

# The Expansion of Special Economic Zones in African Countries: A Consolidation of the Upper Circuit of the Urban Economy in the Early 21st Century?

Kauê Lopes dos Santos

Universidade Estadual de Campinas,  
Instituto de Geociências, Campinas, SP, Brasil

kauels@unicamp.br

 0000-0001-9996-1079

revista

Geo   
USP  
espaço e tempo

Volume 29 • n° 2 (2025)

ISSN 2179-0892

e-228241

## How to cite this article:

SANTOS, K.L. The Expansion of Special Economic Zones in African Countries: A Consolidation of the Upper Circuit of the Urban Economy in the Early 21st Century?. **Geousp**, v. 29, n. 2, e-228241, set./dez. 2025. ISSN 2179-0892. Available at: <https://www.revistas.usp.br/geousp/article/view/228241>. doi: <https://doi.org/10.11606/issn.2179-0892.geousp.2025.228241.en>.



This article is licensed under the Creative Commons Attribution 4.0 License.

# The Expansion of Special Economic Zones in African Countries: A Consolidation of the Upper Circuit of the Urban Economy in the Early 21st Century?

---

## Abstract

The first decades of the 21st century were marked by a significant expansion of Special Economic Zones (SEZs) on the African continent, as their number increased from 20 in 1990 to 237 in 2020, revealing the concern of African states to promote a new wave of industrialization. Building upon the conceptual and historical content contained in the Theory of Urban Economy Circuits - developed by Milton Santos in the 1970s - this article seeks to characterize the expansion process of these SEZs as well as investigate to what extent this process is responsible for the consolidation of the upper circuit of urban economy in African cities. The research methodology is structured around an exploratory approach involving collecting, systematizing, and analyzing qualitative and quantitative data obtained from secondary sources. This study will likely contribute to interdisciplinary scientific debates regarding the presence of SEZs in territories of the Global South and to geographical debates at the interface between Economic, Urban, and Regional Geography.

**Keywords:** Special Economic Zones; urban economic circuits; upper circuit; industrialization; African continent.

---

## L'expansion des zones économiques spéciales dans les pays africains : une consolidation du circuit supérieur de l'économie urbaine au début du XXI<sup>e</sup> siècle ?

---

## Resumo

As primeiras décadas do século XXI foram marcadas por uma expansão significativa de zonas econômicas especiais (ZEE) no continente africano, haja vista que estas saltaram de 20 no ano de 1990 para 237 no ano de 2020, revelando a preocupação dos Estados africanos em promover uma nova rodada de industrialização.

Partindo dos conteúdos conceituais e históricos contidos na Teoria dos Circuitos da Economia Urbana – desenvolvida por Milton Santos na década de 1970 –, este artigo busca caracterizar o processo de expansão dessas ZEE bem como investigar em que medida esse processo é responsável por uma consolidação do circuito superior da economia urbana nas cidades africanas. A metodologia da pesquisa está estruturada em uma abordagem exploratória que contou com o levantamento, sistematização e análise de dados qualitativos e quantitativos obtidos em fontes secundárias. Espera-se, com esse estudo, contribuir para os debates científicos interdisciplinares acerca da presença das ZEE nos territórios do Sul Global, além de contribuir para os debates geográficos postos na interface entre Geografia Econômica, Urbana e Regional.

**Palavras-chave:** zonas econômicas especiais; circuitos da economia urbana; circuito superior; industrialização; continente africano.

---

## A expansão das zonas econômicas especiais nos países africanos: uma consolidação do circuito superior da economia urbana no início do século XXI?

---

### Résumé

Les premières décennies du XXI<sup>e</sup> siècle ont été marquées par une expansion significative des Zones Économiques Spéciales (ZES) sur le continent africain, leur nombre étant passé de 20 en 1990 à 237 en 2020, révélant ainsi la préoccupation des États africains de promouvoir une nouvelle vague d’industrialisation. En partant des contenus conceptuels et historiques contenus dans la Théorie des Circuits de l’Économie Urbaine – développée par Milton Santos dans les années 1970 –, cet article vise à caractériser le processus d’expansion de ces ZES ainsi qu’à examiner dans quelle mesure ce processus est responsable de la consolidation du circuit supérieur de l’économie urbaine dans les villes africaines. La méthodologie de la recherche est structurée autour d’une approche exploratoire basée sur la collecte, la systématisation et l’analyse de données qualitatives et quantitatives obtenues à partir de sources secondaires. Cette étude espère contribuer aux débats scientifiques interdisciplinaires concernant la présence des ZES dans les territoires du Sud Global, ainsi qu’aux débats géographiques situés à l’interface entre la géographie économique, urbaine et régionale.

**Mots-clés:** zones économiques spéciales; circuits de l’économie urbaine; circuit supérieur; industrialisation; continent africain.

---

## Introduction

In July 2022, the construction of Dongo Kundu, a special economic zone (SEZ) located near the Port of Mombasa in the dynamic southern region of Kenyan territory, was initiated. Marking a partnership between the government of the East African country and the Japan International Cooperation Agency (JICA), this SEZ will cover approximately 12 square kilometers and will include not only an industrial park, but also a port – integrated with a free trade area – as well as residential and commercial zones (Special Economic Zones Authority, 2024).

The creation of a special economic zone is not unprecedented in the history of this East African country, which, as of 2021, hosted a total of 61 SEZs within its territory. This number reflects the fact that, since 2008, successive Kenyan governments have been promoting an industrialization agenda as part of the Kenya Vision 2030, a medium- and long-term economic development program whose central aim is to industrialize the country by the year 2030 (Kenya Vision 2030, 2024).

Since the early 21st century, special economic zones have been increasingly implemented not only in Kenya but across much of the African continent, which saw the number of SEZs rise from 20 in 1990 to 237 in 2021 (Rodríguez-Pose *et al.*, 2022). This expansion can only be understood in light of a series of transformations the continent has undergone in recent decades – developments that have underpinned numerous analyses shaped by the perspectives of “Afro-euphoria” (Mkandawire, 2014) and “Afro-optimism” (Mahajan, 2009; Moghalu, 2014). Among these changes are: rising GDP growth rates driven by the global boom in commodity prices; the modernization of the productive forces, particularly in transport and energy infrastructure; the liberalization of production relations, enabling the influx of foreign capital and investment (both direct and indirect); the growth of the urban population and increased public investment in education, sanitation, and healthcare services; and political stabilization in most parts of the continent, with a marked trend toward democratization (Santos, 2022).

Within this context, the implementation of special economic zones has become part of a renewed industrialization strategy being pursued by most African countries over the past two decades. This strategy enables the attraction of highly capitalized firms – often integrated into multiple global value chains – to operate within SEZs, taking advantage of the economic benefits they offer, such as access to efficient infrastructure and services, proximity to raw materials and cheap labor (adapted to specific skill demands), and tax exemptions. Many of these features are embedded in the very definition of SEZs which, according to the United Nations Conference on Trade and Development (UNCTAD), are “geographically delimited areas where governments promote industrial activities through fiscal and non-fiscal incentives, along with the provision of special infrastructure and services” (UNCTAD, 2019, p. XII).

The implementation of SEZs, particularly in territories of the Global South, produces economic impacts across multiple geographical scales. Focusing on the urban dimension, Milton Santos explains that the arrival of large companies can also be understood as the introduction of an external vector of modernization that reshapes urban space and its economy. From this restructuring emerge two distinct yet complementary economic circuits that establish multiple relationships – both cooperative and conflictual: the upper circuit, composed of highly capitalized firms with greater technological density and typically national or international reach; and the lower circuit, made up of less capitalized enterprises with lower technological density, whose activities are primarily confined to local and regional scales, and occasionally reach the national level (Santos, 2004).

Historically, the urban economies of African countries have been characterized by a wide variety of manufacturing, trade, and service activities that operate, for the most part, with low levels of capitalization and under conditions of informality. On average, informal work affects 82.7% of men and 89.7% of women across the continent (ILO, 2024). These activities – understood here as part of the lower circuit – receive limited support from public authorities and respond to the employment and consumption needs of urban populations (Santos, 2004, 2021).

In the landscape of Africa's multifaceted cities, there is a clear predominance of small manufacturing businesses, repair workshops, open-air markets, bazaars, grocery shops, and informal neighborhood stalls. In addition, there is widespread street vending along roads and avenues, where men and women of all ages sell a wide array of goods – from fruits and vegetables to second-hand electrical and electronic products. Less common, though also present, is what this article will refer to as the upper circuit, identified through the operations of large industries, retail chains, and banks.

Given this complex universe of political economy and urban economy, a range of questions emerges for reflection and investigation: How has the expansion of SEZs unfolded across the African continent? What are the particular macroeconomic features that shape this process in different countries? What types of economic activities have SEZs attracted? What incentives have African states offered to bring highly capitalized firms – integrated into global value chains – into their territories? Are African urban economies witnessing the consolidation of their upper circuit, still incipient but increasingly powerful?

In light of these questions, this article aims to analyze the expansion of special economic zones in African countries. Beyond this, drawing on the theory of urban economic circuits developed by Milton Santos in the 1970s, the article also seeks to understand the set of technical and regulatory transformations that have rendered extremely circumscribed portions of African territories attractive to large multinational corporations operating across various sectors of production, particularly industrial production.

The research underpinning this article adopts an exploratory approach, based on qualitative and quantitative data drawn from secondary sources. In this regard, data pertaining to the 38 African countries that had SEZs in their territories as of 2021 (UNCTAD, 2021) were collected, systematized, analyzed, and compared, with the aim of constructing a panoramic understanding of the presence of SEZs on the continent and of how these zones – alongside national governments – enable the consolidation of the upper circuit of the urban economy in the territories where they are established. The data were obtained from: (i) academic articles and books, which formed the basis for a literature review on SEZs in the fields of political economy and economic geography; (ii) national legislation from African countries concerning the implementation and development of SEZs; and (iii) databases, statistical yearbooks, and sectoral reports from institutions that provide information on the operations of SEZs across the continent. Among these institutions, the following stand out: the United Nations Conference on Trade and Development (UNCTAD), the United Nations Commodity Trade Statistics Database (UN COMTRADE), the United Nations Economic Commission for Africa (UNECA), the African Development Bank Group (AfDB), the African Continental Free Trade Area (AfCFTA), the African Union (AU), the World Bank, and the International Monetary Fund (IMF), among others.

The next section of this article will address the main characteristics of the expansion of SEZs across the African continent, taking into account some of their territorial specificities. The following section will offer an analysis of SEZs and the profiles of the firms operating within them. This analysis will then be further developed around the central question of the article: in light of the recent expansion of special economic zones, are African cities witnessing the consolidation of the upper circuit of their urban economies? The concluding section will summarize the arguments presented and suggest possible directions for future research.

## **The Expansion of SEZs in the African Continent**

The abandonment of import-substitution industrialization policies by most African countries occurred gradually, as a consequence of their governments' adherence to Structural Adjustment Programs in the 1980s and 1990s (Anyang' Nyong'o, 1992; Amin, 1992; Watts, 1993). In this process, the productive forces of the continent's different territories came to be organized primarily around the production of agricultural commodities and the extraction of natural resources for export to the global commodities market. As a result, the possibilities for productive diversification were once again significantly reduced, while dependence on imports of manufactured goods increased (Santos, 2022).

However, the political economy landscape at the beginning of the twenty-first century set new objectives for African governments. While favorable commodity prices in international markets ensured a substantial inflow of foreign exchange for many countries on the continent, the recent economic memory – marked by crisis and recession at the end of the twentieth century – once again underscored the need to reduce trade vulnerability through productive diversification, to be achieved, in turn, via industrialization. Within this context, special economic zones have emerged over the past two decades as the main instrument of industrialization in the continent.

As “geographically delimited areas,” SEZs differ from “growth poles” and “industrial clusters.” Several other specific features – both regulatory and technical – distinguish these areas, such as: (i) the establishment of a regulatory regime distinct from that governing the rest of the national territory, designed explicitly to meet the interests of foreign investors and firms; (ii) the operation of multiple companies within the spatial extent of the SEZ, setting them apart from so-called “single factory zones”; (iii) the creation of a dedicated management and administrative unit responsible for coordinating activities within the zone, ensuring that infrastructure and services reach firms and that effective communication channels are maintained between zone enterprises and the government; (iv) a specific land policy that may include, for instance, a separate customs area or streamlined export procedures; and (v) the provision of upgraded infrastructure intended to support firms operating in the zone, including buildings, highways, railways, electricity, water, and telecommunications (Baissac, 2011; Bost, 2019).<sup>1</sup>

Given the efforts of African state governments to attract highly capitalized firms integrated into multiple global value chains, these special economic zones can be interpreted as a categorical manifestation of the spatial selectivity of capital (Santos, 2001; Smith, 2001; Harvey, 2005; Castells, 2008), or, in Milton Santos’s terms, as an unequivocal expression of the “corporate use of territory” (Santos, 2001).

Conceived as instruments of industrial development, SEZs began to gain prominence in the context of the productive restructuring of the 1970s (Harvey, 1992), although until the 1980s they were implemented only sporadically. It was in the 1990s and 2000s, with the diffusion and consolidation of neoliberalism, that they began to expand more rapidly. By 2019, there were already 5,400 SEZs established and operational worldwide, compared to just 80 in 1975 (UNCTAD, 2019).

The expansion of SEZs is evident worldwide, but it is particularly pronounced among economies in the Global South. Pressured to attract foreign investment – especially to promote industrial activities – many governments in what was once called the “developing world” have sought to implement SEZs as a means to foster productive diversification and economic growth. The experiences of China and the Asian Tigers have inspired the development of such zones in various countries across Asia, Latin America, and Africa (Baldwin, 2011; Iammarino and McCann, 2013).

---

<sup>1</sup> Among the various types of SEZs, the following can be mentioned: (i) free zones and free trade zones, which are generally geographically delimited areas located near major nodes of international transport. This is the oldest type of SEZ, typically hosting industrial activities limited to processing operations (*i.e.*, packaging, labeling, sorting) and logistics (*i.e.*, warehousing, storage, sales); (ii) export processing zones, which were originally focused exclusively on export markets; (iii) free ports, traditionally implemented near seaports and along major trade routes, occupying vast areas and generally hosting warehousing and logistics activities; and (iv) special economic zones, which are generally extensive territories—sometimes encompassing entire regions or provinces—whose aim is not only to promote exports and FDI inflows but also to pursue broader goals such as regional development and local industrial upgrading (UNCTAD, 2019, p. 33-34).



Against this backdrop, by 2020 Africa had approximately 237 SEZs established by law, representing around 4% of the global total. The implementation of this instrument is relatively recent on the continent, and at present, 38 out of Africa's 54 countries have SEZs. In this regard, Andrés Rodríguez-Pose and other researchers (Rodríguez-Pose *et al.*, 2022) provide a brief overview of the expansion of SEZs in Africa, also drawing attention to certain specificities according to the continent's different territories:

The number of SEZs on the continent has expanded from a mere 20 in 1990 to 237 in 2020. Although Africa remains the continent with the highest share of countries without SEZs (16 in total), the pace of SEZ Development gathered at breakneck speed in the 2010s, when 40% of all African SEZ programmes were set up, in part thanks to the greater involvement of countries like China in the process. The recent proliferation of SEZs can be ascribed to two trends. On the one hand, countries that already had mature SEZ programmes, such as Egypt, Ethiopia, Morocco and South Africa, have pursued expansion and diversification strategies for their SEZ portfolios. On the other, new SEZs are in development in countries such as the Democratic Republic of the Congo, Botswana and Guinea, with the aim of boosting foreign direct investment (FDI) and facilitating industrial upgrades. SEZs in Africa are becoming one of the dominant industrial policy tools, as the tally of SEZs currently planned (53) keeps on growing. (Rodríguez-Pose *et al.*, 2022, p. 459-460).

The authors thus show that African countries are at varying stages in the history of SEZ adoption, ranging from those with already mature programs to those that have not yet begun the planning phase for such zones. What is clear, however, is that this industrialization instrument became more widespread on the continent during the 2010s: from 20 SEZs in 1990, the number rose to 155 in 2006, 180 in 2008, and 237 in 2020 (UNCTAD, 2021).

It is important to emphasize that the cartography of SEZs across the continent is markedly uneven. Considering Africa's five macro-regions, Eastern Africa alone hosts 52% of all African SEZs, followed by Western Africa (23%), Northern Africa (9%), Southern Africa (8%), and, finally, Central Africa (8%). Looking only at SEZs already in operation (and excluding those still under construction), the African countries with the highest concentration of zones are Kenya (61), followed by Nigeria (38), Ethiopia (18), Egypt (10), Cameroon (9), Botswana, South Africa, Tanzania, and Uganda (8 each), and Morocco (6) (Rodríguez-Pose *et al.*, 2022).

Given the expansion of SEZs across the continent, numerous analyses – particularly within the field of political economy – have examined the impacts of this industrial development instrument on the macroeconomic dynamics of African countries. However, Rodríguez-Pose *et al.* (2022) point out that one area of research that remains underexplored concerns the impacts of these SEZs on the urban economies of African countries.

In this regard, the theory of the circuits of the urban economy, developed by Milton Santos from the 1970s onward, once again offers a set of conceptual and historical tools that enable the construction of an analytical framework aimed at understanding the complex relationships established among the various economic activities operating within African cities.



## The Urban Economy in the Context of SEZ Expansion

The economies of African cities encompass an immeasurable array of particular features, each of which has been shaped over the course of the historical processes that formed the countries and regions to which they belong. At the same time, there exists a set of common features in the way these urban economies are organized, not only across the African continent but throughout the Global South. Like their particularities, these commonalities are also the products of historical processes and pertain to the ways in which African, Latin American, and Asian territories have been integrated into the International Division of Labor over the past centuries.

In seeking pathways to construct a consistent analysis of the urban economy of what was then called the “Third World,” Milton Santos developed the well-known theory of the circuits of the urban economy in his work *The Shared Space: The Two Circuits of the Urban Economy in Underdeveloped Countries* – originally published in French as *L'espace partagé: les deux circuits de l'économie urbaine des pays sous-développés* in 1975. Approaching its second jubilee, the conceptual and historical contributions of this work remain highly relevant for advancing investigations into the contemporary dynamics of the urban economy on the African continent.

According to Milton Santos, the economies of cities in what was formerly known as the “Third World” can be interpreted through the formation of two distinct yet complementary circuits: the upper circuit and the lower circuit. This compartmentalization of the urban economy is generated precisely by the arrival of external vectors of modernization (and, in some cases, diversification) of the productive forces. For the author, each circuit is defined by: (i) the set of activities it carries out; (ii) the segments of the population linked to it through consumption practices; and (iii) the distinct forms of organization and behavior of economic activities (Santos, 2004).

On the one hand, understood by Milton Santos as the direct result of the modernization of the productive forces, the upper circuit (hereafter UC) encompasses firms characterized by the use of advanced technologies and by a high degree of organization and capitalization in the activities they perform, regardless of the economic sector in which they operate. Due to these characteristics, such firms are able to operate across multiple geographical scales – from the regional to the national and international – according to their market interests.

It should also be noted that the use of advanced technologies tends to reduce the demand for labor in these activities. Nevertheless, the jobs offered by UC firms are generally formal and salaried, although outsourcing of certain services is often preferred.

Another defining feature of firms in this circuit is their close relationship with the governments of the countries in which they operate. Through these relationships, such firms benefit from tax exemptions and preferential access to transport and telecommunications infrastructure, both of which are essential to their operations. Owing to this relationship with the state, the UC does not face significant barriers in accessing credit policies from public and private financial institutions, ensuring the availability of working capital whenever necessary (Santos, 2004).

At the same time, the UC is unable to absorb the full number of workers in African, Asian, and Latin American cities, thus giving rise to the lower circuit (hereafter LC). This circuit encompasses economic activities with lower capitalization, less bureaucratic organization, and which specifically aim to meet the labor and consumption demands of lower-income social classes (Santos, 2004). The LC relies on the intensive labor of its workers, marked by a high degree of flexibility with regard to working hours and days throughout the week.

In terms of material conditions – that is, the built environment – these activities are characterized by low levels of stockpiling of raw materials or goods, given the limited physical space available in commercial, service, or manufacturing establishments. It is even common for workers' own homes to serve as workplaces, functioning as small-scale manufacturing sites, workshops, or bazaars.

With regard to pricing of goods and services, the LC frequently allows for negotiation, in contrast to the UC. In this sense, there is space for more personal relationships between the parties – seller and consumer – which represents an important economic advantage for these activities (Santos, 2004). These “more personal relationships,” operating as a kind of “organic marketing” for economic transactions, are fundamental to the LC, particularly because profit margins are derived more from the unit value of a product or service than from the total volume of sales or services rendered.

It is essential to emphasize that the relationships established between different economic activities in the cities of the Global South occur in a dialectical manner, such that the lower circuit and the upper circuit – despite possessing markedly distinct organizational characteristics – can engage in numerous dynamics of cooperation and conflict within the urban space. This relational character between circuits is expressed in Santos's work when he states that there is “bipolarization, but not ‘dualism’” (Santos, 2004, p. 53). The author further asserts: “the existence of two circuits in the economy of cities is the result of the same set of factors, which, for the sake of simplicity, we call ‘technological modernization.’ Thus, there is no dualism: the two circuits have the same origin, the same set of causes, and are interconnected” (Santos, 2004, p. 56).

Although the theory was developed during the 1970s, several Latin American geographers have demonstrated, in the early twenty-first century, its continued analytical strength for interpreting the complexities and particularities of the urban economy in countries of the Global South. In this effort to update the theory, the investigations conducted by María Laura Silveira deserve special mention: attentive to the centrality of techniques, science, and information in the organization of geographic space in the era of globalization, Silveira reveals new and complex relationships between the two circuits, particularly in Brazilian and Argentine cities (Silveira, 2004, 2007, 2015, 2016, 2022). Other Latin American geographers have contributed to this theoretical renewal, applying it to structure their analyses of the dynamism of commercial (Iamonti, 2009; Oliveira, 2009; Di Nucci, 2010; Miyata, 2010; do Carmo, 2021; Antipon, 2019), industrial (Bicudo Jr., 2006; David, 2010; Alencar, 2019), and financial (Santos, 2007; Vanucchi, 2009; da Silva, 2012; Medeiros, 2013; de Paula, 2015) activities. Conceptual analyses of the theory have also been developed in recent years (Spósito, 1983; 1999; 2023; Silveira, 2017; Montenegro, 2012).

Although most of this research has been conducted within the universe of Latin American cities, studies on the circuits of the urban economy in African countries have been published recently, revealing a variety of national and regional specificities regarding the organization of economic activities in Ghanaian (Santos, 2021) and Angolan (Afonso, 2022) cities.

In light of this literature, the recent expansion of special economic zones across the African continent emerges as an opportunity to examine the transformations currently taking place in its urban economies. Are these economies witnessing the consolidation of their upper circuit, which still manifests in such a selective and spatially limited manner across these territories?

## **Special Economic Zones as a Vector for Upper Circuit Consolidation?**

The SEZ is an industrial development instrument that materializes in the urban space as “geographically delimited areas where governments promote industrial activity through fiscal and non-fiscal incentives, provision of infrastructure, and improved services” (UNCTAD, 2019, p. XII). Once implemented, these “areas” tend to attract highly capitalized firms, equipped with modern technologies, and operating primarily in industry or in activities linked to this sector (such as logistics, transportation, and finance). Not only in Africa but throughout the Global South, fiscal and non-fiscal incentives, together with access to quality infrastructure and services, reveal the efforts undertaken by these states’ governments to attract large volumes of capital, particularly foreign capital. In doing so, they open national territories to external vectors of modernization and diversification of the productive forces, thereby enabling the creation of the circuits of the urban economy.

As these vectors enter and establish themselves in African cities, the upper circuit begins to gain strength. Firms belonging to this circuit require, among other things, access to the country’s labor force – in its broadest range of qualifications – and may even mobilize migratory flows across multiple geographical scales if necessary. Regarding the creation of direct and formal employment, data collected by UNCTAD in 2021 show that 12% of SEZs implemented on the continent generate fewer than 1,000 formal jobs; 48.9% generate between 1,001 and 10,000; 14.2% generate between 10,001 and 20,000; and 24.4% generate more than 20,001 jobs (UNCTAD, 2021). Estimates from the same institution indicate that SEZs account for between 1% and 5% of total industrial sector employment in African countries.

Although these industries are, for the most part, technologically structured around the intensive use of machinery (Santos, 2004), certain sectors – such as textiles – tend to generate more formal jobs. In Ethiopia, for instance, the Bole Lemi Industrial Park, which concentrates textile, apparel, and leather industries, created approximately 20,000 jobs in the years following its establishment. Other notable examples of successful direct job creation include the Suez Free Zone in Egypt, the Chambishi Multi-Facility Economic Zone (MFEZ) in Zambia, Morocco’s Atlantic Free Zone, and Nigeria’s Calabar Free Trade Zone (Rodríguez-Pose *et al.*, 2022).

In general terms, the upper circuit is often capable of generating a significant number of indirect jobs, insofar as the development of a given economic activity can induce what are known as agglomeration effects (Santos, 2004). However, when it comes to the indirect creation of jobs resulting from the implementation of SEZs, some studies have shown divergent results globally: while Scott Sanders and David Brown report that in the Philippines these zones fostered job creation in surrounding areas while also intensifying interregional migratory flows (Sanders and Brown, 2012), Xavier Cirera and Qursum Qasim argue that the indirect employment effects of SEZ implementation are minimal (Cirera and Qasim, 2014).

With regard to the spatial extent of SEZs on the African continent, there is considerable variation in size, given that this dimension is related to the type of economic activity such zones host. Most SEZs (39%) range between 101 and 500 hectares, a size spectrum consistent with what is observed in much of the world, and common in countries such as Cameroon, Ethiopia, Ghana, and Morocco. Larger zones represent smaller proportions: SEZs covering between 501 and 1,000 hectares account for 12% of the total, while those over 1,001 hectares account for 18%.

More important than characterizing the size of SEZs as a defining aspect of the consolidation of the upper circuit in African cities is identifying their location within national territories. Invariably, the companies operating inside SEZs are well connected to transport, energy, and telecommunications infrastructure. In light of the imperatives of territorial fluidity (Arroyo, 2018), it is also frequently observed that these zones are located near the main port regions of the countries where they are established. Milton Santos already noted in the 1970s the active role of the state in creating infrastructure to attract foreign industries, to the point of asserting that “the creation of infrastructure is a way of indirectly financing the establishment of modern industries” (Santos, 2004, p. 168). Evidently, this pattern has persisted half a century later, and the upper circuit has continued to take shape as highly capitalized firms – together with the state – define which portions of the territory are most advantageous for the conduct of their productive activities.

The association between upper circuit firms and the state is evident not only in the promotion of ideal conditions for business activity but also in the governance of SEZs. In this regard, three main management models can be identified on the continent: those managed by state-owned enterprises (43%), those managed by private companies (41%), and those managed through public-private partnerships (PPPs) (16%). In the first model, there are variations in the degree of centralization of management, as well as in the administrative scale at which it is carried out (national, regional, or municipal), as in South Africa, where management is more regionalized. In the case of zones managed by private companies or through PPPs, there is a notable presence of international consortia involving countries such as China, India, Singapore, Japan, and the United States (Rodríguez-Pose *et al.*, 2022).

At the continental scale, there is no single industrial sector that is consistently prioritized for development within SEZs, as each state government designs its own industrialization policies for these zones according to its political objectives and the conditions of its productive forces. SEZs may also host, within their boundaries, firms belonging to the same industrial sector (thereby functioning as specialized zones) or firms from multiple sectors (diversified zones). In this respect, Rodríguez-Pose *et al.* explain that:

The vast majority of African SEZs (89%) are multi-activity zones, that is, zones that do not specialize in a specific sector. Countries at different income levels have adopted the multi-sector model. Zones in Cameroon, Ghana and Kenya encompass a large variety of industrial activities. That said, some sectors are more represented than others, with food processing and natural resource-intensive industries being the most widespread. In contrast, only 10% of African SEZs target specific sectors or industries. Examples are Morocco's Casablanca Midparc Free Zone (the aeronautics) and Ethiopia's Kilinto Industrial Park (pharmaceuticals). The remaining 1% consists of logistics hubs, which provide commercial, warehousing and logistics services close to airports and seaports. (Rodríguez-Pose *et al.*, 2022, p.460).

This variable is fundamental to understanding the potential of a zone in terms of productive diversification and specialization (although the two aspects are not mutually exclusive, as specialization in an industrial sector considered new within a country can in fact foster the diversification of its productive forces). Thus, it is observed that the vast majority of the continent's SEZs (89%) promote productive diversification by being multisectoral, while 10% promote specialization in a specific industrial activity. Among the zones that foster specialization, those focused on the production of clothing and electronics are the most common (Rodríguez-Pose *et al.*, 2022).

In Africa, SEZs may host varying numbers of upper circuit firms within their boundaries. In this regard, the most common are those with between 1 and 10 companies (30%) and those with between 11 and 50 companies (37%). Zones with between 51 and 100 companies account for 19% of SEZs, those with between 101 and 200 companies account for 8%, and those with more than 200 companies account for 6%. The average number of companies per SEZ on the continent is slightly below 60. While such variations in the number of firms within zones are not central to the reflection on the potential consolidation of an upper circuit in African cities, the origin of these firms is. The headquarters of most of these industries are located outside the African continent, particularly in China, India, Taiwan, the United Kingdom, Belgium, and the Netherlands (Rodríguez-Pose *et al.*, 2022). This aspect is especially valuable when reflecting on the process of circuit formation – a process that begins in the cities of the Global South through the absorption of external vectors of modernization.

## Final Remarks

In the first decades of the twenty-first century, the governments of most African countries have embraced special economic zones as the principal instrument for the industrial development of their territories – an instrument capable of promoting the modernization and diversification of the productive forces of their economies, which remain deeply structured around the production of commodities. The number of SEZs on the continent rose from 20 in 1990 to 237 in 2020, with this expansion gaining momentum within a favorable context of economic growth and political stability experienced in most countries during the early decades of the twenty-first century.

The impacts of special economic zones across the African continent can be investigated at multiple geographical scales. Most of the studies conducted thus far – developed mainly within the field of political economy – have focused on the macroeconomic impacts of these zones, addressing issues related to their role in the integration of African economies into global value chains, the growth of manufactured production and exports within the composition of GDP, among other aspects. Less attention, however, has been given to studies examining the impacts of SEZs on the urban economies of African countries.

By understanding SEZs as an instrument of industrialization that attracts a specific set of highly capitalized companies equipped with the most advanced technologies – generally foreign-owned – into African cities, the process of expanding and implementing these zones, as well as their impacts on urban economies, can be interpreted through the lens of the circuits theory, developed by Milton Santos in the 1970s. From the relationship between the observed process and the possibility of interpreting it through this theoretical framework emerges the central question that has structured much of the discussion presented in this article: are African cities witnessing the consolidation of the upper circuit of their urban economies?

The creation of special economic zones and the arrival of highly capitalized companies equipped with advanced technologies transform the economies of African cities in different ways: (i) by establishing a certain number of (formal) jobs, the companies operating within SEZs demand labor across a wide spectrum of qualifications, potentially inducing the intensification of inter-regional migratory flows; (ii) by mobilizing labor while generating a number of jobs below the available labor supply, these companies can stimulate the expansion of the tertiary sector and, at the same time, agglomeration effects; (iii) by occupying large spatial extensions – necessary for the operation of their production processes, both for factory plants and for merchandise storage – and by locating themselves in strategic points of the urban space (those offering greater territorial fluidity for the circulation and distribution of labor, inputs, goods, information, and capital), these companies demonstrate privileged access to high-quality infrastructure, especially in transportation, energy, and telecommunications – unlike other urban economic actors, particularly those less capitalized; (iv) by benefiting from numerous tax exemptions, these companies reveal their favorable relations with state governments, a key factor in the characterization of the upper circuit as formulated by Milton Santos.



This set of aspects contributes to building a reflection on the process of consolidation of the upper circuit of urban economies in African cities. These evidences, even if presented in a panoramic manner, primarily serve to activate an investigative gaze on African urban economies that moves beyond what has been predominantly undertaken in recent decades – albeit competently – which is the study focused primarily on less-capitalized economic activities operating within the so-called “informal economy.”

At the same time, it is understood here that, based on the observed process of consolidation of the upper circuit, investigative perspectives should not only delve deeper into the particularities of how this upper circuit is organized in different African countries, but also into the ways in which the actors of this circuit interact with the less-capitalized actors of the urban economy in the countries where they operate.

## Acknowledgments

I gratefully acknowledge the support of the São Paulo Research Foundation (FAPESP, grant no. 23/09597-1) and the Support Fund for Teaching, Research and Extension at the University of Campinas (FAEPEX/UNICAMP, grant no. 3150/23), which made this research possible.

## References

- AFONSO, L. Uma leitura da urbanização recente da cidade de Luanda a partir da teoria dos dois circuitos da economia urbana. **Percursos**, v. 23, n. 51, p. 167-210, 2022.
- ALENCAR, A. K. G. **Guerra dos lugares e circuitos da economia urbana**: a instalação da Grendene S.A. em Crato (CE). 2019. Dissertação (Mestrado em Geografia) – Universidade de São Paulo, São Paulo, 2019.
- AMIN, S. Ideology and development in Sub-Saharan Africa. *In*: ANYANG' NYONG'O, P. **30 years of independence in Africa**: the lost decades? Nairobi: African Association of Political Science (AAPS), 1992. p. 40-46.
- ANTIPON, L. C. **Os circuitos da economia urbana e a situação alimentar de São Luís (MA)**: a dimensão do mercado de alimentação. 2019. Tese (Doutorado em Geografia) – Universidade Estadual de Campinas, Campinas, 2019.
- ANYANG' NYONG'O, P. **30 years of independence in Africa: the lost decades?** Nairobi: African Association of Political Science (AAPS), 1992.
- ARROYO, M. A circulação da mercadoria na redefinição dos usos do território. **Revista da Casa da Geografia de Sobral (RCGS)**, v. 20, n. 1, p. 133-143, 2018.
- BAISSAC, C. Brief history of SEZs and overview of policy debates. *In*: FAROLE, T. **Special Economic Zones in Africa**: Comparing Performance and Learning from Global Experiences. Washington, DC: World Bank, 2011. p. 23-60.
- BALDWIN, R. **Trade and industrialisation after globalisation's 2nd unbundling**: how building and joining a supply chain are different and why it matters. Cambridge: National Bureau of Economic Research, 2011. (NBER Working Paper, n. 17716).

- BHORAT, H.; TARP, F. **African Lions: Growth Traps and Opportunities for Six African Economies**. Washington D.C.: Brookings Institution Press, 2016.
- BICUDO JUNIOR, E. C. **O circuito superior marginal: produção de medicamentos e o território brasileiro**. 2006. Dissertação (Mestrado em Geografia) – Universidade de São Paulo, São Paulo, 2006.
- BOST, F. Special economic zones: methodological issues and definition. **Transnational Corporations**, v. 26, n. 2, p. 141-153, 2019.
- CASTELLS, M. **Sociedade em rede**. São Paulo: Paz e Terra, 2008.
- CIRERA, X.; QASIM, Q. **Supporting growth-oriented women entrepreneurs: A review of the evidence and key challenges**. Washington, DC: World Bank, 2014.
- DA SILVA, F. C. **O circuito inferior da economia urbana em Campinas/SP: análise sobre a mobilidade espacial e o acesso ao crédito**. 2012. Dissertação (Mestrado em Geografia) – Universidade de São Paulo, São Paulo, 2012.
- DAVID, V. C. **Território usado e circuito superior marginal: equipamentos médico-hospitalares em Campinas, Ribeirão Preto e São José do Rio Preto (SP)**. 2010. Dissertação (Mestrado em Geografia) – Universidade de São Paulo, São Paulo, 2010.
- DE PAULA, C. G. **Do território ao lugar: bancos comunitários, moedas locais e o circuito inferior da economia urbana em São Paulo – SP**. 2015. Dissertação (Mestrado em Geografia) – Universidade de São Paulo, São Paulo, 2015.
- DI NUCCI, J. **División territorial del trabajo y circuitos de la economía urbana: bebidas gaseosas y agua saborizadas en Buenos Aires, Mar del Plata y Tandil**. 2010. Tesis (Doctorado en Geografía) – Universidad Nacional del Sur, Departamento de Geografía y Turismo, Bahía Blanca, 2010.
- DO CARMO, L. S. **Território, finanças e circuitos da economia urbana: investigando a capilaridade das organizações do jogo do bicho em Arapiraca (AL)**. 2021. Dissertação (Mestrado em Geografia) – Universidade de São Paulo, São Paulo, 2021.
- FAROLE, T. **Special Economic Zones in Africa: Comparing Performance and Learning from Global Experiences**. Washington, DC: World Bank, 2011.
- FMI – FUNDO MONETARIO INTERNACIONAL. 2023. Disponível em: <https://www.imf.org>. Access at: 15 maio 2024.
- FOSU, A.; ARYEETEEY E. Ghana's post-independence economic growth: 1960-2000. In: ARYEETEEY, E.; KANBUR, R. (org.). **The economy of Ghana: analytical perspectives on stability, growth & poverty**. Oxford: James Currey, 2008. p. 36-77.
- HARVEY, D. **A produção capitalista do espaço**. São Paulo: Anna Blume, 2005.
- HARVEY, D. **Condição pós-moderna**. São Paulo: Loyola, 1992.
- IAMMARINO, S.; MCCANN, P. **Multinationals and economic geography: Location, technology, and innovation**. Cheltenham: Edward Elgar Publishing, 2013.

- IAMONTI, V. Z. **O circuito inferior na favela de Heliópolis**. 2009. Trabalho de Graduação Individual (Bacharelado em Geografia) – Universidade de São Paulo, São Paulo, 2009.
- KENYA VISION 2030, 2024. Available from: <https://vision2030.go.ke>. Access at: 15 maio 2024.
- MAHAJAN, V. **Africa Rising**: How 900 million African consumers offer more than you think. Nova Jersey: Prentice Hall, 2009.
- MEDEIROS, D. A. **Financeirização do território e circuitos da economia urbana**: agentes de crédito, técnicas e normas bancárias. Um exemplo em Alagoas. 2013. Dissertação (Mestrado em Geografia) – Universidade de São Paulo, São Paulo, 2013.
- MIYATA, H. **Trabalho, redes e territórios nos circuitos da economia urbana**: uma análise da venda direta em Jundiaí e Região Metropolitana de São Paulo. 2010. Tese (Doutorado em Geografia) – Universidade de São Paulo, São Paulo, 2010.
- MKANDAWIRE, T. Can Africa turn from Recovery to Development. **Current History**, v. 113, n. 763, p. 171-177, 2014.
- MOGHALU, K. **Emerging Africa**. Londres: Penguin Books, 2014.
- MONTENEGRO, M. R. A teoria dos circuitos da economia urbana de Milton Santos: de seu surgimento à sua atualização. **Revista Geográfica Venezolana**, v. 53, n. 1, p. 147-164, 2012.
- OLIVEIRA, E. L. **Divisão do trabalho e circuitos da economia urbana em Londrina – PR**. 2009. Tese (Doutorado em Geografia) – Universidade de São Paulo, São Paulo, 2009.
- ILO – INTERNATIONAL LABOUR ORGANIZATION, 2024. Available from: <https://www.ilo.org/meetings-and-events/informal-economy-africa-which-way-forward-making-policy-responsive>. Access at: 15 maio 2024.
- RODRÍGUEZ-POSE, A.; BARTALUCCI, F.; FRICK, S. A.; SANTOS-PAULINO, A. U.; BOLWIJN, R. The challenge of developing special economic zones in Africa: Evidence and lessons learnt. **Regional Science Policy & Practice**, v. 14, n. 2, p. 456-481, 2022.
- SANDERS, S. R., & BROWN, D. The migratory response of labour to special economic zones in the Philippines. **Population Research and Policy Review**, v. 31, n. 1, p. 141-164, 2012.
- SANTOS, K. L. **Uma financeirização da pobreza?** O sistema financeiro e a sua capilaridade no circuito inferior da economia urbana na cidade de São Paulo. 2007. Trabalho de Graduação Individual (Bacharelado em Geografia) – Universidade de São Paulo, São Paulo, 2007.
- SANTOS, K. L. Da informalidade ao circuito inferior: um estudo sobre a economia urbana em Gana no início do século XXI. **Geographia (UFF)**, v. 23, n. 50, 2021.
- SANTOS, K. L. **Africano**: uma introdução ao continente. Rio de Janeiro: Record, 2022.
- SANTOS, M. **O espaço dividido**: os dois circuitos da economia urbana dos países subdesenvolvidos. São Paulo: Editora da USP, 2004.
- SANTOS, M. **Por uma outra globalização**. Rio de Janeiro: Record, 2001.
- SILVEIRA, M. L. Globalización y circuitos de la economía urbana en ciudades brasileñas. **Cuadernos del CENDES**, Caracas. v. 3, n. 57, 2004.

- SILVEIRA, M. L. Metrópolis brasileiras: un análisis de los circuitos de la economía urbana. **EURE**, Santiago, v. 33, n. 100, 2007.
- SILVEIRA, M. L. Modernização contemporânea e nova constituição dos circuitos da economia urbana. **Geosp: espaço e tempo**, v. 19, n. 2, p. 245-261, 2015.
- SILVEIRA, M. L. **Circuitos de la economía urbana**: Ensayos sobre Buenos Aires y São Paulo. Buenos Aires: Café de las Ciudades, 2016.
- SILVEIRA, M. L. Urbanização Latino-americana e Circuitos da Economia Urbana. In: DANTAS, A.; ARROYO, M. M.; CATAIA, M. **Dos circuitos da economia urbana aos circuitos espaciais da produção**: um diálogo coma teoria de Milton Santos. Natal: Sebo Vermelho, 2017. p. 25-48.
- SILVEIRA, M. L. Modo de existência da cidade contemporânea: uma visão atual dos circuitos da economia urbana. **Cidades**. v. 14, n. 23, p. 23-48, 2022.
- SMITH, N. Uneven development and location theory: Towards a synthesis. In: PEET, R.; THRIFT, N. (org.). **New Models in Geography**. Londres: Routledge, 2001, p. 152-175.
- SPECIAL ECONOMIC ZONES AUTHORITY, 2024. Available from: <https://sezauthority.go.ke>. Access at: 15 maio 2024.
- SPOSITO, E. S. A teoria dos dois circuitos da economia urbana: seu esquecimento ou sua superação? **Caderno Prudentino de Geografia**, Presidente Prudente, v. 1, n. 21, p. 43-51, 1999.
- SPOSITO, E. S. A teoria dos dois circuitos da Economia Urbana. In: SPOSITO, E. S.; CLAUDINO, G. S. (org.). **Teorias na geografia III**: mundos possíveis. Rio de Janeiro: Consequência, 2023. p. 441-458.
- SPOSITO, E. S. O espaço dividido: elementos para discussão. **Revista de Geografia**, São Paulo, v. 2, p. 43-51, 1983.
- UNCTAD – UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT. **World investment report**: investment and new industrial policies. 2019. Disponível em: <https://unctad.org>. Access at: 15 maio 2024.
- UNCTAD – UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT. **Handbook on special economic zones in Africa**: Towards economic diversification across the continent. 2021. Disponível em: [https://unctad.org/system/files/official-document/diaeia2021d3\\_en.pdf](https://unctad.org/system/files/official-document/diaeia2021d3_en.pdf). Access at: 15 maio 2024.
- VANUCCHI, L. V. **Novos nexos na economia urbana da cidade de São Paulo**: as grandes redes comerciais e suas interferências no circuito inferior. 2009. Trabalho de Graduação Individual (Bacharelado em Geografia) – Universidade de São Paulo, São Paulo, 2009.
- WATTS, M. The Geography of post-colonial Africa: space, place and Development in Sub-Saharan Africa (1960-92). **Singapore Journal of Tropical Geography**. v. 14, n. 2, p. 173-190, 1993.

### **Data availability:**

The entire dataset supporting the results of this study was published in the article itself.

### **Article editor:**

Ricardo Mendes Antas Jr.

### **Financial support:**

The publication of this article was financed in part by the Conselho Nacional de Desenvolvimento Científico e Tecnológico (CNPq) # 401619/2024-9.



**Received on:** 01.07. 2025  
**Approved on:** 08.13. 2025

SANTOS, K.L.