



SPECIAL ECONOMIC ZONES (SEZ)
VERSUS
KNOWLEDGE INNOVATION ZONES (KIZ)
– A COMPARISON

**Knowledge Innovation Zone Research Report
2006**

Comparison		Special Economic Zones	Knowledge Innovation Zones
Dimensions		Existing – Present 1970-2010+	Emerging – Future 2000-2050 +
1	Alternate Concepts	Free Economic Zones, Free Trade Zones, Enterprise Free Zones, Enterprise Trade Zones, Export Processing Zones, Free Ports, Foreign Trade Zones, New Export Distribution Centers; Regional Foreign Trade Zones;...	City Of Knowledge, Ideopolis, Technopolis, Knowledge Port, Knowledge Harbour, Knowledge Ring, Knowledge Park, Learning City, Knowledge District, Knowledge Village, Creative City, City Of The Future, Cyber City, Silicon Valley, Smart Community, Intelligent City, Science City.... (see full KIZ Taxonomy)
2	Variable Geography	Trading hub or commerce gateway. may be: - Wide Area - Small Area - Industry Specific - Performance Specific see World Economic Processing Zones Association http://www.wepza.org	Knowledge market hubs or knowledge economy gateways Knowledge parks, villages, towns, cities, capitals, regions, corridors, countries may also be cross-border and or virtual using the Internet
3	Growth & Development	<i>"Thirty years ago, 80 special economic zones (SEZs) in 30 countries generated barely \$6 billion in exports and employed about 1 million people. Today, 3,000 SEZs operate in 120 countries and account for \$600+ billion in exports and 50 million direct jobs."</i> Source: World Bank http://rru.worldbank.org/Discussions/Topics/Topic40.aspx	Growth and development of KIZ – a recent phenomenon see www.inthekzone.com
4	Changes over time - Trends	<i>"EPZs have evolved from initial assembly and simple processing activities to include high tech and science parks, finance zones, logistics centres and even tourist resorts."</i> <i>"distinct trend towards the private development of zones, often by foreign developers"</i> <i>"textiles and clothing and electronics were the main industries initially established in EPZs, the product mix today can include almost any sector"</i> Source: ILO http://www.ilo.org	Shifts the focus away from commodity products and services and moves upstream to higher value added knowledge based and creative industry products and services which optimize talent, teams, and technology in the production of new ideas, innovations, analysis, research and development, intellectual property, process know how, software systems, business methods, and intangible assets such as brand, thought leadership, strategic thinking, etc..
5	Investment Flows	<i>"Foreign Direct Investment (FDI), the source of most EPZ investment, remained flat at US\$ 653 billion in 2003, down from a peak of US\$1.4 trillion in 2000, according to UNCTAD."</i> Source: http://wepza.org	Foreign direct investment appears to be growing. Billions of dollars in new investments flowing into KIZ related development projects but reliable quantitative data not yet available.
6	Economic & Business - Objectives	Create a profitable business arena Simplify business start-up Create employment Spur economic trade growth & competitiveness Develop export economy Streamlined logistics & supply chain Deregulation Attracting Foreign Investments Developing SME's in depressed areas	Knowledge-based and creative industries, business and new economy Knowledge entrepreneurship Knowledge-based products and services Knowledge-driven start-ups and SME's Knowledge markets and exchanges Balanced and sustainable economic growth and development Incubation and acceleration of knowledge ventures

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		Minimizing taxation, regulatory, policy, foreign exchange burden..	Creation of knowledge based wealth An economy of infinite potential abundance
7	Social, Community, & Cultural - Objectives	Exploitation of cheap labour Creation of sweat shops Train people as needed Social expediency and ruthlessness No long term interest in nurturing culture According to the ILO, as of 4 February 2004, there were an estimated 41,934,133 people working in 5,174 Export processing Zones Source: http://www.ilo.org/public/english/dialogue/sector/themes/epz/stats.htm	Supports the enlightened advanced knowledge society, knowledge citizenship, smart communities, social knowledge networks, knowledge culture, social cohesion, diversity, good governance, social responsibility and caring, elimination of poverty
8	Organizational, Technological, & Environmental - Objectives	Multi-modal Logistics, Distribution & Supply chain processing Efficient communications system Banking & Financial services Modern Commercial Real Estate Facilities Industrial Park Incentives Utilities & Transportation infrastructure Access to stable, modern, high tech infrastructure (ICT) Low concerns about environmental pollution, degradation, costs, and spillovers	Flatter, adaptive, responsive, networked organizations Knowledge networks, communities, and project teams operating real and virtually Smart use of ICT & knowledge enabling technology Access to technology and the internet and reduction of a digital divide Small, clean environmental footprint Clean, safe, green, amenity rich, stimulating ecology for knowledge workers and the creative class