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Management Practices and Policy Frameworks for Effective Special Economic Zones: A Comparative Content Analysis of South Africa and China

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Abstract: Special Economic Zones (SEZs) are crucial for industrialization, job creation, and regional development, especially in emerging economies. However, macroeconomic strategy, detailed managerial practices, and coherence in policy frameworks often determine their performance. This paper compares case studies of SEZs in South Africa and China to examine the institutional, managerial, and policy factors that influence the effectiveness of SEZs. The paper examines how project management models, leadership accountability structures, inter-governmental coordination, investor facilitation, and policy clarity influence SEZ performance by utilizing best practices, government reports, SEZ regulatory frameworks, and independent evaluations. China is recognized for its highly coordinated, centralized, and investment-driven SEZ governance, while South Africa's approach is decentralized, socioeconomically driven, and flexible. This study draws on legislative and operational experiences from both contexts to provide evidence-based recommendations for enhancing Special Economic Zone governance, institutional alignment, and management competence in South Africa. It contributes to advancing policy dialogue on adaptive and context-sensitive SEZ implementation models in the Global South.

Keywords: Special Economic Zones, Management Practices, Policy Implementation, Institutional Governance, Comparative Case Analysis

Introduction

Special Economic Zones (SEZs) have become a key element of development policy in emerging economies, aiming to promote industrialization, attract investment, and create jobs. SEZs are also recognized as catalysts for structural transformation and enhancing global competitiveness (Zeng, 2015; Farole, 2011). Their transition from traditional export processing zones to complex industrial clusters highlights their increasing strategic importance in the development agenda of the 21st century (Zeng, 2016).

China is often called the success story of the SEZ. Shenzhen and other cities transformed from rural border outposts into global manufacturing centers within a generation, largely due to the country's highly centralized government structure, long-term policy stability, and strong state intervention in infrastructure and investment (Bräutigam & Xiaoyang, 2011; Zeng, 2015). They served as hubs for economic experimentation, with liberalization and industrial upgrading supported by robust institutional capacity and coordinated planning (Chen, 2023; Ding, Fields & Akhtar, 1997).

Conversely, in much of sub-Saharan Africa, especially South Africa, the track record of SEZs has been mixed. While the purpose of SEZs here is the same as elsewhere—to promote development and reduce economic disparities—results have often fallen short. South African SEZs like Coega, Dube TradePort, and Saldanha Bay have seen notable infrastructural progress but consistently fail to generate industrial activity and employment on a large scale (Grant, Carmody & Murphy, 2020; Chauke, 2022). Evidence indicates that SEZ performance nationwide is regularly hindered by fragmented institutional setups, insufficient coordination between national and provincial governments, and a lack of properly coordinated investor support mechanisms (Black & Yang, 2021; Qumba, 2022; Muringa & Shava, 2025).

They are worsened by regulatory uncertainty and bureaucratic inefficiencies that discourage long-term investment and weaken private sector confidence (Nyakabawo, 2014;

Dube, Matsika & Chiwunze, 2020). As Rodríguez-Pose et al. (2022) argue, African SEZs fail not because of a lack of ambition, but because they have weak institutions, unclear mandates, and limited implementation capacity. This is evident in South Africa through delays in zone accreditation, land use disputes, and uncertain leadership succession, which weaken the strategic planning and credibility of SEZ programs (Nel & Rogerson, 2013; Simo, 2023).

Such performance discrepancies raise important questions about the underlying managerial and institutional factors that influence SEZ success. The literature has gradually acknowledged that successful SEZs are not solely driven by incentives or location but also rely on well-coordinated governance structures, effective administrative leadership, and productive collaboration between public and private sectors (Ezenwa et al., 2022; Frick & Radouane, 2024; Muringa & Shava, 2025). In the South African context, challenges with inter-agency cooperation, funding mechanisms, and performance accountability further highlight the need for a strategic rethinking of SEZ conceptualization and management (Qumba, 2022; Chauke, 2022).

However, much of the literature remains descriptive, with a notable lack of detailed comparative analyses of how these variables operate across different national contexts. Surprisingly, little critical attention has been paid to how institutional design, project planning, and leadership structures directly influence SEZ performance in South Africa, especially when compared to more successful foreign examples like China.

This research fills a significant gap by providing comparative insights into SEZ governance and performance in China and South Africa. It explores how factors such as institutional design, project management models, leadership accountability, intergovernmental coordination, and investor facilitation mechanisms affect local zone outcomes. Using policy documents, case studies, and independent reports, the article pinpoints key success factors and structural flaws in each country's SEZ framework. Its aim is to offer practical lessons for improving SEZ models in developing countries. The paper adds to an expanding global discussion on context-sensitive, adaptive, and intelligent SEZ governance policies that can support inclusive industrialization and sustainable development goals in the Global South.

Two crucial questions guide this inquiry.

1. What institutional, managerial, and policy factors most significantly influence the performance and effectiveness of Special Economic Zones (SEZs) in South Africa and China?
2. How can insights from China's centralized and investment-driven SEZ governance model inform the development of more coherent, accountable, and context-sensitive SEZ strategies in South Africa and similar emerging economies?

Methodology

This study employs a comparative case study design to examine the governance and institutional processes affecting the performance of Special Economic Zones (SEZs) in China and South Africa. China exemplifies SEZ success through centralized planning and consistent policies (Zeng, 2015; Bräutigam & Xiaoyang, 2011), while South Africa demonstrates underperformance due to decentralized governance and fragmented policies (Nel & Rogerson, 2013; Black & Yang, 2021). A case study approach is appropriate for analyzing complex administrative settings across different contexts (Yin, 2018), enabling the extraction of lessons relevant to other developing countries. The research uses qualitative document analysis, drawing on a variety of primary and secondary sources, including SEZ policy documents, legislative frameworks, strategic plans, and performance audits from the Department of Trade, Industry and Competition (DTIC) and China's Ministry of Commerce (MOFCOM). It also incorporates institutional reports from the World Bank, UNCTAD, and WIDER, along with academic publications (e.g., Zeng, 2016; Rodríguez-Pose et al., 2022; Muringa & Shava, 2025). Additional data on employment, investment, and infrastructure support the study's empirical depth. Using an institutional analytical framework, the research centers on four dimensions—governance coherence (Farole, 2011; Zeng, 2015), leadership accountability (Muringa & Shava, 2025), investor facilitation (Chen, 2023; Ezenwa et al., 2022), and policy learning (Simo, 2023; Frick & Radouane, 2024)—to perform both within- and cross-case comparisons. Despite limitations such as the lack of fieldwork and public data restrictions, the study's triangulation approach and structured comparative analysis uphold the credibility and depth of its findings.

SEZ Governance in China

Historical Foundations and Evolution of SEZs in China

China's Special Economic Zones (SEZs) emerged during the country's economic liberalization in the late 20th century, with initial experiments beginning in 1980 in Shenzhen, Zhuhai, Shantou, and Xiamen (Zeng, 2015). Shenzhen, in particular, transformed from a fishing village into a high-tech industrial hub, growing its GDP from US$4 million in 1980 to US$114.47 billion by 2008, with industrial output and services leading its economy (World Bank, 2017; Zeng, 2012; Farole, 2011; Bräutigam & Xiaoyang, 2011). This growth was driven by foreign direct investment (FDI), supported by policy incentives such as tax holidays, lower corporate tax rates, and streamlined administrative processes. These incentives attracted significant foreign capital and technology, especially from Hong Kong and Taiwan.

Beyond economic growth, SEZs served as testing grounds for institutional reforms, trying out governance, labor, and land-use policies that later spread nationwide (Stoltenberg, 1984; Wang et al., 2024). Over time, the SEZ approach shifted from labor-heavy manufacturing to innovation and high-tech services, fueled by R&D investments and growth in knowledge sectors (Zeng, 2015). While zones like Shenzhen thrived, others in remote or unstable areas lagged behind due to infrastructural and political issues (Zeng, 2016). Criticisms related to labor and environmental concerns prompted reforms in the 2000s, aligning SEZs with green and inclusive growth goals in the 11th and 12th Five-Year Plans (Wang et al., 2024). Overall, China's SEZ experience highlights the importance of adaptable governance, institutional learning, and targeted reforms in promoting sustainable industrialization.

Centralized Governance and Institutional Coherence

China's SEZ success depends on a unique model of centralized governance and institutional cohesion, where macro-level control is held by the central government while execution powers are decentralized to local governments (Zeng, 2015; Farole, 2011). Key agencies such as the State Council, NDRC, and Ministry of Commerce set strategic goals, while provincial and municipal entities implement them within centrally established parameters (World Bank, 2017; Bräutigam & Tang, 2011). This dual system provides policy stability alongside flexible execution. A notable example is the Suzhou Industrial Park (SIP), which thrived due to a hybrid governance approach combining central support with local implementation, attracting over 90 Fortune 500 companies and generating more than US$30 billion in annual output by 2015 (Zeng, 2015; Lin & Zhang, 2020). Similarly, Shenzhen's strong alignment with central priorities and autonomy in key regulatory areas helped transform it into a global tech hub (World Bank, 2015; Zeng, 2012).

Institutional coherence is also strengthened horizontally through inter-ministerial consultations, coordinated evaluation systems, and synchronized policy reforms, which integrate SEZs into broader developmental strategies rather than isolating them (China State Council, 2020; Wang et al., 2024). This approach prevents regulatory conflicts, aligns national interests, and fosters the expansion of successful innovations. Overall, China's SEZ governance system demonstrates the benefits of centralized strategic oversight combined with local flexibility—attaining industrial modernization through disciplined yet adaptable institutional frameworks.

Leadership Models and Accountability Structures

Leadership and accountability have become crucial pillars behind the success of China's SEZs, where politically connected, high-ranking technocrats are strategically appointed to ensure policy consistency, investor confidence, and performance results. Shenzhen's early success under leaders like Yuan Geng—who introduced innovative land lease and labor policies—demonstrated the importance of entrepreneurial leadership aligned with central goals, helping the zone attract over $30 billion in FDI and contribute more than 10% of China's exports by 2010 (Stoltenberg, 1984; World Bank, 2015). Likewise, Suzhou Industrial Park (SIP) adopted a performance-based, streamlined governance structure influenced by Singaporean administrative models, resulting in over $33 billion in exports and more than 90 Fortune 500 companies by 2015 (Bräutigam & Xiaoyang, 2011; PEDL, 2019). Both Shenzhen and SIP benefited from direct-reporting structures to central authorities, effectively shielding SEZs from local political interference and accelerating decision-making.

This vertical governance model—where SEZ leaders report to provincial governors or central ministries—serves as a buffer against local capture, which often undermines SEZs in other developing contexts (Zhou, 2020). Performance-based accountability is upheld through centrally monitored KPIs tied to investment, employment, and export targets, with underperformance leading to reassignment or dismissal (World Bank, 2015; Bräutigam & Xiaoyang, 2011). Administrators are typically chosen via national-level screening from within the Communist Party, ensuring alignment with development goals. For example, Tianjin Binhai New Area, led by such technocrats, attracted $50 billion in investment from 2005 to 2015 and contributed 40% of Tianjin's GDP in 2018 (Zhou, 2020; World Bank, 2015). Overall, China's model of technocratic, accountable leadership within a centrally coordinated system offers a replicable approach for SEZ success in emerging economies.

Investor Facilitation and Service Integration

China's SEZ success stems from its robust investor facilitation model, which emphasizes efficient "one-stop-shop" services that integrate key bureaucratic functions—such as business registration, land approvals, customs, and taxation—into single administrative entities. This approach significantly lowers transaction costs and speeds up project completion (Zeng, 2016; Farole, 2011). An example is the Tianjin Economic-Technological Development Area (TEDA), which employs digital platforms and multilingual investor support to deliver streamlined, responsive governance (Zeng, 2015; World Bank, 2015). These zones are further strengthened by strategic infrastructure investments, like Hainan's US$2.5 billion port upgrades and Shenzhen's coordinated service delivery and incentives, which promote industrial growth and enhance global competitiveness (China State Council, 2020; Feng, 2017; Yang, 2017; Zhang, 2019). Overall, China's SEZs contributed over 22% of the nation's FDI in 2021, demonstrating how policy coordination, service integration, and infrastructure development enable SEZs to support export-driven growth (UNCTAD, 2022; Shuibao, 2019).

Inter-Governmental Coordination and Institutional Alignment

China's SEZ success largely comes from its strong inter-governmental coordination system, where central agencies like the State Council and NDRC set strategic directions, and provincial and municipal governments handle implementation through structured feedback loops and joint planning platforms (World Bank, 2019; Farole, 2011). The Xinjiang Kashgar SEZ demonstrates how this two-layered governance supports regional inclusion despite remoteness and vulnerability. Supported by over RMB 2 billion in subsidies from 2010 to 2018 and technical aid from Guangdong, Kashgar grew from fewer than 100 enterprises in 2010 to over 800 by 2017 (AfDB, 2018; African Development Bank, 2018). Central oversight also promotes accountability through annual evaluations of SEZs on FDI, exports, and technological progress. For example, Tianjin's TEDA zone exceeded national benchmarks and drew over USD 60 billion in FDI by 2020, while underperforming zones like Shantou faced restructuring due to local capacity issues (World Bank, 2015; Zhang, 2019). Coordination is further strengthened through centralized planning tools, such as in Xiong'an New Area, which combines infrastructure, digital governance, and environmental management under a single master plan (China State Council, 2020). These mechanisms guarantee policy consistency, flexible governance, and efficient implementation—qualities lacking in fragmented SEZ systems elsewhere (Bräutigam & Xiaoyang, 2011; Chen, 2023).

Case Reflections and Emerging Challenges

While China's SEZ model has received international praise, recent critiques highlight significant issues in governance, environmental sustainability, and regional inequality. Excessive centralization hampers local governments' ability to tailor policies to local needs, reducing responsiveness to grassroots socio-economic conditions (Farole, 2011; Bräutigam & Xiaoyang, 2011; Chen, 2023; PEDL, 2019; World Bank, 2017). The rapid expansion of first-generation SEZs, such as Shenzhen, caused notable environmental damage—including deforestation, air and water pollution, and elevated PM2.5 levels (Wang et al., 2024; Zhang et al., 2020). Shenzhen responded with innovative green initiatives— such as electric transportation, carbon trading, and smart environmental monitoring—that cut emissions by 48% between 2013 and 2020, now serving as a model for other SEZs.

Territorial disparities persist as SEZ benefits mainly concentrate in coastal cities such as Pudong, Tianjin, and Suzhou, which draw over 70% of SEZ-related FDI due to superior infrastructure and labor pools (Rodríguez-Pose et al., 2022; Grant et al., 2020). Inland SEZs such as Lanzhou and Kashgar face obstacles with institutional weakness and poor connectivity, making fiscal incentives alone insufficient (Bräutigam & Xiaoyang, 2011; Mugano, 2021). In response, China has shifted its SEZ strategy toward sustainability and innovation, exemplified by the Hainan Free Trade Port and Xiong'an New Area, which include green infrastructure, digital governance, and eco-friendly goals (China State Council, 2023; Frick & Radouane, 2024; Zhang et al., 2020). Additionally, environmental performance is now a fundamental part of SEZ evaluation, indicating a move toward quality-focused development (Chen, 2023; Simo, 2023). This rebalancing offers valuable lessons for other countries seeking to replicate China's industrial success while avoiding its early-stage mistakes.

SEZ Governance in South Africa

Overview of South Africa's SEZ Policy Framework

South Africa's SEZ policy evolved from the early 2000s Industrial Development Zones (IDZs), which faced issues like limited geographic scope and poor local integration. This prompted reforms through the SEZ Act No. 16 of 2014 (Nel & Rogerson, 2013; SEZ Advisory Board, 2017; DTIC, 2018). The Act established a unified framework managed by the Department of Trade, Industry, and Competition, offering incentives such as a 15% corporate tax rate, customs and VAT relief, and One-Stop Shops. These measures aim to attract investment, promote export-driven industrialization, and support spatial economic transformation (SARS, 2021; LAPD-IT-G28a, 2020).

Decentralized governance

South Africa's SEZ model relies on decentralization, with governance spread across national, provincial, and local levels. This setup allows provincial entities like development corporations to manage zones aligned with regional economic plans (UNDP-CH, 2021; Nel & Rogerson, 2013). While this method encourages local ownership, quicker decision-making, and inclusivity, it also faces challenges such as institutional fragmentation, poor coordination, and political nepotism. Successful examples like Dube TradePort and Coega demonstrate the potential of decentralized leadership backed by strong institutions, which draw investment and generate jobs (Ezenwa et al., 2022). Conversely, zones with less capacity, such as Maluti-a-Phofung, encounter delays and limited impact due to weak intergovernmental collaboration and misaligned planning (CHIETA, 2020; SEZ Advisory Board, 2017). Without capacity building and integrated policies, decentralization risks sustaining systemic issues rather than resolving them.

Socio-Economic Objectives and Developmental Trade-Offs

South Africa's SEZs aim to promote inclusive development, job creation, and SME growth, especially in underdeveloped areas (DTIC, 2018; IPAP, 2017). The Tshwane Automotive SEZ (TASEZ) exemplifies success by creating over 4,000 jobs—many for youth and women—and awarding R900 million in contracts to more than 127 local SMMEs, boosting township economies (TASEZ Annual Report, 2023). However, overall performance remains uneven, with zones like Coega showing weak connections to nearby communities and most SEZ jobs being low-skilled and temporary (Karambakuwa et al., 2020; CHIETA, 2020). Geographic disparities continue, as coastal and urban SEZs outperform inland ones, which face infrastructure and skills shortages. Environmental trade-offs, such as those seen in the Musina-Makhado SEZ, further threaten community support and development goals (Dzerefos, 2024).

Leadership and Management Approaches

Leadership within South Africa's SEZs varies from bureaucratic to entrepreneurial models, with success often depending on leadership quality, autonomy, and stakeholder engagement. Coega SEZ benefits from adaptive, technocratic leadership through a semi-autonomous board of experts aligned with national goals and capable of operational flexibility, enabling consistent investment and project delivery (CDC Annual Report, 2021). Similarly, Dube TradePort's consultative leadership incorporates structured engagement with private stakeholders and municipal actors, ensuring real-time planning and service coordination, which boosts market responsiveness and regional alignment. TASEZ exemplifies participatory leadership, with its multi-stakeholder Oversight Committee ensuring transparency, accountability, and developmental outcomes such as 4,000 jobs and R900 million in SMME contracts (TASEZ Annual Report, 2023).

Conversely, the Musina-Makhado SEZ highlights the risks of politicized and unstable leadership, marked by frequent management changes, poor planning, and alienation of local communities due to secretive and extractive priorities (Dzerefos, 2024). These contrasting cases stress the importance of balancing executive autonomy with central oversight. While too much control can reduce responsiveness and deter investment, unchecked autonomy risks diverging from national objectives. Sustainability and legitimacy in SEZ governance are best achieved through clearly defined mandates, merit-based leadership appointments, and strong performance monitoring systems.

Investor Facilitation and Administrative Services

Investor facilitation is essential for the success of South Africa's SEZs, with One-Stop Shops (OSS) established to simplify licensing, customs, tax, and regulatory services. Although OSS efficiency varies, Coega SEZ performs well with a 90% investor satisfaction rate due to quick permit processing and integrated service delivery (CDC Annual Report, 2021). Dube TradePort also operates effectively with a fully digital permitting system linked to customs and logistics, enabling rapid investor onboarding (Dube TradePort Corporation, 2024). Conversely, zones such as Maluti-a-Phofung face challenges with ineffective OSS facilities, slow approval processes, and poor inter-agency coordination, which undermine investor trust and zone performance (CHIETA, 2020). TASEZ offers a best-practice model where OSS activities are closely integrated with infrastructure management through digital platforms, combining administrative efficiency with real-time project execution and increased investor confidence (TASEZ Annual Report, 2023).

Policy Coordination Between the Three Tiers of Government

Coordination among national, provincial, and local governments in South Africa's SEZs is supported by laws such as the Intergovernmental Relations Framework Act (2005), the Municipal Systems Act (2000), and the District Development Model (DDM) introduced in 2019. These laws aim to synchronize planning, budgeting, and development priorities. Effective coordination is shown in cases like the Tshwane Automotive SEZ and Nkomazi SEZ, where trilateral governance structures and integrated plans have sped up infrastructure development and investor services (DDM Secretariat, 2022; TASEZ Annual Report, 2023). Similarly, Dube TradePort and Coega SEZs benefit from alignment with municipal and provincial strategies, allowing for coherent planning, legal compliance, and increased investment (Dube TradePort Corporation, 2024).

In contrast, fragmented coordination weakens areas such as Musina-Makhado and Maluti-a-Phofung, where disorganized municipal planning, the absence of agreements, and a lack of interaction with regulators have caused delays and community resistance (Dzerefos, 2024). To address these issues, the National SEZ Advisory Board recommends formalizing SEZ Coordination Forums, aligning IDP-SEZ integration methods, and establishing intergovernmental agreements through enforceable legal tools. Successful SEZ-driven industrial transformation ultimately depends on coordinated planning, empowered local efforts, and binding alignment across all levels of government.

Case Reflections and Emerging Challenges

South Africa's SEZs illustrate a complex mix of potential and limitations. Although the SEZ Act No. 16 of 2014 established a unified policy framework, fragmented intergovernmental coordination—particularly between national, provincial, and municipal levels—continues to impede implementation, as evidenced by delayed zones such as Maluti-a-Phofung (SEZ Advisory Board, 2017; DTIC, 2022). Uneven development persists, with successful hubs such as Coega and Dube TradePort standing in sharp contrast to struggling zones such as Musina-Makhado, which face environmental and social integration challenges (Dzerefos, 2024). Socio-economic goals, including inclusive job creation and SMME support, remain inconsistently achieved outside standout cases like TASEZ (TASEZ Annual Report, 2023; CHIETA, 2020). Without stronger intergovernmental coordination, full adoption of the District Development Model, and integration of sustainability measures, the SEZ policy risks reinforcing inequality instead of fostering inclusive structural transformation.

Comparative Analysis

The regulatory frameworks of China's and South Africa's Special Economic Zones (SEZs) are based on fundamentally different institutional principles. China's system is centralized and strategic, while South Africa's is significantly decentralized. In China, national agencies like the State Council and the National Development and Reform Commission (NDRC) direct SEZ policies and maintain cross-ministerial coherence, enabling zones such as Shenzhen and Suzhou to operate with transparency and accountability (World Bank, 2017; Bräutigam & Xiaoyang, 2011). In contrast, South Africa manages SEZs through multiple entities across national, provincial, and local levels. This decentralization aims to increase local responsiveness but often leads to institutional fragmentation and planning misalignment—issues seen in the failures of the Maluti-a-Phofung and Musina-Makhado SEZs (SEZ Advisory Board, 2017; Dzerefos, 2024).

Managerial behavior and leadership responsibility in China emphasize technocratic leadership with direct reporting to the provincial or central government, protected from local political interference. Leaders of zones such as TEDA and Xiamen are appointed based on performance and undergo strict monitoring with a strong focus on investment growth, job creation, and innovation (Zhou, 2020; PEDL, 2019). South Africa's experience is more inconsistent. While others face leadership instability, political interference, and institutional indiscipline, SEZs such as Coega and Dube TradePort enjoy stable leadership and technical guidance from provincial development agencies (Ezenwa et al., 2022; CHIETA, 2020).

Policy enforcement and facilitation for investors are another key difference. China's SEZs feature strong one-stop-shop (OSS) models with electronic connectivity, providing streamlined services in customs, land, taxes, and compliance. This is evident in both investor satisfaction and volume—TEDA alone attracted over USD 60 billion in FDI by 2020 (World Bank, 2015). In South Africa, OSS facilities are legally required, but their effectiveness varies widely. Coega's OSS is rated the highest, while Maluti-a-Phofung's faces criticism for administrative inefficiency and delays (CDC Annual Report, 2021; TASEZ Annual Report, 2023).

Lastly, China's success factors—central coordination, institutional coherence, and technocratic leadership-have driven rapid industrialization and export growth. However, environmental degradation and territorial imbalances remain unresolved issues (Wang et al., 2024; Frick & Radouane, 2024). South Africa's relative strengths include an inclusive policy approach and regional integration goals. Yet, structural bottlenecks—such as under-capacitated local governments, state deconcentration, and uneven service delivery—continue to hinder achieving the full potential of SEZs (DTIC, 2022; Karambakuwa et al., 2020). To emulate China's industrial success, South Africa will need to enhance vertical integration, build capacity, and improve performance monitoring.

Conclusion and policy recommendations

This comparative analysis of China and South Africa’s SEZ models confirms that institutional strength, leadership quality, and centralized coordination are essential for SEZ success. China’s model relies on a strong central authority combined with local flexibility, supported by technocratic leadership, digitized investor services, and integrated development planning (Bräutigam & Xiaoyang, 2011; Zhou, 2020; World Bank, 2017). Conversely, South Africa’s decentralized model—although based on inclusivity—struggles with fragmented coordination, inconsistent leadership, and uneven implementation (Muringa & Shava, 2025; CHIETA, 2020). High-performing zones such as Coega and Dube TradePort are outliers rather than the standard, highlighting the need for a more unified and vertically coordinated governance approach (DTIC, 2022).

South Africa should create a stronger central SEZ authority to coordinate strategies across all zones while allowing local implementation flexibility, similar to China’s NDRC structure (World Bank, 2017). Leadership reform is urgent, with the adoption of merit-based SEZ management and enforceable KPIs to ensure accountability and consistency (PEDL, 2019; Zhou, 2020). Making investor facilitation more efficient through digitized, one-stop-shop systems is crucial to reduce bureaucratic delays and boost investor confidence (CDC Annual Report, 2021; Frick & Radouane, 2024). Lastly, integrating SEZs with broader national goals—such as green industrialization, spatial equity, and inclusive growth—via instruments such as the NDP, IDPs, and the DDM will improve policy coherence and help SEZs act as catalysts for transformative, sustainable development (Simo, 2023; DTIC, 2022).

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