prospects. The state's own recent allotments point to the opportunity: resource-based processing, such as biogas, leather and food parks, that serves domestic markets, uses local materials, is indifferent to port distance and builds durable local linkages. Supported by a young workforce, improving connectivity and a large stock of developed low-cost land, and by zones tied to freight corridors rather than offered as concessions alone, industrial policy directed to the sectors that fit Bihar's strengths has room to succeed.**

***Keywords*--Special Economic Zones, Industrial Development, Bihar, Structural Transformation, Regional Inequality, Employment.**

I. Introduction

Special Economic Zones have become a standard instrument for governments trying to attract mobile capital and build export capacity (Farole & Akinci, 2011; World Bank, 2017). Economic geographers describe them as spatially selective interventions: bounded areas in which the state suspends some of its own regulatory and fiscal rules to make investment more attractive (Harvey, 2001; Farole, 2011). Zones have raised exports and foreign investment in a number of countries. Beyond that, the record is mixed. It is less clear whether the jobs are good ones, whether zones connect to the economy around them, and who ends up better off (Aggarwal, 2012; World Bank, 2017).

India's SEZ Act of 2005 produced a markedly uneven industrial geography. Investment, employment and exports within zones have gone overwhelmingly to a handful of coastal and western states that already had industrial capacity, ports and skilled labour (Aggarwal, 2012; Jenkins et al., 2015). The poorer, largely agrarian states have stayed outside this growth almost entirely. The policy has since come under pressure. In 2019 a WTO panel found that the tax breaks at the core of the SEZ scheme were prohibited export subsidies, and told India to withdraw them (Mukherjee & Parashar Sarma, 2020). Any assessment of what zones can now offer a state that has yet to build one has to reckon with that. This raises a question. Can zones change the economic structure of a late-industrialising region, or do they only widen the gap between rich and poor regions that already exists (Frick et al., 2019; World Bank, 2017)?

Bihar is a demanding case. It was an administrative and commercial centre in pre-colonial India, but it has fallen a long way behind since. Per capita income in 2023–24 was about a third of the national average, and the state sits at the bottom of NITI Aayog's Multidimensional Poverty Index, with the highest burdens in districts such as Araria and Purnia (World Bank, 2025). The 2000 division of the state took the mineral-bearing districts into Jharkhand and left Bihar more dependent than before on agriculture and on sending its workers elsewhere (Government of Bihar, 2023). The state settled into a role as a labour exporter, with heavy male out-migration, very low female workforce participation and few industrial jobs at home (Keshri & Bhagat, 2013; PLFS, 2022). Boschma (2015) calls this kind of situation regional lock-in: a region's history and institutions keep productive investment away unless policy intervenes directly.

The state has recently tried to change course. Bihar Business Connect 2023 and the investment packages that accompanied it signal a renewed push towards manufacturing (Government of Bihar, 2023). The reasoning is familiar from new economic geography: cheaper land, cheaper labour and lower operating costs should draw firms away from expensive industrial regions (Krugman, 1991).

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SEZs occupy a particular place in that strategy. They are meant to anchor large firms, force infrastructure investment, and demonstrate to investors that the state means what it says (Farole & Akinci, 2011). The zones recently approved in Bihar are its first serious attempt to use them as development instruments rather than isolated export enclaves. The literature gives reason for caution. Aggarwal (2012) finds employment outcomes in Indian zones varying sharply by sector and often limited by skill mismatches. Farole and Akinci (2011) argue that zones benefit the places around them only where they are tied into domestic supply chains, workforce training and coordinated administration. World Bank evaluations warn that without inclusive labour rules and clear land governance, zones tend to remain enclaves (World Bank, 2017). Frick, Rodríguez-Pose and Wong (2019), in the first large-scale quantitative assessment of what drives zone performance across emerging countries, find that growth inside zones is hard to sustain once it starts.

This paper asks whether Bihar's SEZ initiative offers a route to broader industrialisation or repeats the enclave pattern. The question matters beyond Bihar. It bears on how poor regions can gain a foothold in an economy that keeps favouring the places already ahead (Rodríguez-Pose, 2018).

II. Database And Methodology

The study adopts a descriptive analysis of secondary data. Data on the number and status of SEZ approvals across Indian states are drawn from the state-wise SEZ statistics published by the Department of Commerce (Ministry of Commerce and Industry, 2025); national aggregates on approvals, investment, employment and exports are taken from the Department's periodic fact sheet (Government of India, 2024). Data on the extent, price and connectivity of industrial land in Bihar are drawn from the industrial land bank maintained by the Bihar Industrial Area Development Authority (BIADA, 2026). Data on sectoral Gross Value Added, employment patterns and factory statistics are drawn from the Economic Survey of Bihar (Government of Bihar, 2024). The analysis focuses on three main aspects:

1. Sectoral distribution of output and employment in Bihar
2. Comparative analysis of SEZ development across Indian states
3. Structural transformation and industrialisation gap in Bihar

III. Results And Discussion

It is seen from Table 1 that SEZs are spread very unevenly across India. The southern and western states dominate: Tamil Nadu, Karnataka, Telangana, Maharashtra and Gujarat hold most of the operational zones between them. Tamil Nadu has around sixty zones, close to fifty of them running, and Karnataka has more than sixty approvals with a large share already functioning (Ministry of Commerce and Industry, 2025). These states already had the industry, the transport links and the skilled workers before the zones arrived (Aggarwal, 2012; Jenkins et al., 2015). The zones simply plugged into production networks that were already running.

Bihar sits at the other end. It has two formal approvals, both notified, and nothing operational (Ministry of Commerce and Industry, 2025). Export-oriented industry has been slow to arrive, and the SEZ route has so far brought in no significant investment. The reasons are the same ones that hold back industry in the state as a whole: weak infrastructure, few manufacturing networks, and low private investment compared with the industrialised states (Government of Bihar, 2024; World Bank, 2017). It is worth stating the scale of what Bihar is missing out on. At the end of December 2023 India had 278 operational zones, carrying cumulative investment of roughly Rs 6.7 lakh crore and employing close to three million people, with exports of Rs 12.6 lakh crore in 2022–23 (Government of India, 2024). Bihar's share of each of those figures is zero.

Even the neighbours do better. West Bengal and Uttar Pradesh both run several zones, helped by stronger industrial bases and better market access (Aggarwal, 2012). Bihar's position also reflects a longer divergence. Its share of national GDP fell from 3.6 per cent in 1990–91 to 2.8 per cent in 2021–22, and its per capita income in 2021–22 stood at 30 per cent of the national figure (NITI Aayog, 2025). The state does have assets: a large and young workforce, improving road and rail links, and a location with access to markets across eastern India.

International Journal of Recent Development in Engineering and Technology
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Table 1: State-wise Distribution of Special Economic Zones in India (As on 18 March 2025)

State / UT	Central Govt SEZs (Before 2005)	State / Private SEZs (Before 2005)	Formal Approvals (Post-2005)	Total SEZs	In-principle Approvals	Notified SEZs	Total Notified SEZs	Operational SEZs
Andhra Pradesh	1	0	34	35	4	29	30	25
Arunachal Pradesh	0	0	1	1	0	0	0	0
Bihar	0	0	2	2	0	2	2	0
Chandigarh	0	0	2	2	0	2	2	2
Chhattisgarh	0	0	2	2	1	1	1	1
Delhi	0	0	2	2	0	0	0	0
Goa	0	0	7	7	0	3	3	0
Gujarat	1	2	25	28	5	21	24	21
Haryana	0	0	25	25	3	22	22	8
Jharkhand	0	0	2	2	0	2	2	1
Karnataka	0	0	61	61	0	50	50	38
Kerala	1	0	24	25	0	20	21	20
Madhya Pradesh	0	1	12	13	0	7	8	6
Maharashtra	1	0	46	47	13	40	41	36
Manipur	0	0	1	1	0	1	1	0
Nagaland	0	0	2	2	0	2	2	0
Odisha	0	0	7	7	0	5	5	5
Puducherry	0	0	1	1	1	0	0	0
Punjab	0	0	5	5	0	3	3	3
Rajasthan	0	2	5	7	1	4	6	3
Sikkim	0	0	1	1	0	0	0	0
Tamil Nadu	1	2	57	60	5	55	58	49
Telangana	0	0	60	60	0	55	55	37
Tripura	0	0	1	1	0	1	1	0
Uttar Pradesh	1	1	24	26	1	21	23	14
West Bengal	1	2	7	10	2	5	8	7
Grand Total	7	10	416	433	36	351	368	276

Source: Ministry of Commerce and Industry (2025). Figures for pre-2005 zones are reported separately by the Department of Commerce and are included in the state totals.

International Journal of Recent Development in Engineering and Technology
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Figure 1 compares operational zones across selected states. Tamil Nadu, Karnataka, Maharashtra and Telangana lead by a wide margin, with Tamil Nadu alone close to fifty. Each of them combines established industry, working logistics, skilled labour and an active industrial policy.

Bihar has none, despite its two approved zones. The gap says something about the state's industrial base and about how slowly zone development has moved. Figure 1 makes the wider point plainly: SEZ-led industrialisation has concentrated in the south and west, and the eastern states have been left out.

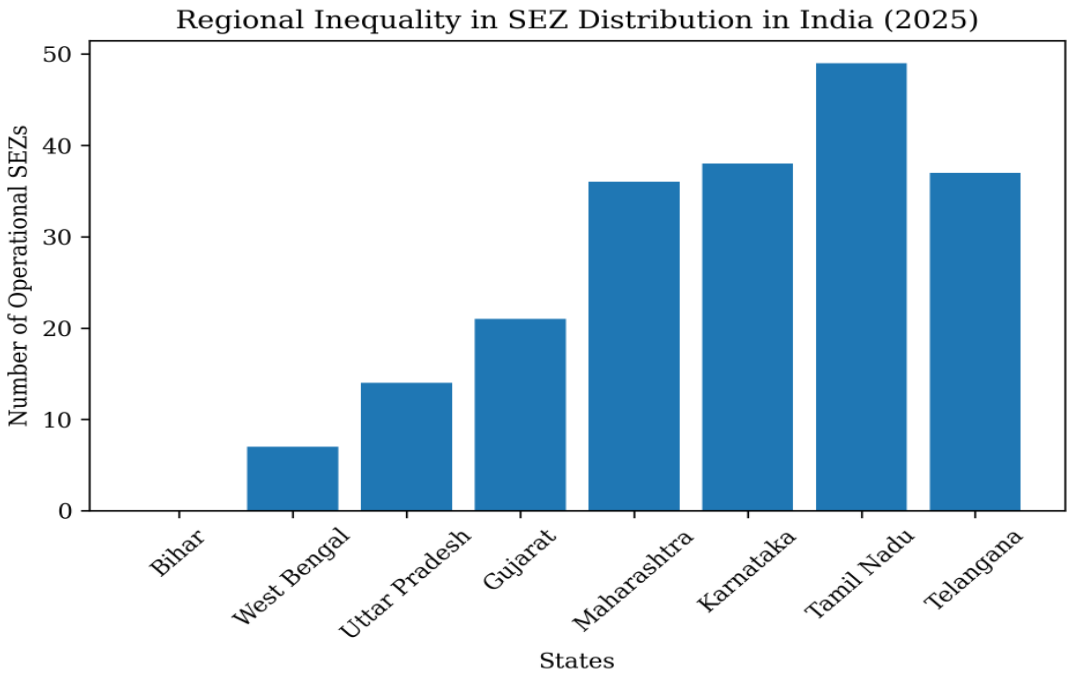

Figure 1: Operational Special Economic Zones in selected Indian states, as on 18 March 2025. Source: Prepared by the author from Ministry of Commerce and Industry (2025); underlying figures in Table 1.

Figure 2 groups the same data by region. Southern India accounts for the largest share of operational zones, with Tamil Nadu, Karnataka, Telangana and Kerala together holding much of the national total. The west follows, mainly Maharashtra and Gujarat.

The north and east lag well behind. Eastern India, meaning Bihar, Jharkhand and West Bengal, has few operational zones, and Bihar has none at all, which follows from its thin industrial infrastructure and low levels of manufacturing investment. On this evidence SEZ policy has rewarded regions that were already industrial rather than drawing investment into the ones that were not.

Disparities also run within zones, across sectors (Kumari et al., 2018). Jenkins et al. (2015) add detail to the national picture: most Indian zones are small, under a square kilometre, their exports concentrate in IT and IT-enabled services and in refined petroleum, and they sit in a limited number of relatively advanced districts. Across India, the jobs, investment and exports that zones generate have concentrated in a few places (Kumari et al., 2019). Their effects also spill past the zone fence, changing land use and settlement in the surrounding rural-urban fringe (Kumari, 2024).

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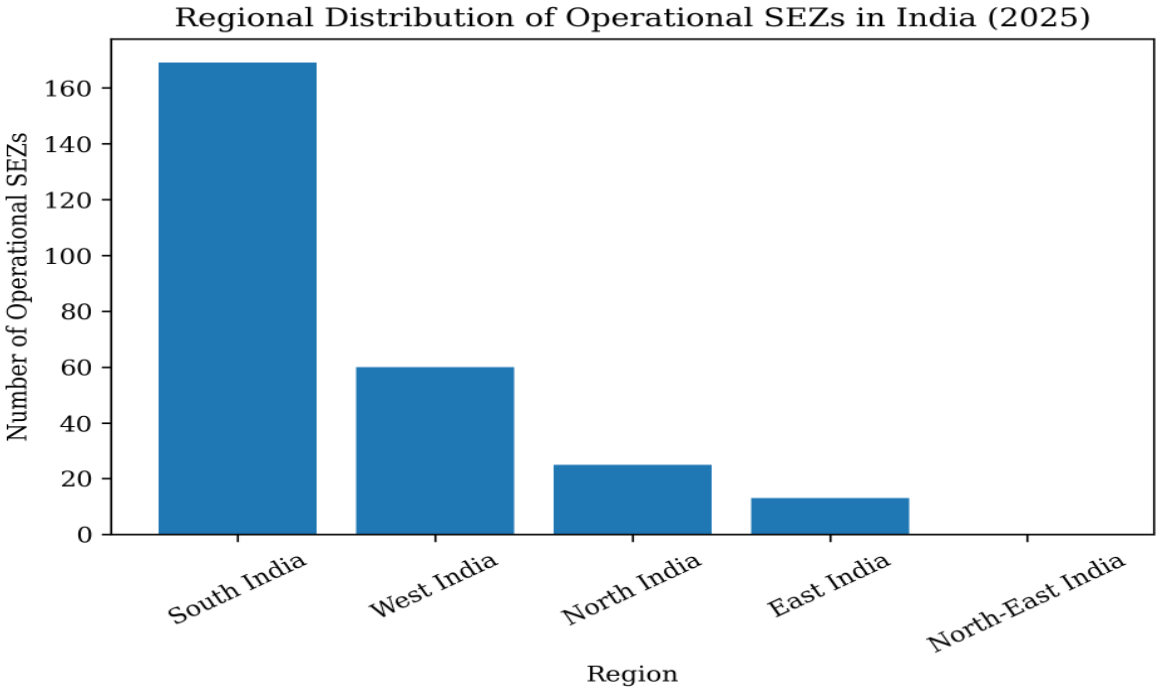

Figure 2: Regional distribution of operational Special Economic Zones in India, as on 18 March 2025. Source: Prepared by the author from Ministry of Commerce and Industry (2025); underlying figures in Table 1.

3.1 The Industrial Gap and the Case for Special Economic Zones in Bihar

Zones are meant to speed up industrial growth, draw investment, create jobs and improve infrastructure (Farole & Akinci, 2011; World Bank, 2017). In Bihar the case for them rests mainly on manufacturing employment. Table 2 sets Bihar's sectoral structure against the national one for 2017–18 and 2023–24. It is seen that the divergence is wide. The primary sector still absorbs most of the state's workers: 54.2 percent of employment in 2023–24 against 46.3 percent nationally (Government of Bihar, 2024). Its share of output, meanwhile, fell from 21.6 to 19.9 percent. The more troubling figure is manufacturing employment. The study shows that it dropped from 8.9 percent to 5.2 percent over the same years, while the national share held above eleven percent. Workers left manufacturing for agriculture rather than the other way round: structural transformation running backwards.

NITI Aayog's summary for the state, drawing on the Periodic Labour Force Survey rather than the Economic Survey, puts manufacturing at 5.7 per cent of Bihar's workers in 2022–23 and agriculture, forestry and fishing at 49.6 per cent (NITI Aayog, 2025), close enough to confirm the pattern from an independent source.

The secondary sector as a whole, covering manufacturing, construction and utilities, contributed 21.5 percent of Bihar's output in 2023–24 against 28.7 percent nationally, and 23.6 percent of employment. Construction accounts for most of what growth there is; manufacturing accounts for very little of it.

Services dominate output, rising slightly from 58.3 to 58.6 percent of GVA, but their employment share fell from 29.5 to 22.2 percent. Whatever growth the sector has seen has not produced jobs.

Bihar therefore carries a workforce concentrated in agriculture and an industrial base too small to absorb it, and over these six years the imbalance widened rather than eased.

International Journal of Recent Development in Engineering and Technology
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Table 2: Sector-wise Share in Gross Value Added and Employment in Bihar and India (2017-18 & 2023-24)

Sector	2017-18				2023-24			
	Shares in Gross Value Added		Shares in employment		Shares in Gross Value Added		Shares in employment	
	Bihar	All India	Bihar	All India	Bihar	All India	Bihar	All India
Agriculture, livestock, forestry & fishing	21.5	15.3	45.1	44.1	19.5	14.5	54.2	46.1
Mining & quarrying	0.1	2.7	0.1	0.4	0.4	2.1	0.0	0.2
Primary Sector	**21.6**	**18.0**	**45.2**	**44.6**	**19.9**	**16.6**	**54.2**	**46.3**
Manufacturing	9.1	18.4	8.9	12.1	7.6	17.3	5.2	11.4
Electricity, gas, water supply & utilities	1.5	2.3	0.1	0.6	2.7	2.4	0.2	0.5
Construction	9.5	8.0	16.3	11.7	11.3	9.0	18.2	12.0
Secondary Sector	**20.1**	**28.6**	**25.3**	**24.4**	**21.5**	**28.7**	**23.6**	**24.0**
Trade, repair, hotels & restaurants	18.2	13.7	12.0	15.9	14.8	10.2	8.0	10.2
Transport, storage & communication	9.7	4.1	5.9	10.2	10.2	5.0	5.0	7.6
Financial, real estate & professional services	13.7	21.1	1.9	2.1	9.5	23.3	0.6	1.9
Public administration & other services	16.7	12.6	9.8	11.1	18.4	12.7	6.2	9.9
Tertiary Sector	**58.3**	**53.3**	**29.5**	**31.1**	**58.6**	**54.6**	**22.2**	**29.7**
Total	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**

Source: Government of Bihar (2024), Economic Survey of Bihar 2024–25.

International Journal of Recent Development in Engineering and Technology
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Table 3 sets out factory counts from 2013–14 to 2022–23, drawn from the Economic Survey of Bihar (Government of Bihar, 2024). Nationally, factories grew by 12.8 percent and working factories by 11.2 percent. Bihar lost ground on both counts, with working factories down 11.18 percent, and the share of registered factories actually operating fell from 91.6 to 84.1 percent while the national figure barely moved. Over a decade in which Indian manufacturing expanded, Bihar's contracted.

Table 3: Number of Factories and Operational Factories in Bihar and India (2013–14 to 2022–23)

Indicator	Bihar 2013–14	Bihar 2022–23	Net Change	% Change	India 2013–14	India 2022–23	Net Change	% Change
Total Factories	3,420	3,307	−113	−3.30	224,578	253,334	28,756	12.80
Operational Factories	3,132	2,782	−350	−11.18	185,690	206,523	20,833	11.20
Operational Efficiency (%)	91.6	84.1	−7.5	−8.19	82.7	81.5	−1.2	−1.45

Source: Compiled by the author from Government of Bihar (2024), Economic Survey of Bihar 2024–25.
Note: operational efficiency denotes operating factories as a percentage of registered factories.

3.2 SEZ Development in Bihar: The Industrial Land Bank, Price Gradients and Locational Constraints

The development of Special Economic Zones (SEZs) in Bihar has remained limited in comparison with industrially advanced states such as Gujarat, Maharashtra and Tamil Nadu. The state has received two formal SEZ approvals, both of which have been notified, but neither has become operational (Ministry of Commerce and Industry, 2025). Explanations of this outcome commonly emphasise the scarcity of developed industrial land. The evidence presented below indicates that this explanation is incomplete. Industrial land in Bihar is developed, serviced and available; what constrains SEZ-led industrialisation is the combination of weak locational advantage for export production and limited investor demand at the periphery, where most of the available land is situated.

The implementation of industrial land policy in Bihar is undertaken principally by the Bihar Industrial Area Development Authority (BIADA), which acquires land, develops industrial areas, and allot plots and constructed sheds to investors. BIADA keeps a public land bank. For each industrial area it records how much land is still unallotted, the going rate per square foot, and the distance to the nearest railway station, highway, airport and seaport. Table 4 aggregates these records across BIADA's nine clusters (BIADA, 2026). One caution: the land bank is a snapshot of what remains unallotted on a given date, not a record of allotments over time. It can show where industrial land is and how much of it is going spare, but nothing about the pace of allotment or investment.

International Journal of Recent Development in Engineering and Technology
Website: www.ijrdet.com (ISSN 2347-6435 (Online) Volume 15, Issue 07, July 2026)

Table 4: Cluster-wise vacant industrial land, allotment rates and port distance in the BIADA land bank

Cluster	Land-bank entries	Entries with nil vacancy	Vacant land (acres)	Share of state total (%)	Land rate (Rs/sq ft)	Distance to nearest port (km)
Motipur	18	7	309.4	38.8	52-321	672-819
Bhagalpur, Saharsa & Purnea	17	7	193.0	24.2	52-758	442-672
Bihta	10	4	72.2	9.0	119-468	640-722
Gaya	12	6	66.3	8.3	85-413	540-692
Begusarai	11	6	63.0	7.9	52-246	217-630
Hajipur	11	7	59.4	7.4	135-601	663-793
Muzaffarpur	2	0	21.3	2.7	491	680
Darbhanga	11	7	13.4	1.7	52-556	630-700
Patna	3	2	0.1	0.0	236-2,433	545-630
Total	**95**	**46**	**798.2**	**100.0**	**52-2,433**	**217-819**

Source: Compiled by the author from Bihar Industrial Area Development Authority, Vacant Plot Details, https://biada1.bihar.gov.in/VacanPlotDetails.aspx (accessed 23 July 2026). Areas converted from square feet at 43,560 sq ft = 1 acre. Land rates and port distances are reported as the range across entries within each cluster. The 95 entries cover 87 distinct industrial areas: eight compressed biogas (CBG) sites are listed separately under the name of the parent industrial area, and the published data do not indicate whether their extents are carved out of, or additional to, the parent area. "Nil vacancy" denotes entries for which the land bank records no unallotted land; the data do not distinguish between areas that are fully allotted and those for which plot details have not yet been uploaded. Two cautions about volatility follow from the source itself. First, the inventory is revised frequently: between accesses on 22 and 23 July 2026 the state total fell from 903.8 to 798.2 acres, one industrial area was added, and eight entries moved to nil vacancy. Second, the cluster summary on the BIADA homepage was not refreshed over the same period and continued to show 855.1 acres. The itemised plot list has been preferred throughout because it is disaggregated and auditable at the level of the individual industrial area; the figures reported here are the position on the date of access.

The study shows, first, that developed industrial land is not in short supply. The land bank lists 95 entries across 87 distinct industrial areas, and 49 of them still have plots free, about 798 acres in total. Whatever explains the absence of working SEZs in Bihar, it is not a shortage of serviced land.

It is seen that where the land sits, and what it costs, produces a sharp core-periphery pattern of the kind Krugman (1991) described. The Patna cluster, which contains the state capital and the densest concentration of infrastructure and services, records almost no unallotted land (0.1 acres) at rates rising to Rs 2,433 per square foot in Industrial Area Patliputra. By contrast, the Motipur and Bhagalpur-Saharsa-Purnea clusters together account for approximately sixty-three percent of the state's vacant industrial land at rates as low as Rs 52 per square foot.

Prices vary forty-seven-fold across the state, and the expensive land is taken while the cheap land sits empty. Investors want the narrow band around Patna and the Bihta corridor, and a lower price will not draw them further out. This is regional lock-in as Boschma (2015) describes it: cheapness does not compensate for the absence of everything else a firm needs nearby. It is also, read another way, a statement about urbanisation. Industrial land is taken up where Bihar is urban and left standing where it is not. A policy sold as industrialising the whole state works, in practice, only as a land market for the capital region.

The locational data carry the heaviest implication for SEZ policy. Among the ninety entries for which BIADA records port distance, the median distance to the nearest seaport is 663 kilometres and the mean 641 kilometres, with a recorded range of 217 to 819 kilometres.

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Only one entry, Industrial Area Sitakund in Munger district, falls below 442 kilometres. That figure does not match the neighbouring areas in the same district (Industrial Estate Munger at 516 kilometres, Industrial Area Jamalpur at 582), so it is treated here as a likely reporting error. Excluding it, no industrial area in the state lies within 442 kilometres of a seaport. A zone is an export platform, and it is found in the study that such a platform lives or dies on the cost and reliability of getting containers to a port. Six hundred kilometres of road and rail is a standing disadvantage against the coastal states that dominate Table 1. This explains that table better than any general statement about a weak industrial base, and it is not something a tax holiday can fix.

What Bihar has actually been adding to its land bank points the same way. Eight compressed biogas (CBG) sites have been added across the Begusarai, Purnea, Darbhanga and Motipur clusters, all offered at a uniform rate of Rs 51.65 per square foot; five of these record unallotted land, amounting to approximately 111 acres. These are accompanied by a leather cluster at Bhediadangi, a leather park at Mahwal, and a mega food park at Damodarpur. The state is preparing land for resource-based processing aimed at domestic markets, not for export enclaves. That work is labour-intensive, uses raw material from the districts around it, and does not much care how far away the sea is. It is also the kind of activity most likely to build the backward linkages that the international evidence treats as the condition for zones to do any lasting local good (Farole & Akinci, 2011; World Bank, 2017). The diagnosis is shared. While preparing a US$340 million rural transformation project for the state, the World Bank finds Bihar's food processing sector unusually small. Most of its units are informal and barely linked to organised value chains, and the state trails the national average on the number of enterprises, the value they add, and the jobs they provide per unit (World Bank, 2025). That is a description of missing processing capacity, not of missing land or missing tax concessions.

This changes the question worth asking. What holds industry back in Bihar is the cost of reaching export markets and the absence of investor interest away from Patna, not the supply or price of land. A conventional SEZ offers cheap land and tax relief, which is to say it solves a problem Bihar does not have. The tax half of that offer is shrinking in any case. A WTO panel ruled in 2019 that India's SEZ scheme was a prohibited export subsidy and ordered it withdrawn, which leaves the concessions attached to zones on uncertain ground (Mukherjee & Parashar Sarma, 2020). The better use of the state's effort is the one it has already started on: sector-specific parks serving domestic and regional markets, paired with real improvements in freight movement.

Rodrik (2004) makes the general case for diagnosing the particular constraint rather than handing out incentives across the board, and Chang (2002) shows that the countries which industrialised did so by building capability over decades, not by loosening rules. If Bihar does pursue zones, what will determine whether they work is their connection to the Amritsar-Kolkata Industrial Corridor, the Eastern Dedicated Freight Corridor and inland container capacity, not the size of the concessions attached to them.

IV. Conclusion

This paper set out to ask whether Special Economic Zones offer Bihar a way into industrialisation. The sectoral data give the background. More than half the state's workers are still in agriculture and allied activities, even as agriculture's share of output keeps falling. That gap between many workers and little output is the signature of low productivity and disguised unemployment. Manufacturing, which would ordinarily absorb that surplus, went the wrong way: its employment share fell from 8.9 to 5.2 percent between 2017–18 and 2023–24, and the number of working factories in the state fell over a decade in which the national figure rose.

The national picture explains why zones have not filled that gap. Tamil Nadu, Karnataka, Maharashtra and Telangana run most of India's operational zones, and each of them had industry, ports and skilled labour before the zones were approved. Bihar has two approvals and nothing running. The pattern in Table 1 is not evidence that zones can lift a lagging region; it is evidence that zones have gone where the conditions for industry already existed.

The land bank data sharpen the point. It is seen that Bihar has roughly 800 acres of serviced industrial land standing unallotted, most of it in the northern and eastern districts at Rs 52 to Rs 150 per square foot, while the Patna cluster is effectively full at up to Rs 2,433. Land is not the constraint, and neither is its price. What Bihar lacks is investor demand outside a narrow corridor around the capital, and any economic route to a seaport: no industrial area in the state lies within 442 kilometres of one. A zone offering cheap land and tax relief addresses neither problem.

The more promising route is the one the state has already begun to take without calling it SEZ policy. Recent allotments have gone to compressed biogas sites, leather clusters at Bhediadangi and Mahwal, and a food park at Damodarpur. These are labour-intensive, they use raw material from the districts around them, and their economics do not depend on the distance to Haldia. They also stand a better chance of building the local supply linkages that decide whether industrial policy leaves anything behind.

Zones may still have a place in Bihar, but only tied to freight capacity on the Amritsar-Kolkata corridor and the Eastern Dedicated Freight Corridor, and to inland container terminals. Offered on their own, as land and concessions, they will sit unallotted like the 800 acres already on offer. Three limits should be read alongside these conclusions. The study works entirely from published secondary sources, with no firm-level or interview evidence on why investors have avoided the peripheral clusters. The land bank is a snapshot rather than a series, so nothing here speaks to the pace at which land is being taken up. And the counterfactual remains untested: the analysis cannot say how much of the investment Bihar has attracted would have come without the incentives on offer.

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Data Availability Statement

The industrial land bank data analysed in this article are publicly available from the Bihar Industrial Area Development Authority at https://biada1.bihar.gov.in/VacanPlotDetails.aspx. Because that source is a live database that is revised frequently, the complete set of entries as accessed on 23 July 2026 is reproduced in Appendix A, and an archived copy of the source page has been deposited with the Internet Archive. All other data are drawn from published government sources cited in the references.

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International Journal of Recent Development in Engineering and Technology
Website: www.ijrdet.com (ISSN 2347-6435 (Online) Volume 15, Issue 07, July 2026)

Appendix A: BIADA industrial land bank, entry-level data

Table 4 aggregates the entries listed below. This appendix reproduces the underlying record so that the aggregation can be checked without recourse to the source website, which is a live database and is revised frequently. Cluster subtotals are given after each group and correspond to the acreage reported in Table 4. Rates and port distances are reproduced as published; a dash indicates that no value was recorded.

No.	Cluster	Industrial area	Rate (Rs/sq ft)	Vacant land (sq ft)	Port (km)
1	Begusarai	IA Parbatta	246.12	0.00	503
2		IA Parbatta_CBG	51.65	1,148,620.00	503
3		IA Sangrampur	149.22	1,418,498.00	-
4		IA Barauni	135.45	0.00	630
5		IGC Begusarai	165.29	34,848.00	589
6		IA Gogri	68.87	99,422.16	501
7		IGC Khagaria	67.57	0.00	546
8		IE Lakhisarai	165.28	0.00	504
9		IA Jamalpur	160.70	0.00	582
10		IA Sitakund	160.70	0.00	217
11		Industrial Estate, Munger	206.61	42,238.00	516
		Begusarai subtotal (11 entries)		**2,743,626.16**	**63.0 ac**
12	Bhagalpur, Saharsa & Purnea	IA Forbesganj	149.22	1,012.00	672
13		IA Katoria	459.14	2,927,070.48	510
14		LIE Barari	757.58	256,933.00	442
15		IE Katihar	355.83	337,938.00	540
16		IA Bhediadangi	80.34	0.00	598
17		IA Khagara	259.41	0.00	-
18		Leather Cluster Bhediadangi	80.34	609,840.00	598
19		IE Murliganj	135.45	0.00	666
20		MGC Udakishanganj	80.35	0.00	529
21		IA Banmankhi	121.67	234,074.00	604
22		IE Purnea City	238.75	289,450.00	570
23		IGC Maranga	303.03	0.00	570
24		IA Banmankhi_CBG	51.65	0.00	604
25		IA Baijnathpur	98.71	235,125.00	555
26		IA Saharsa	401.74	0.00	584
27		IA Supaul	91.82	2,644,009.00	572
28		IA Supaul_CBG	51.65	871,200.00	572
		Bhagalpur, Saharsa & Purnea subtotal (17 entries)		**8,406,651.48**	**193.0 ac**
29	Bihta	IA Bihiya	190.54	133,550.00	720
30		IGC Gidha	128.56	0.00	650
31		IA Buxar	289.26	129,291.00	722
32		IA Dumraon	160.70	12,500.00	677
33		IA Nawanagar	119.38	1,223,463.49	706
34		IA Bihta	468.32	0.00	669
35		IA Kopakala	135.45	0.00	640

International Journal of Recent Development in Engineering and Technology
Website: www.ijrdet.com (ISSN 2347-6435 (Online) Volume 15, Issue 07, July 2026)

No.	Cluster	Industrial area	Rate (Rs/sq ft)	Vacant land (sq ft)	Port (km)
36		IA New Bihta	330.58	0.00	684
37		IA Sikandarpur	459.14	200,635.45	689
38		MIP Bihta	456.84	1,447,014.25	682
		Bihta subtotal (10 entries)		**3,146,454.19**	**72.2 ac**
39	Darbhanga	IA Lohat Phase-1_CBG	51.65	0.00	672
40		IE Bela	555.56	750.00	700
41		Industrial Area, Donar	206.61	0.00	672
42		Industrial Estate, Dharampur	401.74	4,000.00	663
43		IA Jhanjharpur	188.25	0.00	665
44		IA Lohat Phase-1	87.23	575,600.00	649
45		IA Lohat Phase-2	87.24	0.00	649
46		IA Lohat Phase-3	87.23	0.00	-
47		IA Pandaul	103.31	0.00	649
48		IA Sakri	78.05	3,040.00	645
49		IA Samastipur	123.97	0.00	630
		Darbhanga subtotal (11 entries)		**583,390.00**	**13.4 ac**
50	Gaya	IA Aurangabad	369.62	200,366.00	605
51		IE Barun	137.74	147,205.00	622
52		IGC Aurangabad	257.12	1,359,025.00	605
53		IA Gaya	188.25	0.00	645
54		IA Guraru	84.94	0.00	692
55		IA Manpur	98.45	77,670.42	548
56		IE Jehanabad	413.22	0.00	630
57		IA Nawada	167.58	0.00	540
58		IA Warisaliganj	408.63	0.00	565
59		IA Bikramganj	185.95	0.00	668
60		IA Dehri	192.84	165,897.00	601
61		IA Sasaram	144.62	939,668.65	653
		Gaya subtotal (12 entries)		**2,889,832.07**	**66.3 ac**
62	Hajipur	Industrial Area, Arna	149.22	1,850,588.74	-
63		Industrial Area, Hathua Phase-3	149.22	503,923.92	-
64		Industrial Area, Hathua Phase-1	135.45	0.00	793
65		Industrial Area, Hathua Phase-2	135.45	0.00	793
66		Industrial Area, New Siwan Phase-1	264.00	0.00	694
67		Industrial Area, New Siwan Phase-2	190.45	87,136.00	694
68		Industrial Area, Siwan	199.72	0.00	692
69		EPIP Hajipur	537.10	0.00	663
70		Industrial Area, Goraul Phase-I	165.28	0.00	694
71		Industrial Area, Goraul Phase-II	165.28	0.00	694
72		Industrial Area, Hajipur	601.47	147,085.00	663
		Hajipur subtotal (11 entries)		**2,588,733.66**	**59.4 ac**
73	Motipur	IA Bariyarpur_CBG	51.65	1,138,934.00	714

International Journal of Recent Development in Engineering and Technology
Website: www.ijrdet.com (ISSN 2347-6435 (Online) Volume 15, Issue 07, July 2026)

No.	Cluster	Industrial area	Rate (Rs/sq ft)	Vacant land (sq ft)	Port (km)
74		IA Bishunpur Dhram_CBG	51.65	434,365.00	676
75		IA Korra_CBG	51.65	1,225,006.00	672
76		IA Kumarbagh_CBG	51.65	0.00	815
77		IA Raxaul	218.09	71,808.00	811
78		IA Bariyarpur	142.33	3,985,722.00	714
79		IA Bishunpur Dhram	121.67	0.00	676
80		IA Damodarpur	142.33	45,035.00	676
81		IA Dumaria	142.33	0.00	710
82		IA Korra	80.34	0.00	672
83		IA Mahbal	142.33	0.00	681
84		IA Panapur	121.67	0.00	702
85		Leather Park Mahwal	142.33	1,141,863.00	681
86		MFP Damodarpur	142.33	433,176.80	676
87		IA Sitamarhi	314.51	0.00	713
88		IA Bettiah	321.40	936,540.00	805
89		IA Kumarbagh	158.40	3,937,235.00	815
90		IA Ramnagar	94.12	129,650.00	819
		Motipur subtotal (18 entries)		**13,479,334.80**	**309.4 ac**
91	Muzaffarpur	IA Muzaffarpur	491.28	914,814.90	680
92		IE Muzaffarpur	491.28	11,272.00	680
		Muzaffarpur subtotal (2 entries)		**926,086.90**	**21.3 ac**
93	Patna	IE Biharsharif	236.46	0.00	545
94		IA Fatuha	461.43	5,500.00	630
95		IA Patliputra	2,433.43	0.00	630
		Patna subtotal (3 entries)		**5,500.00**	**0.1 ac**
		STATE TOTAL (95 entries)		**34,769,609.26**	**798.2 ac**

Source: Bihar Industrial Area Development Authority, Vacant Plot Details, https://biada1.bihar.gov.in/VacanPlotDetails.aspx, as accessed on 23 July 2026. Areas converted at 43,560 sq ft = 1 acre. Subtotals may differ from the sum of rounded cluster figures in Table 4 by up to 0.1 acre.