COASTAL REGIONAL DEVELOPMENT IN SOUTH AFRICA THROUGH SPECIAL ECONOMIC ZONES

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ABSTRACT
Coastal cities in many parts of the world are usually seen as the most industrialized and developed in their respective regions. However, many of these towns and cities in both the developed and developing world have begun deteriorating, due to their unchanged role of trade facilitation through ports in a fast evolving and technologically innovating society. In the era of post-colonial industrialization some have struggled to drive national economies or even spread development to neighbouring cities and towns through the effects of trickle-down and spread, this is especially prevalent in previously colonialized regions. Interesting to note is the general consensus amongst many scholars that suggests a strong correlation exists between the geographic advantage of the coast and that of industrialization-led economic growth. With this said, it is also equally significant to appreciate that economic benefits sown from the geographical advantage do not come without complexities for many of these coastal cities and towns. As has been largely documented, post-colonial industrial and spatial planning in many of the developing countries, particularly in eastern Asia, has been through environmentally sustainable and pragmatic economic structural reforms and industrial policies by the state, rather than explicit market driven development. The research objectives of the study were two-fold: the study sought to explore the historical context and transformation of coastal cities during the colonial era in China and Malaysia – this section discusses the reforms through Special Economic Zones as a means of reducing spatial inequality. The second part assesses the spatial discourse in South Africa and poses recommendations on the possible revitalization of the coastal region through a spatial targeting approach that encourages spatial diffusion and growth to support the inclusivity of small towns and secondary cities on the south African coastal region.

Keywords: African economy, city planning, coastal cities, coastal development, coastal towns, Special Economic Zones, urban growth, foreign direct investment, post-colonial planning, South Africa.

1 INTRODUCTION
While many coastal cities, particularly port cities, have historically proven to be resilient in overall economic growth and industrialization in contrast to inland cities, many scholars attribute this to factors such as foreign trade; however, it has equally increasingly encouraged regional imbalances [1]–[3]. What’s more interesting, is the growing disparity in terms of development between the cities and towns within the same geography.

Similarly, the South African experience is no different; Cape Town, Durban and Port Elizabeth are amongst the largest contributors of gross domestic product (GDP) and the largest coastal cities in South Africa, yet have somewhat been unable to trickle down their economic affluence to neighboring towns and cities. In fact, there appears to be a significantly increasing gap, in terms of economic growth and industrialization between the coastal metropolitan cities, coastal secondary cities and towns. Therefore, in a much broader sense, this paper examines the current context of coastal cities and their influence on proximate coastal secondary cities and towns in South Africa, while also critiquing attempts by policy makers to encourage regional economic development over the past few years.

To this end, our study draws on contemporary literature from the lessons gained from other coastal cities and towns in the developing world, and their experiences in regional economic development over the past decades; this will be done mainly through literature on their historical functions and later spatial industrial policy reforms.
The “state capitalist” nature of the East Asian growth model has been a topic of extensive discussion in the literature. Characterized by a fine balance between an active state intervention and market dynamics, the region maintained a consistent and prolonged period of robust growth for most of the last four decades [4]. These experiences of coastal cities include Eastern China, Malaysia and Indonesia.

The subsequent section of the study examines the nature of South Africa’s primary coastal cities (particularly Metropolitan cities) within the regional development discourse, by analyzing the relationship between them, and their neighboring secondary cities and towns on the coastal periphery. The paper will further interrogate efforts by policy makers through contemporary national priority spatial industrial policy in coastal South Africa, to improve the economic disparity seen between pockets of the coastal regions. The end of the paper will supplement this by providing recommendations for the advancement of a polycentric regional development methodology for coastal cities in South Africa, through appropriate spatial rebalancing that can promote spatial and industrial integration.

2 BACKGROUND

Coastal regions in most parts of the world have for some time, particularly through their natural comparative advantages, dominated their inland regions. This has not so much been because of their natural aesthetics and tourism, but rather because their dominance has chiefly been stamped by their geographic location, with ports allowing linkage to domestic and foreign markets [5]. Furthermore, because of the logistics around trade between local and foreign markets, particularly through transportation of goods from points A to B, industrialization has therefore for many centuries deliberately favored coastal development.

What has been of significance concern; however, around coastal development has been the growing density and potential environmental implications that arise from exponential population growth, particularly in coastal cities [3]. The issue for many policy makers appears to be two-fold: planning for a steadily growing population (resources, infrastructure and services), whilst simultaneously ensuring that coastal cities are efficient and globally competitive.

With that said, while major cities in the coastal regions of developing countries are continuously industrializing, there have been concerns about their impact on regional development. Francios Perroux (1903–1987), who is the main author of the growth pole theory, argued that growth is not uniform in different places, but has different degrees of intensity in different poles, and then spreads via channels, and that its final result for the state economy is different in different regions [4]. According to Perroux’s growth theory [4], there are two poles (propulsive and propelled), where the former is a business unit, or a set of these units that are the main forces moving toward economic development, as they generate growth through the impact of their strong output linkages. The latter are industries that lack strong character; thus, depend on the intensity of the propulsive industries to develop [5].

There have been studies that while not totally rejecting the theory in its entirety, have attempted to critique certain aspects of it. Particularly by authors such as Jacques Boudeville (1919), and most recently Vystoupil [6], who stress that while growth poles exist, there have however been instances in regions where economic growth has occurred without the use of growth poles. These authors instead advocate for polycentric development as the drivers toward regional economic development.

Boudeville’s concept of principal cities as being a system which was to focus investments in the eight regional metropolises, with the main intention of decreasing regional inequalities between fast-growing Paris and other, slower-growing regions, was utilized in practice for much of the spatial planning in France. In this paper, similarly to Boudeville, authors Fujita
and Misra stress the need for a more polycentric approach to regional development in South Africa, one that mainly encompasses the inclusion of principal cities, secondary cities and resilient satellite towns; instead of one growth pole.

Of significant importance in this regard is that in recent years, there has been a renewed interest in the secondary cities by governments and international development agencies, because of the widening gap occurring between the development of metropolitan regions and nearby secondary cities [7]–[11], and the imbalance this creates in terms of spatial economics and social development in many countries; however, in South Africa, because of the size of the population in many coastal regions outside the primary city, it has been therefore, equally important to look at the potential of both secondary cities and satellite towns, to have them function as auxiliary support for primary cities in the regional development discourse [7]. Furthermore, in this paper, the authors submit that the latter can potentially be achieved through a hybrid methodology of both spatial targeting and place-based approaches.

3 AIM AND OBJECTIVES
The aim of this paper is to examine the current context of coastal primary cities and their influence on proximate coastal secondary cities and towns, in South Africa; while also critiquing attempts by policy-makers to encourage regional economic development over the past few years. The study has three objectives:

1. Analyze the development of East Asian coastal cities and draw lessons for the South African experience;
2. Interrogate efforts narrowing down regional disparities by policy makers through contemporary national priority spatial industrial policy, such as the use of Special Economic Zones in coastal South Africa; and
3. Provide recommendations for advancement of a polycentric regional development methodology for coastal cities in South Africa, through appropriate spatial rebalancing and place-based approaches.

4 METHODOLOGY
The research method used involves qualitative analysis of archival materials, publications of national governments’ annual reports, industrial policies of the respective countries, and other secondary data related to regional development in developing countries. In addition, primary data was obtained through participant observation; this research purposefully observed the state of and quality of physical and spatial fabric for development in China, Malaysia and South Africa. These research techniques were complemented by a review of literature on urban growth, regional development and spatial theory. The analysis of this body of data provides the evidence that justifies the conclusion and recommendations. In addition, Table 1 shows some of the characteristics of the sampled countries.

5 THEORETICAL FOUNDATION AND CONCEPTS OF REGIONAL DEVELOPMENT
Since the industrial revolution in the 18th century, the importance of cities as engines within modern economies is affirmative [12]–[16]. In recent years, there has been significant debate about the effectiveness of central cities as catalysts for economic growth and regional development. In urban and regional studies, it has been generally accepted that national central cities exert powerful forces of agglomeration and diffusion; they play a vital role in politics, economy, population, and more within a country [17]; however, there is increasing literature about studies of the world’s cities, particularly in Asia.
Table 1: Contextual characteristics of South Africa, Malaysia and China. *(Source: Authors.)*

<table>
<thead>
<tr>
<th>Factor</th>
<th>South Africa</th>
<th>Malaysia</th>
<th>China</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development of state</td>
<td>Developing country</td>
<td>Developing country</td>
<td>Developing country</td>
</tr>
<tr>
<td>GDP (millions of US dollars)</td>
<td>366,298.21</td>
<td>354,348.42</td>
<td>13,608,151.86</td>
</tr>
<tr>
<td>Population</td>
<td>56,717,156</td>
<td>31,624,264</td>
<td>1,386,395,000</td>
</tr>
<tr>
<td>GDP growth in %</td>
<td>1.3</td>
<td>5.9</td>
<td>6.9</td>
</tr>
<tr>
<td>Foreign direct investment</td>
<td>1,371,931.60</td>
<td>9,511,691.61</td>
<td>168,223,583.74</td>
</tr>
<tr>
<td>Unemployment rate</td>
<td>27.0</td>
<td>3.4</td>
<td>4.4</td>
</tr>
<tr>
<td>Income level</td>
<td>Upper middle income</td>
<td>Upper middle income</td>
<td>Upper middle income</td>
</tr>
<tr>
<td>Natural resources</td>
<td>Rich</td>
<td>Rich</td>
<td>Rich</td>
</tr>
</tbody>
</table>

Advocates of the concept of world/global cities such as Alden and Awang [18] have argued towards an alternative hypothesis, which looks at the relationship between the agglomeration of economies and economic growth, and cause or outcome. The concept of world city has been widely used within theoretical connotations around disciplines; such as planning, new urban development and the global political economy [12], [18]–[21]; just like the analyses in growth, location and central place theories, the hierarchy of world cities reflects the different degrees to which cities are important, powerful and dominant globally in advanced economic sectors in global networks [22]. In China, the transitioning of second tier and secondary cities such as Hong Kong, Shanghai, and Shenzhen, means Hong Kong is now a major city in the country and is playing an irreplaceable part in development through the regional development within its region; while the rapid rise of the city of Shenzhen has made it noticeable within the last two decades, with its prowess in finance, and in research and development (R&D) [17].

In recent years, regional policies, both from the North and South of the globe, have sought to reduce regional disparities in economic activity and in income. One of the key causes of disparities has always been peripherality. Technical changes in the field of transport, communications and information technology, together with long-term structural shifts; will, in the upcoming generation, allow a degree of spatial reorganization of economic activity within cities and regions. Owing to such factors, the global economic environment is currently entering a period of radical change, the consequence of which is likely to be a substantial spatial reorganization of activity. Therefore, increasingly, the validity of conventional (spatial) models of peripherality become questionable.

Because of the above, there gradually appears to be a growing need for regional planning to be supplemented by more appropriate “aspatial” concepts [23]. Although many elements of these are already well understood, such as the existing growth and location theories;
neoteric coherent models and operational indicators are required. These could provide a sound theoretical basis on which to further the balancing of regional development, both in developed countries, but more so in developing countries. Alternative polycentric approaches could also provide new opportunities for peripheral regions, and relief from “overheating” at the core. Furthermore, many scholars of the New Economic Geography (NEG) School argue that Post-modern theory articulates and integrates previous work like central place theory, cumulative causation, the labor and rent theory, and location theory.

The NEG appears to be more meaningful in reconceptualizing spatial planning through the use of scale economies, the spatial extent of the market, and the cost of distance. The concept of the NEG infuses economic theory with space theory, and further assumes that without the other, effective economic and spatial planning is compromised. However, according to Roberts and Hohmann [24], much of the recorded literature on urban systems and governance that shape NEG focus more on mega and primary cities to promote industrialization and development, leaving out secondary cities and small towns. Roberts and Hohmann [24] further suggest that systems of smaller cities, particularly secondary city economic systems, play a vital role in supporting the development of sub-regional and sub-national economies; adding that in many developing countries this appears to be significantly misunderstood.

Jusoh et al. [25] further contend; however, that smaller city regions generally lack urban infrastructure and services. Because urbanized nodes are usually separated from each other by rural areas, building and managing integrated infrastructure and services is expensive. In these conditions, the clustered development approach can enhance integrated development of urban and rural areas through well-planned, comprehensive provision of urban infrastructure and services. In Europe, for example, mega-region planning has effectively linked development clusters and enhanced complementary development. Japan has resorted to variants of city-cluster development when planning the development of various urban nodes. China, in its efforts to accelerate development within the countryside, has launched a number of city cluster development projects, especially in remote, less developed hinterlands [25].

5.1 China

China has achieved rapid industrialization and economic growth over the last four decades. Since the late 1970s, economic reforms have injected new energy into coastal cities, especially those in Chinese regions that have contributed to the country’s economic growth [5]. Many scholars and commentators have asked whether Chinese cities offer an alternative model for urban development in developing countries. The reliance on coastal cities as drivers of economic growth is anything but new for China’s development, with the signing of the treaty of Manning after China’s defeat in the opium war in the mid-1800s, which forced many old Chinese coastal and river cities (known as treaty ports) to open up to foreign trade, which led to the industrialization and competitiveness of Chinese coastal cities by a newly industrialized Britain [16].

When the Chinese communists came into power in 1949, they inherited an uneven urban system with widespread social problems; thus, the intention of the Chinese Communist Party (CCP) was structural reforms that would undo the effects of colonialism. According to Huang [5], the socialist ideology of equality had a profound impact on the spatial planning of urban development in China, and although the Chinese government saw an uneven urban system that was heavily biased toward the coastal port cities and industrial cities in the northeast, it made substantial progress in developing a more balanced urban system. What seems central
to Chinese economic planning was the emphasis on industry and the concept of the “producer city”[26].

Non-industrial cities like Shanghai were considered by the government as parasitic and to have been significantly debased by their colonialist history, so the government was determined to convert these “consumer cities” into producer cities, by developing a large industrial sector. The period after the opening up of China in the late 1970s through new economic policies brought a golden opportunity to the coastal region, which had been suffering from depressed trading patterns, as leaders within the Communist party believed trade was an unproductive economic activity in China[27].

The growth pole strategy has been a significant aspect of China’s rapid industrial development in recent years. The open-door policy was utilized to attract foreign investment and help China become globally competitive in trade, this policy has brought profound progress in China’s urban growth and transformation. Four Special Economic Zones (SEZs) were established in 1979: Shenzhen; Zhuhai; Shantou and Xiamen; in Guangdong and Fujian, respectively (all with geographic proximity to Taiwan and Hong Kong). China had an influx of skilled migrant labor engaging in newly established foreign and private enterprises, these SEZs were immediately met with success.

In addition, priorities through SEZs for the attraction of foreign capital, along with a number of preferential policies, such as plenty of state funding for infrastructure development and various financial and legal incentives have contributed greatly to coastal China’s economic growth. The coastal regions possess spatial and topographic advantages, where the returns for capital investment are higher than in the rest of the country[28]. In the Chinese context, the government’s development strategy and the pattern of regional development manifest significant influence on the diffusion of foreign direct investment (FDI); in turn, the impacts of the diffusion of FDI on regional development are equally evident. Through the impact of SEZs and coordinated industrial policy, in 2003 China overtook the US as the leading receiver of FDI in the world. Theoretically, it is expected that FDI and industries that concentrate in the coastal areas at an early stage will later spread through a hierarchical diffusion between cities, resulting in the contagious diffusion from the metropolitan core regions to the rural periphery regions.

5.2 Malaysia

Peninsular Malaysia obtained its independence from the UK in 1957 with the formation of Malaya, a federation of eleven states. In 1963, Malaysia was formed with the addition of Singapore and two northern Borneo states, Sabah and Sarawak. Incompatibilities led to the separation of Singapore from the federation in 1965[29]. Malaysia, one of the rapidly industrializing economies of Southeast Asia, has had a remarkably high and sustainable rate of economic growth for nearly all of its years of existence as an independent nation[29]. In addition, Malaysia has been in the forefront of SEZ development in the latter part of the 20th century[30].

The case of Malaysia has been viewed as many success stories in economic development and they are widely hailed as role models for other developing countries to follow[31]–[33]. Malaysia, with a 2013 GDP per capita of US$10,538, has become a bona fide upper middle-income country[4]. The years after independence, especially the 1960s, were a time of economic growth for Malaysia. As part of the structural reforms by the Malaysian government, which had faced the challenge of increased unemployment during the 1960s, took a major step that transformed the landscape of Penang’s economic development and charted the beginning of the State’s journey to industrialization with the proposal to develop
the free trade zones (FTZs) aimed at attracting foreign direct investments (FDIs) in export-oriented industries, as had been the case with Taiwan and Korea [34]. The opening of the Bayan Lepas FIZ Penang, in 1972, could be considered as the turning point for greater industrialization in Penang, and the beginning of the electrical and electronics industry cluster in that state. The opening up of the FIZ with a proper infrastructure that enabled duty-free import of goods into the zone for the production of finished products for export, with minimal control by Customs; had attracted export-oriented manufacturers, particularly from abroad, to move or expand their operations to the FIZ.

Under the NEP (1970–1990), regional development planning was seen as one of the ways to achieve the goals of eradication of poverty and the restructuring of society, in term of social, economic and spatial components. The Malaysian government enacted policies that encouraged the dispersal of industrial activities to the less developed regions, creating new growth centers or new townships in the rural areas [35], [36]. The development of new growth centers in the resource frontier regions of Peninsular Malaysia was based on Friedmann’s resource frontier strategy [12], applied to South America in the 1960s.

According to Wong [37], the adoption of the growth center concept in Malaysia was a means to disperse development from metropolitan centers to less developed regions and hinterlands that had been lagging behind: this concept would later mold the concept of the New Economic Policy. Given this, planning in Malaysia has been a serious endeavor that was implemented in order to improve the economy, rather than being only ideological processes. These policies, in spite of the adverse external economic conditions of 1997–1998 and those of 2007–2009 on the economy, were the foundation that sustained Malaysia’s growth and development to the present.

Finally, the success of Penang’s transformation from unemployment of approximately 16% in the 1960s, to approximately 2.1% in 2016, has been underpinned by the rapid expansion of the manufacturing sector, in particular the E&E sector. The development of Malaysia’s growing number of SEZs is being shaped by several investment requirements related to the Belt and Road Initiative, as well as by a change in priorities on the part of the country’s government. With improvement in the country’s digital infrastructure, one of the key elements in the government’s plan to encourage multinationals and Subject Matter Experts (SMEs) to create new jobs, Malaysia launched the world’s first Digital Free Trade Zone (DFTZ) in March 2017. The DFTZ boasts an e-fulfillment hub at the Kuala Lumpur International Airport (KLIA) Aerotropolis, a 405-hectare development zone focused on air cargo and logistics, as well as the development of an aerospace/aviation cluster. The dispersal of the recent SEZs across different corridors has created more regional economic competitiveness, productivity, and also regional disparities.

5.3 South Africa

South Africa is strategically located in terms of regional and world markets. On a regional level, it provides access to the countries of the Southern African Customs Union (SACU) and the Southern African Development Community (SADC); while on an international level, South Africa serves as a trans-shipment point between the emerging markets of Central and South America; and the developed markets of North America, Europe and the Far East, as well as the newly industrialized nations of South and East Asia, due to its physical infrastructure. Rail, road and transportation services, advanced postal and telecommunication facilities, a well-developed electricity network and a water storage and distribution system [38]; however, there is still a significantly clear gap to be exploited by South Africa, in terms of garnering more FDI and trade in other regions.
The South African coastal region offers a substantial opportunity to exploit intercontinental and global trade, mainly through the ports. When compared to programs in countries such as China, Korea, India, Indonesia, Malaysia and others; the performance of South Africa’s IDZ Programme is fundamentally modest, and falls short of the expectations of all stakeholders. This in fact means, geographical advantage has paid little dividends for coastal cities and towns in South Africa, Johannesburg still remains the economic hub of South Africa, some fifteen decades after its industrialization subsequent to the minerals-energy complex during the 1800s which dates back to the discovery of Kimberley diamonds in the 1860s and Witwatersrand gold in the 1880s and the mining boom that followed in the early 90s [39]. During the period before the 1940s, there was no consideration given to regional policy in South Africa, despite deteriorating social and economic living conditions in the black reserves. Rapid industrialization and strong migration pressure into cities did very little to pressurize government to drafting a regional industrial policy, despite trickling down several projects into to homelands with natural resources or sources of labour. In 1975 the National Physical development plan was introduced, as the country’s first spatial framework, based on spatial rebalancing incorporating some aspects of growth pole theory. However, this policy didn’t so much promote spatial diffusion but reinforced concentration of industrial activity in the major cities, as it gave priority to import substitution and thus reinforcing agglomeration of economies in large cities. The post 1994 government inherited a highly unequal and spatially fragmented economy that still relies very much on the major metropolitan cities, mainly Johannesburg (City of Johannesburg), Cape Town (City of Cape Town), Durban (eThekwini), Pretoria (City of Tshwane) and East Rand region (Ekurhuleni) combined contribute almost 50% of the country’s entire GDP. The introduction of spatial development initiatives (SDIs) in 1996 did little for the regional spatial imbalance as the SDIs relied on regions linked closely to the minerals-energy complex and did very little to assist in diversification, this programme was later suspended because of its failure to yield positive results) [40]. South Africa is in the process of completing the latest national spatial policy, which aims at addressing the issue of spatial imbalances, however, South Africa still lacks a proper policy on regional industrial and spatial development which will marry the ideas of IPAP (Industrial Policy Action Plan) and the National Spatial Development Framework (NSDF).

While authors such as [41], [42] have focused on industrial policy that focuses on large cities as sources of job creating externalities and drivers of trickle-down economics in regional development through agglomeration economics. There is, however, a view that smaller cities and some growth towns generally play an important role in curbing overurbanization and overpopulation in central cities and minimising spatial regional inequalities between small towns and cities, this can be seen by the fact that population movement to smaller cities has coincided with employment patterns [43].

This paper provides a window of opportunity for further work to be done on the growth of smaller port cities in reducing regional disparities, special economic zones (SEZs) provide an increasing opportunity reducing spatial inequalities in the coastal region. To this end, The location of the six SEZs (Dube Trade Port, Coega, ELIDZ, RBIDZ, Atlantis, Saldhana Bay) present an opportunity for policymakers to integrate these zones into their respective locations as growth poles that will also benefit from the forward and backward linkages from the central cities. the Eastern Asia approach to SEZs has been both beneficial for exports, domestic markets through the local value chains these zones have created within the domestic market and also a tool for coastal regional integration [44]. This may afford South Africa a significant chance to move away from commodity based industrialization, that is, minerals-energy complex (which has favoured the development of towns and cities closer to
mines) to port cities, which have much higher prospects of rapid industrialization considering their geographical locations through their ports, which are closer to global markets and also their proximity to the primate cities. The existing IDZs that are based on the coastal region, namely Coega and EIDZ and RIDZ are yet to exceed expectations, all three IDZs, which are expected to become SEZs have suffered from ambiguous industrial and spatial policy, weak auxiliary systems to support industrialization, including, and a lack of basic infrastructure and R&D institutions [45]. In addition, [42] rightly contend that the sectoral and transversal components of industrial policy in IPAP may be working directly against each other when it comes to achieving the spatial objectives of industrial policy. They add that while the spatial intentions of transversal policies are intended to support lagging and peripheral areas, sectoral policies appear to reinforce the core agglomerations. Although some assertions of the latter are equally shared, there is moreover a window of opportunity, the opportunity sought here is one that deliberately turns to a spatial rebalancing approach through the development of a cluster development programme of coastal regional development through SEZs and other vertical and transversal programmes. For example, When Malaysia, China, and Indonesia, for example, adopted the polarized development strategy, it had designated the coastal regions in the country as priority development areas, with a series of special economic zones (SEZs) as well as opened coastal cities serving as the door to global markets. SEZ as part of the growth pole approach, serve as bases for attracting foreign investments and developing export-oriented economies; they also serve as focal points in “trickling down” economic and industrial development into the inland areas.

6 ANALYSIS

As discussed above, in the case of coastal regional development, the authors argued that there is a substantial need to for attention to be paid to towns and smaller cities along the South African coastline, as they are geographically located closer to markets and have an increased chance to lure in domestic and foreign investment due to their ports and the potential for road, rail and sea infrastructural advancements for exports. Table 2 is a characteristics box of the SEZs of the different countries. The subsequent section discusses these.

In comparing the three case studies, China, Malaysia and South Africa, the findings showed that China had significantly more special economic zones than the other countries, in which a large amount of them are based on the coastal region, in addition, China and Malaysia had diversified their SEZs in order to tailor make them for the needs of a particular region. In south Africa, most of the attention has been on a broader definition of Industrial Zones (which has focused on the exporting of raw materials) leaving little attention paid to specialized types of special zones that focus on beneficiation of these commodities.

Additionally, the study found that Malaysia and China diversification of zones contributed to the growth of different sectors of the economy, specialized zones include High Tech Industrial Development Zones (HTIDZ), Tourism Zones (TZ), Logistics Zones (LZ), Manufacturing Zones (MZ), etc. furthermore, although the central government’s involvement was substantially high in all three countries, local government’s involvement in South Africa was significantly low. The study further found that while SEZ infrastructure is acceptable in South Africa, there was very little scientific and technological infrastructure in the existing IDZs.

In terms of incentives, Malaysia offered lucrative offers for investors by offering packages such as pioneer status partial exemption of 70% of the income tax, other companies qualify for 100% for 5–10 years, china maintained a 15% tax, while South Africa has recently dropped from 28% to 15%.
Table 2: Characteristics of the SEZs in South Africa, Malaysia and China. (Source: Authors.)

<table>
<thead>
<tr>
<th>Variable</th>
<th>South Africa</th>
<th>Malaysia</th>
<th>China</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Type of Special Economic Zones</strong></td>
<td>Free port (FP)</td>
<td>Export processing zones (EPZ)</td>
<td>Free trade zones (FTZ)</td>
</tr>
<tr>
<td></td>
<td>Free trade zones (FTZ)</td>
<td>Logistics zones (LZ)</td>
<td>State-level economic and technological zones (SLETZ)</td>
</tr>
<tr>
<td></td>
<td>Industrial development zones (IDZ)</td>
<td>Manufacturing zones (MZ)</td>
<td>High tech industrial development zones (HTIDZ)</td>
</tr>
<tr>
<td></td>
<td>Sector development zones (SDZ)</td>
<td>Technological zones (TZ)</td>
<td>Export processing zones (EPZ)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Tourism zones (TZ)</td>
<td></td>
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</tbody>
</table>

**Role of government:**

<table>
<thead>
<tr>
<th>Central government</th>
<th>Very strong</th>
<th>Very strong</th>
<th>Very strong</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local government</td>
<td>Limited role</td>
<td>Very active</td>
<td>Strong</td>
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<table>
<thead>
<tr>
<th>Physical infrastructure around SEZ</th>
<th>Good</th>
<th>Good</th>
<th>Good</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scientific and technological infrastructure</td>
<td>Limited</td>
<td>Good</td>
<td>Good</td>
</tr>
<tr>
<td>Incentives</td>
<td>Dropped from 28% to 15%</td>
<td>Pioneer status: partial exemption of 70% of the income tax; other companies qualify for 100% for 5–10 years</td>
<td>15%</td>
</tr>
</tbody>
</table>

Secondly, in terms of the South African SEZ project, the study further found that only six of the 15 (including proposed) SEZs were on the coastal region, however, most of these SEZs export raw commodities, making it hard to exploit spill over effects to other sectors, as beneficiation is not done. Manufacturing, however, has been a speciality for some of these SEZs, particularly COEGA, RBIDZ and ELIDZ, however, this has seen mixed results. The proposed SEZs in Cape Town (Atlantis SEZ) will be focusing on renewable energy and green
technology, which may be an interesting route from conventional SEZ programme of manufacturing and raw mineral exports from other South African SEZs, Dube Trade Port in Durban is another project that is expected to contribute significantly to the SEZ discourse in South Africa, as it only coastal SEZ with diversified functions as well as an aerotropolis.

Noteworthy for the South African context is how the Eastern Asia approach to SEZs has been both beneficial for exports, domestic markets through the local value chains these zones have created within the domestic market and also a tool for coastal regional integration. This may afford South Africa a significant chance to move away from commodity based industrialization, that is, minerals-energy complex (which has favoured the development of towns and cities closer to mines) to port cities, which have much higher prospects of rapid industrialization considering their geographical locations through their ports, and also their proximity to the primate cities.

The recent relatively positive reports from the existing coastal IDZs (COEGA, RBIDZ, ELIDZ) suggests that the three may have suffered from weak systems to support industrialization, including non-existent or weak education and training, and a lack of basic infrastructure and R&D institutions from their inception. In addition, what may have caused the slow growth patterns over the years for these IDZs as [45] rightly contend could’ve been the sectoral and transversal components of industrial policy working directly against each other when it comes to achieving the spatial objectives of industrial policy. They further add that while the spatial intentions of transversal policies are intended to support lagging and peripheral areas, sectoral policies appear to reinforce the core agglomerations. Although some assertions of the latter are equally shared, the authors moreover argue that there exists a window of opportunity, the opportunity sought here is one that deliberately turns to a spatial rebalancing approach through the development of a cluster development programme of coastal regional development through SEZs and other vertical and transversal programmes.

7 CONCLUSIONS

The first objective of the study was to analyse the development of coastal cities in China and Malaysia and draw lessons for South African coastal cities, the authors noted the challenges and successes in the evolution of coastal cities in Asia, the experiences provide sufficient literature for further work in coastal planning for South Africa.

The paper further critiqued the success and growth of the SEZ programme in Asian countries, offering South Africa renewed opportunity to increase global competitiveness, increase domestic economic growth and decrease regional disparities [45].

In addition, the recommendation for the use of spatial targeting as an approach as a way for polycentric coastal regional development as highlighted in this paper is based on experiences in two of the leading developing countries that have achieved rapid industrial growth through special economic zones. The coastal region in many countries has tended to develop much faster than the inland, and the assumption in south Africa is that industrialization has been centred around areas within the minerals-energy complex, which has affected the appropriate economic and spatial planning patterns of contemporary South Africa.

Lastly, the potential of growth foci approach to regional coastal development, may equally benefit both smaller port cities as well as the hinterlands that are closer to the primate cities and secondary cities.

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