UNEVEN DEVELOPMENT AND THE SPECIAL ECONOMIC ZONES OF THE GREATER MEKONG SUBREGION

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ABSTRACT

The use of industrial estates in the Greater Mekong Subregion (GMS) has been very successful in terms of numbers of projects launched, number of factories opened, amount of goods manufactured and so forth. However, although aggregate levels of creation are impressive, it is not clear that the value added to the economies involved overall is very high. One important means of enhancing the quality of the connectivity between economic actors located within an industrial estate and other economic actors in the wider economy. This would involve connectivity that would be characterized as becoming greener and smarter. This paper argues that the concepts of environmental friendliness and intelligent relationships can be folded into the construct of connectivity as a framework for analysis. This is used to inform the study and discussion of a series of case studies of industrial estates within the GMS and helps to refine a future research agenda.

KEYWORDS

Connectivity, Greater Mekong Sub-region, Industrial estates, Special economic zones, Uneven development

INTRODUCTION

Industrial estates (IEs), a subset of special economic Zones (SEZs), have been a very popular and successful means of promoting rapid economic development in the countries of the Greater Mekong Subregion (GMS): Cambodia, Laos, Myanmar, Thailand and Vietnam, as well as Yunnan Province of China and the Zhuang Autonomous Zone. Table 1 (below) shows the number of IEs in action and under construction in the GMS.
Table 1. The Number of SEZs/Industrial Estates in the Greater Mekong Subregion; source: compiled by author from various sources.

<table>
<thead>
<tr>
<th>Country</th>
<th>No. of SEZs/Industrial Estates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Myanmar</td>
<td>18 existing + 7 to come</td>
</tr>
<tr>
<td>Laos</td>
<td>10 in operation</td>
</tr>
<tr>
<td>Cambodia</td>
<td>8 in operation</td>
</tr>
<tr>
<td>Vietnam</td>
<td>298 in operation</td>
</tr>
<tr>
<td>Thailand</td>
<td>46 in operation</td>
</tr>
<tr>
<td>Yunnan Province of China</td>
<td>30 “key” estates in operation</td>
</tr>
</tbody>
</table>

The logic of SEZs in general is easy to understand: governments designate specific territories within the overall state in which different regulations and laws apply, generally in the direction of better business conditions, so as to encourage domestic and international investors to locate their facilities there, particularly manufacturing facilities, so as to promote export-oriented manufacturing processes. This has a direct effect on job and income-generation under close state control and provides the kind of quantitative, measurable progress which is very attractive not just to government agencies but also to international funding agencies such as the World Bank and the Asian Development Bank (ADB). As Ramos and Sazanami (1991) wrote:

“An industrial estate consists of an area of land allocated for factory buildings, which are sold or leased for manufacturing purposes. The land is developed in accordance with a comprehensive master plan, which includes roads, utilities and services and site preparation undertaken in advance of building works. Factory buildings are erected as standard buildings or as customized buildings. Industrial estates are areas of controlled development in accordance to town planning norms and by using zoning, restrictive covenants and other devices. Their form and growth is regulated for the benefit of both the occupants within the industrial parks and the community at large (ibid.).”

There is also the issue of complementarily of resources and competencies that was discussed by Marshall in the C19th and could be traced back to the work of Adam Smith and David Ricardo. This is the idea that close proximity between companies and related institutions will stimulate positive sum gains in innovation, cross-company research and so forth. In some cases, it has been possible to foster the creation of clusters of complementary industries of SEZ formation, although success is far from guaranteed.
However, GMS IEs have too often featured extensive use of low labour cost competitiveness manufacturing in which the competitiveness relies not just on drawing in new workers from the agricultural sector but also by suppressing the rights of workers in the areas of freedom of association and expression and the right to collective bargaining, by force if necessary. Such factories can generate profits but tend to add little value and, hence, produce goods that are rarely competitive in international markets and contribute to the problem of the Middle Income Trap. In Thailand, where the Middle Income Trap has already been sprung, the recently elected Pheu Thai government under Prime Minister Yingluck Shinawatra has started the process by which such low value-adding factories will move offshore by bringing in an approximately 40% increase in minimum daily wage rates to 300 Baht (approximately US$10) and to create linkages of transportation infrastructure with neighbouring Myanmar and the massive Dawei SEZ to encourage investors to move their factories over the border.

Discouraging low value-added factories in existing IEs is one part of exiting the Middle Income Trap, the other part is to encourage higher value-added and better productivity in existing and future factory construction and operation. Of the various approaches to improving quality of production and operations that may be adopted, one that is more closely related to long-term sustainable development is to promote smarter and greener activities in the IEs that are being used. The eco-industrial development paradigm seeks to increase business competitiveness, reduce waste and pollution, create jobs and promote better working conditions (Gibbs, Deutz & Proctor, 2005). There are various ways of approaching this paradigm: through encouraging companies to continuing with the same production methods but in a more environmentally responsible way, encouraging companies to start producing goods which have an environmentally-friendly component, providing infrastructure that requires more environmentally-conscious production methods and employing locally generated energy from alternative sources are all attempts that have been made. There is no one single definition of this approach that has found widespread favour. Consequently, government attempts to announce and implement policies of this sort have sparked some hostility among some members of the business community who tend to imagine that such discourse will result in extra costs on them for no definable purpose (Roberts, 2004). However, the increasingly obvious impacts of global climate change have convinced a growing number of business executives of the importance of incorporating clean and green policies both for their own sake and as a new source of profits. This can include the ways by which items are
produced or the ways in which they are marketed (Cronin et al., 2011). SEZs exist in a world in which development is uneven across geographical space and also time. This arises initially because of the unequal distribution of natural resources in first nature – i.e. nature before it has been influenced by the work of people. Resource extraction and development leads to unequal distribution of urban development under second nature – i.e. nature after the effect of human activity. Places of production and of consumption arise in different locations as a result of these processes but, also, for political reasons. This is most clearly seen in the case of imperialism, described by Lenin, the formative thinker on uneven development, as the „superstructure of capitalism (Mandel, 1969).’ Imperialism had a significant impact on the Mekong region, with Myanmar colonized by the British and Vietnam, Laos and Cambodia by the French. That Thailand was never formally colonized by a foreign power is a regularly repeated boast of Thai history but it is quite possible to argue that what now constitutes Thailand has in fact been colonized by Bangkok (King, 2011). Colonization produced colonial states focused on production of resources to be extracted and sent to the imperial centre or else to support other imperial interests, thereby leading to the importance of seaport capitals separated from traditional cultural, political and religious centres of importance (cf. Hardt&Negri, 2001). These changes to the economic geography can become permanent or at least long-lived in nature and act as a means of structuring further development. SEZs are clearly important means by which economic geography may be further changed.

OBJECTIVE OF THE STUDY

This paper examines ways in which the interaction between SEZs and the physical environment occur and discusses ways in which structural inequalities thereby produced and reproduced may be minimized or even reversed.

This paper contributes to evidence for public policy as a means of improving state-level competitiveness and, at the same time, improving workplace conditions, reducing pollution and waste and enhancing connectivity to increase complementarities and positive sum benefits. The ability of IEs to deliver better outcome and to become greener and smarter entities is conflated for the purposes of this paper into the concept of connectivity. Connectivity is a construct with different aspects that reflects the extent to which SEZs are embedded within an economy and society and can contribute to growth on a comprehensive rather than a purely financial basis. The paper continues with an exploration of the relevant literature and then the methodology section describes the case study approach used to collect
and analyse data. This is followed by a discussion of the case studies themselves and then general discussion and conclusions are provided.

**LITERATURE REVIEW**

**The Next Generation of Industrial Estates**

IEs and SEZs come in a number of different standard forms (see Table below).

**Table 2.** Forms of Special Economic Zone.

<table>
<thead>
<tr>
<th>Type of zone</th>
<th>Development objective</th>
<th>Typical size</th>
<th>Typical location</th>
<th>Activities</th>
<th>Markets</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Free trade zone</td>
<td>Support trade</td>
<td>&lt;50 hectares</td>
<td>Port of entry</td>
<td>Entrepôt and trade-related activity</td>
<td>Domestic, re-export</td>
<td>Colon Free Zone (Panama)</td>
</tr>
<tr>
<td>(commercial free zone)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Traditional EPZ</td>
<td>Export manufacturing</td>
<td>&lt;100 hectares</td>
<td>None</td>
<td>Manufacturing or other processing</td>
<td>Mostly export</td>
<td>Bangladesh, Vietnam</td>
</tr>
<tr>
<td>Free enterprises</td>
<td>Export manufacturing</td>
<td>No minimum</td>
<td>Country wide</td>
<td>Manufacturing or other processing</td>
<td>Mostly export</td>
<td>Mauritius, Mexico</td>
</tr>
<tr>
<td>(single unit EPZ)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hybrid EPZ</td>
<td>Export manufacturing</td>
<td>&lt;100 hectares</td>
<td>None</td>
<td>Manufacturing or other processing</td>
<td>Export and domestic</td>
<td>Lat Krabang, Thailand</td>
</tr>
<tr>
<td></td>
<td></td>
<td>only part of the area is EPZ</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Freeport/SEZ</td>
<td>Integrated development</td>
<td>&gt;1,000 hectares</td>
<td>None</td>
<td>Multiuse</td>
<td>Internal, domestic and export</td>
<td>Aqaba, Shenzhen</td>
</tr>
</tbody>
</table>


The purposes of building IEs are numerous and may be grouped into three areas:

- Economic and regional development: diversification of the economy, reducing regional imbalances, creating jobs and spinoffs;
- Orderly development and environmental reasons: clustering and concentrating economic activities for complementarity generation and ease of administration and management;
- Other objectives: reduce or control rural-urban migration, promoting synergistic effects and generating revenue and foreign currency (Chun, 2004).

Developing IEs for these purposes takes place during a period of intensive urbanization around the...
world and, in particular, in the Mekong Region. Cities such as Phnom Penh, Vientiane and Yangon may be small according to global comparisons, they nevertheless dominate the economic environment they inhabit, drawing to themselves labour, capital and technology while, at the same time, endangering the environment and the quality of life of residents. The over-development of many cities in the rest of the world indicate the importance of maintaining various balances in urban contexts: restoring the city’s ecological integrity; redesigning systems of production and consumption and recasting urban citizenship to promote social and ecological justice (Wolch, 2007). This mode of thinking has led to the concept of industrial ecology, which suggests that industrial systems can develop in the same way that natural ecological systems do, although few actually reach that state (Gibbs & Deutz, 2007). In some cases, when environmentally-aware developments do take place, they have tended to be responses to previous complaints about pollution emissions or other problems. The proposed Rayong Eco-Industrial Estate on the Southeastern Seaboard region of Thailand, for example, must be understood in the context of the problems previously caused by the Map Ta Phut IE. The Rayong project will divide its 2,098 rai in two halves, one of which will encourage investment in green industries and the other half will be devoted to green areas and utilities (Wongsamuth & Praiwan, 2012). Other IEs have adopted niche strategies or else positioned themselves, physically or conceptually, in the interstices between emergent activities requiring additional support (Praiwan, 2012). This approach can help to support local industries and help them become part of international supply chains, to the long-term benefit of the economy.

**The Connectivity Matrix**

Connectivity is a multifactorial construct, since there is a variety of different ways that firms can connect with each other. This section of the paper describes some of the means by which such connectivity can take place. Although the specific form of the SEZ involved affects the type and facility of connectivity that firms located within them can achieve, there are nevertheless some common features that define the nature and extent of those connections (see Figure 1 below).
<table>
<thead>
<tr>
<th></th>
<th>Internal</th>
<th>External</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physical</td>
<td>Facilities (buildings, plant, pollution)</td>
<td>Common infrastructure (transportation, utilities, sewerage etc)</td>
</tr>
<tr>
<td>Virtual</td>
<td>Websites, networks</td>
<td>Internet</td>
</tr>
<tr>
<td>Commercial</td>
<td>Marketing and PR</td>
<td>Business development services (e.g. business matching, networking, structured learning opportunities)</td>
</tr>
<tr>
<td>Organizational</td>
<td>Cross-border intra-firm exchanges</td>
<td>Industrial Estate authority initiatives</td>
</tr>
</tbody>
</table>

**Figure 1.** The Connectivity Matrix.


It is possible to divide forms of connectivity between those that derive from internal sources and those that are imposed or made available externally. Physical internal connectivity involves shared or connecting buildings, facilities and plant; external connectivity includes physical infrastructure available to any occupant of the SEZ, including transportation (e.g. rail, road and port facilities), utilities such as electricity and water supplies and public health services such as sewerage. Virtual connectivity from an internal perspective includes the websites and internal networks operated by the firm and, externally includes internet and telecommunication services (some of which could be considered to be physical in nature – there is of course overlap between some of the categories). In the commercial category, internal connectivity includes the marketing and PR activities of firms, while external commercial connectivity involves a range of business services available from both public and private sector sources, including networking opportunities, business matching services and structured learning opportunities (Southiseng, 2012). Finally, organizational connectivity from an internal perspective includes intra-firm exchanges across geographical space, which may be cross-border in nature. From an external perspective, organizational connectivity involves those initiatives that are employed by the managers and owners of SEZs – which may include the host government – to promote joint activities and forms of cooperation between firms, as efforts to form or promote clusters of firms and organizations.

It is important also to observe that these types of connectivity exist within the context of the natural
environment, from which various flows of resources takes place. The relationship between the SEZ and its connectivities with the natural environment may be considered a „nurtured landscape” (Yang & Lay, 2004), in which new types of ecological technology may be employed to ameliorate the polluting effects of the industrial facilities. This adds an additional level to the analysis of connectivity but it is one that requires a higher order of holistic approach to the issue that requires a higher order of holistic approach to the issue than is often possible in the research area.

It may also be noted that the presence of connectivity, however it might be achieved, involves the consumption of space and, as a result, intensifies the unevenness of development and frequently has the effect of privatizing important and valuable resources which had been or might have become part of societal commons. For example, the building of the Multimedia Super Corridor in Malaysia involved the resettlement of plantation workers, the provision of access to information resources on an uneven basis and the effective privatization of technology and technological applications (Bunnell, 2002). These effects can be intensified when private hands control access to the benefits of a particular SEZ and privilege some organizations or individuals over others on a non-transparent basis, which has been said to be the case with the Okhna Mong Port and SEZ in Cambodia (Walsh, 2012).

Promoting Connectivity

In promoting connectivity between and among firms and other organizations, it should be borne in mind that firms, even those that appear to be similar to each other, are in fact distinctly heterogeneous in nature. Expecting one policy or initiative to be rolled out smoothly and evenly over a population of companies, therefore, is unlikely to be successful (Martin & Matlay, 2001). Since the SEZ concept is generally considered to be of value to the economy of the country at a national level, efforts to promote connectivity are often conducted at the governmental level. Several Mekong region countries have appointed state-mandated committees and even special laws to govern SEZ operations. For example, it is evident that the governments involved have opted to create new agencies and legislation to regulate and administer SEZs in their various manifestations. Legislation is either written in conjunction with representatives of international best practice or else with close consultation with that best practice. The focus is primarily on the incentives to be provided for investors and the regulation of infrastructure and services by the government agencies concerned to those investors. Very little effort appears to have been made to take into account the interests of the
workers in the case of collective bargaining or freedom of association rights while stakeholders’ interests with respect to forcible resettlement and pollution have often received little more than lip service. The regulatory function of government appears to have been captured by the interests of investors and landowners.

Governments may, therefore, act through these mechanisms to enhance connectivity or power may be devolved to these organizations that have been created to manage state-owned assets – for example, the Industrial Estate Authority of Thailand (IEAT), which is charged with overseeing all public sector SEZs in the country. In large countries, such as China, provincial authorities might be entrusted with the task. In Yunnan, for example, combinations of different authorities work together to situate, build and administer IEs.

METHODOLOGY

This paper uses a case study approach to examine different IEs in the GMS and how greener and smarter approaches to development can be encouraged. The case study approach is a commonly used one in management studies because they are epistemologically in harmony with people’s experience and, hence, a meaningful basis for generalizability (Stake, 1978). Case studies also unite propositional (i.e. lived and discussed) and tacit knowledge (i.e. experienced) through describing real life situations to which people can relate (Polanyi, 1958).

Since multiple case studies are used, this research may be considered part of the collective case study approach (Stake, 1995). For this to be successful, it must use multiple sources of data to reveal issues that would otherwise be hidden and to ensure the data are properly triangulated (Yin, 1984). This has been approached by a combination of secondary data collection and reduction, combined with some personal interviewing with experts in the field. Research findings were entered into a database for interrogation according to a recognized content analysis approach, known as conventional content analysis (Hsieh & Shannon, 2005). Numerous IEs have been studied as part of an extensive research project of which this paper reports on one aspect.

DISCUSSION OF THE CASE STUDIES

The Mekong Region Context

Economic growth and development in the GMS is directly interrelated with the geography of the region: heavily forested and mountainous areas restrict movement and are divided by the river valleys along which movement has mostly been possible. Since these rivers generally move from the Tibetan-
Himalayan plateau to the north down
to the seas in the south, then north-
south connections have become much
more important than east-west
connections and it is not surprising
that the North-South Economic
Corridor linkages have flourished
while the East-West Economic
Corridor links have proved much
more difficult to finance and
implement. The north-south
connections were historically
reinforced by the tributary system
enforced by the imperial Chinese
state and to which Mekong states
were mostly quite willing to involve
themselves; this relationship has been
reverified in recent years by the
arrival of Chinese capital and
corporations taking leading roles in
investment and construction
regionally.

Before the period of European
colonization, most of the region was
unsettled, swampy and the presence
of dangerous wild animals and
disease. Sudden, unexplained death
was a constant spectre accompanying
travelers and traders. This has
subsequently changed, as the
irrigated agricultural land has
replaced swamps and roads have
connected urban and residential areas
with local and regional markets.

Most states have created
Primate Cities, in which all principal
economic, cultural, religious and
governmental functions have been
concentrated. Bangkok, Vientiane,
Phnom Penh and Yangon (even
though it is no longer the capital)
have had no peers in terms of
regional cities where important
institutions could be located.
Linkages have acted, therefore, to
direct resources towards the centre,
where they could be consumed
directly or, in the case of colonial
cities, extracted from the country for
export to the colonial capitals. Now,
many SEZs have been established to
serve those cities, including the
estates in Thailand’s central region,
those around Vientiane in Laos and
those serving Ho Chi Minh City in
Vietnam. Regional development in
the GMS has been a comparatively
recent phenomenon and has often,
when it has taken place, featured quid
pro quo exchanges among embedded
regional patronage networks or else
the distribution of facilities in
communities by political parties in
the expectation of support in
elections in those cases in which
democracy is in force: notably, open
democratic elections remain
comparatively rare occasions in the
GMS and, more commonly,
community, provincial and state-level
agencies have negotiated with each
other in order to resolve conflicts for
scarce resources. It has been noted
that, in China, the benefits thought to
accrue from the presence of an SEZ
within an authority’s jurisdiction
have encouraged a number of
provincial governments to establish
SEZ areas above and beyond what it
was legally permitted for them to do
(Rosen, 1999). In any case, state
agencies at all levels have generally
(with some notable exceptions) sided
with capital against labour when
conflicts have arisen. This has included breaking up strikes, displacing residents, ignoring negative environmental impacts and collaborating with excessive resource extraction.

**Incorporation of SEZs into Existing and Emergent Transportation Networks**

One of the principal means by which connectivity is increasing in the GMs is through the construction of physical transportation infrastructure which is part of the ADB’s Asian Highway Network (AHN) or else through bilateral agreements involving mostly Chinese but also Malaysian capital to create high-speed rail links. The purpose of the growth of these networks is to facilitate the movement of goods to and from places of production and of consumption within the region and beyond, from Singapore in the south (where port facilities represent a link to the rest of the world) and Kunming in the north, from where it is possible to reach Shanghai, Beijing and other Chinese metropolises. Transportation infrastructure works to facilitate existing forms of production and trade, expands the numbers of items that can be profitably traded (e.g. fruit, vegetables and cut flowers) by reducing the time it takes to transport them and also encourages production in sectors which are already profitable or which have become profitable as a result. Transportation infrastructure is an enabling technology which means that anyone is able to take advantage of it, whether or not they are planning to undertake socially-beneficial value-adding activities. Indeed, some instances of road-building have resulted in creative destruction in which small-scale arbitrage businesses have been replaced by larger-scale operations, thereby changing the social relations of economic production; this has also had a gender impact in the GMS as men are more likely to own the pick-up vehicles and capital that make it more possible to achieve profitability in these conditions of enhanced connectivity.

For countries wishing their economies to improve in terms of productivity or added value per unit, transportation infrastructure may even have a negative effect in that profitability can be reached by outsourcing costs to the providers of the infrastructure in conditions in which SEZ occupants are not required to pay for such connectivity. Adam Smith observed that roads enable market transactions to take place and, hence, value to be created, although they do not create any such value themselves.

**Islands or Nodes?**

There is also an issue concerning the extent to which enhanced connectivity is symmetrical in nature. At one extreme, IEIs become nodes with wholly symmetrical forms of connectivity,
which means that both firms and organizations elsewhere enjoy a positive sum result in terms of flows of information or other resources. At the other end of the continuum is the concept of the IE as an island: in this case, the flow of resources is entirely inward or asymmetrical. IEs draw to themselves information, capital and other resources which are not returned other than in the form of more profitable goods distributed in distant markets. It is this manifestation that IEs resume their role in the debate about the benefits of foreign direct investment (FDI) within a country (Byun & Walsh, 1998). This debate concerns the extent to which, if at all, FDI actually benefits the people of a country rather than just a few members of the business elite. Irrespective of the actual situation, the debate in the Mekong Region has been won by the neoliberal tendency that was in the ascendency during the 1997 Asian Financial Crisis, in the wake of which it was able to rewrite the social contract between capital, labour and the state, has prioritized gross economic growth above any other concern on the basis that some portion of those benefits will work their way into the pockets of the workers and citizens.

Of course, as commercial operations, businesses have the obligation to return profits to their owners. Within the GMS, there has been a historical tendency (resulting to an extent from the Chinese influence in the area) towards paternalistic management styles which have acted to mediate the more blatant role of capitalism. Consequently, as long as stakeholders are willing to become part of the patronage networks which characterize so much of social relations, then they are welcomed as part of a comitatus who share in the benefits obtained. Those without the network receive no benefits and, indeed, their interests may be systematically abused. There is reason to believe that SEZs such as Okhna Mong in Cambodia, the Chinese-funded sites in Vientiane and, in the future, Dawei in Mynamar are organized as artifacts close to the island pole, in which benefits or profits are sequestered from the local economy and kept as private gains from the business owners locally or at the Headquarters (i.e. the internal organizational perspective described previously).

**Energy Management**

The GMS has historically been an energy-importing region, although in recent years reserves of hydrocarbons have been located and extracted from offshore sources. There are continuing prospecting expeditions taking place in, for example, the Gulf of Thailand, which are yielding results of varying extents of encouragement. This explanation represents a strong incentive for joint exploration and cooperation relations between the Thai and Cambodian governments which is being
undermined by certain ultra-nationalist factions, particularly on the Thai side, who identify capitalist exploitation of natural resources, particularly when it takes place under cross-border flags, as a betrayal of the nation state.

In any case, the need to import energy has had several effects on the nature of economic production in the region. The most noticeable of these has probably been the use of subsidies, which have provided relatively low cost energy for businesses and for citizens, with government bearing the risk of any adverse changes in the internationally set prices for energy. However, other factors can also be relevant. For example, in the wake of the 2011 floods in Thailand, when many IEs to the north of Bangkok were severely damaged, a number of Japanese investors took advantage of the opportunity to update their investment projects in those areas, promoting the manufacture of electricity powered automobiles and alternative energy sources (Wongsamuth, 2012). These activities enhance connectivity between IE occupants and the remainder of the economy. These can be integrated with SEZs with other characteristics, including promoting cross-border connections and enhancing productivity competitiveness (Theparat, 2012).

UNEVEN DEVELOPMENT

Connectivities are means by which differences in resource distribution under third nature can be reduced. That is to say, third nature implies the configuration of the land after mature capitalism spreads across the land and, like all forms of capitalism, indicates the presence of Schumpeterian creative destruction in the creation of the Great Transformation that makes markets the central institution around which people’s lives exist as both producer and consumer. Capitalism of this sort destroys all former ties and connections, whether social, cultural, religious or personal, replacing them as Marx observed with the great cash nexus. Connectivity links can help to re-supplement the cash nexus with different forms of interpersonal and inter-organizational interactions. These interactions are mostly involved with market-based transactions but do contribute to other forms of connections. In this sense, then, SEZs which are intended to be purely instruments of enhancing capital accumulation by degrading the interest of labour also work, at least in part, to give people involved alternative means of reproducing social relations which may exist in some degree beyond the market. This appears to be a contradictory phenomenon which might be resolved by arguing that the connections formed are in fact ready to become commoditised and added to the range of market transactions.
that exist, in the same way that human and social relationships become commodities under capitalist societies.

CONCLUSION

Connectivity joins together economic actors across time and space by using means effectively to annihilate those two dimensions. It can operate internally within a firm, within the scope of an IE, between people within and without IEs and across many different levels of activity. Although many forms of connectivity are based fundamentally on market mechanisms, this is not necessarily always the case. Traditional connections based on patronage networks are, of course, opaque in nature and privilege insiders as opposed to those outside the network and this tends to destroy as much as it creates value. In the same way, additional connections between a company and the environment may not always be positive in nature since there are many negative externalities that it is possible may occur. Even so, governments and related agencies consider it their duty to add complexity to the web of connections linking the different actors involved. Additional research might be devoted to trying to categorize more accurately the different types of connections and the likelihood that they will be positive or negative in nature and, hence, provide some guidelines as to which should be prioritized for promotion. Some of the possible connection types are quite sophisticated in nature and thus are not available to many local actors in the GMS. Causing their inward embeddedness in the local economy should be considered a form of inward technology transfer and dealt with accordingly.

Research continues into the nature of connections between GMS SEZs and other stakeholders. Nevertheless, all research projects exist within their own limitations of time and space (not to mention competency) and this must also be acknowledged.
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