



Nuovi Autoritarismi e Democrazie:
Diritto, Istituzioni, Società

“Greening” Speculative Urbanism? Space Politics and Model Circulation in South Korea and Vietnam’s Special Economic Zones

*Marco Zappa**

Abstract

As products of the waves of deregulation and liberalization of trade and investments in the region in the 1980s and mid-1990s, special economic zones (SEZs) have emerged as an important tool of economic governance in East and Southeast Asia. Recently, governments and investors around the region, have favored multi-purpose SEZs conceived for land and real estate development which exhibit several similarities such as eliciting tourism as the main driver of local development and a declared “eco” and “green” configuration. The Incheon Free Economic Zone (IFEZ) in the Republic of Korea (ROK) and the Van Don SEZ in the Socialist Republic of Vietnam (SRV) are two illustrative cases of urban policy diffusion as a complex phenomenon combining the ROK’s increased international activism and SRV’s own institutional structure and preferences in terms of development goals. Based on a close reading of reports, official documents, qualitative interviews and site visits, this article will further contribute to the debate on the complexity of urban policy diffusion in contemporary East and Southeast Asia.

Keywords: Special Economic Zones – Sustainability – South Korea – Vietnam – smart urbanism – Sustainable Development Goals.

CONTENTS: 1. Introduction. 2. The state, the developer and the SEZ: policy diffusion and local reinterpretations. 3. Songdo and The Incheon Free Economic Zone. 4. Diffusing the IFEZ model? The case of the Van Don SEZ, Vietnam. 5. Discussion and Conclusion.

□ Assistant Professor of Japanese Studies and History of Contemporary East Asia, Ca’ Foscari University of Venice. The author wishes to thank Dr. Kim Jong-cheol and Prof. Park Bae-gyung the Seoul National University Asia Center, and the two anonymous reviewers for their comments and feedback. This work was supported by the Seed Program for Korean Studies through the Ministry of Education of the Republic of Korea and Korean Studies Promotion Service of the Academy of Korean Studies (AKS-2020-INC-2230010). The essay was submitted to double blind peer-review. Member of the Editorial Team who oversaw the essay: Sara Zanotta.

1. Introduction

For decades now, special economic zones (SEZs) have been the epitome of economic transformations in East Asia¹. Originating in Medieval Europe and arising to global relevance with the duty-free ports of the British Empire², SEZs are generally defined as «designated areas where business activity is subject to different rules from those prevailing in the national territory» – rules aimed at creating a more «liberal» and «efficient» business environment³.

Though they are more common in developing economies, developed countries have resorted to SEZs to foster economic growth or recovery in less advanced regions through, among other things, foreign capital attraction⁴. Among the first to adopt this policy tool in the 1960s were the governments of South Korea and Taiwan, which sought to promote export-oriented manufacturing in specifically designated areas. SEZs re-emerged as policy instruments to stimulate economic growth in China after the Third Plenum of the Chinese Communist Party (CCP) in late 1978⁵, with the rationale to experiment with formerly «heretical ideas» in a confined space⁶. The People's Republic of China (PRC)'s economic success has undoubtedly been a factor in the global spread of SEZs⁷ and in the use of this policy

¹ According to the United Nations Conference on Trade and Development (UNCTAD), today there are 5,400 SEZs in 147 countries. More than 1,000 were established between 2014 and 2019 and at least 500 more will be established in the coming years. S. UNCTAD, *World Investment Report 2019*, 2019, 128.

² B.J. Richardson, *Is East Asia Industrializing Too Quickly? Environmental Regulation in Its Special Economic Zones* in *UCLA Pacific Basin Law Journal* No. 22, 2004, 160.

³ OECD, *Making the Most of Economic Zones*, in *OECD Investment Policy Reviews: Myanmar 2020*, 2020.

⁴ S.A. Frick, A. Rodríguez-Pose, M.D. Wong, *Towards Economically Dynamic Special Economic Zones in Emerging Countries*, in *Papers in Evolutionary Geography*, No. 18, 2018, 541; E. Manti, *Zone Economiche Speciali. Settori di intervento, aree produttive e poli logistici per una politica industriale nel Mezzogiorno* in *Rivista economica del Mezzogiorno*, No. 3–4, 2019; Y. Hinohara, *Globalisation of the Healthcare Services Sector: Employing Foreign Physicians in National Strategic Special Zones in Japan* in *Eastern Regional Organization for Public Administration Conference (EROPA 2018)*, Atlantis Press, 2019.

⁵ Under Deng Xiaoping's leadership, four SEZs were identified in the early 1980s (Shenzhen, Shantou, Zhuhai and Xiamen), followed by a fifth (Hainan) in 1984.

⁶ In particular, Chinese SEZs were instrumental to creating liberal spaces within a centrally planned economic system where favorable conditions for foreign investors (such as flexible working contracts) could apply independently from the extant outside regime. See D. Bräutigam and X. Tang, *Economic Statecraft in China's New Overseas Special Economic Zones* in *International Affairs* No. 88, 2012, 803; B. Tam, *SEZ Development in Cambodia, Thailand and Vietnam and the Regional Value Chains* in D. Hiratsuka (Ed.) *EEC Development and Transport Facilitation Measures in Thailand, and the Development Strategies by the Neighboring Countries*, IDE-JETRO Bangkok Research Center, 2019, 83; B.J. Richardson, *Is East Asia Industrializing Too Quickly?*, cit., 161.

⁷ See D. Bräutigam, X. Tang, *Economic Statecraft*, cit.; D. Bräutigam, X. Tang, *African Shenzhen: China's Special Economic Zones in Africa* in *The Journal of Modern African Studies* No. 49, 2011; D. Bräutigam, T. Farole, X. Tang, *China's Investment in African Special Economic Zones*:

instrument to attract international capital, thus causing competition among global and regional economic powers⁸. Against the backdrop of a broadening debate on the long-run socio-economic and territorial sustainability of SEZ growth⁹, a lack of consideration of SEZs' environmental impacts has also been noted¹⁰.

Broadly, it might be said that traditional export processing zones (EPZs) are giving way to new types of SEZs, such as «large-scale [...] residential and multi-use commercial and industrial» projects attracting both domestic and foreign investors¹¹, which are depicted as more environmentally sustainable, but which often conceal a speculative aim¹². This paper will focus on the latter category and on the mode of its diffusion by analyzing two specific cases (illustrated in detail below): the Incheon Free Economic Zone (IFEZ) in the Republic of Korea (ROK), and the Van Don SEZ in the Socialist Republic of Vietnam (SRV). Despite the different models of governance in the two countries, the two SEZs present several similarities such as an insistence, at least at the discursive level, on sustainability and “green” development and the persistence of a developmental state model rekindling its role in a power-sharing arrangement with powerful private actors such as land and real-estate developers. The following analysis is based on a multi-level approach to urban and spatial politics which has considered official documents, reports from governmental and international agencies and data collected through several site visits to IFEZ and qualitative interviews with people with insider's knowledge and experts on urban policies in East Asia.

Prospects, Challenges, and Opportunities in Economic Premise No. 5, 2010; Richardson, *Is East Asia Industrializing Too Quickly?*, cit.

⁸ See M. Zappa, *Japan's 'Last Hope': Myanmar as an Arena for Sino-Japanese Competition, Coordination and Global Standardization* in *Journal of Contemporary Eastern Asia* No. 20, 2021.

⁹ S.A. Frick, A. Rodríguez-Pose, M.D. Wong, *Towards Economically Dynamic Special Economic Zones*, cit., 38; International Labour Organization, *Promoting Decent Work and Protecting Fundamental Principles and Rights at Work in Export Processing Zones*, 2017, 42.

¹⁰ UNCTAD, *World Investment Report 2019*, cit., 188–89; Open Development Thailand, *Social and Environmental Impacts from SEZ*, 21 February 2019, thailand.opendevdevelopmentmekong.net/topics/social-and-environmental-impacts/; L. Martin, K. Zhang, *Changing Population Exposure to Pollution in China's Special Economic Zones*, in *AEA Papers and Proceedings*, No. 111, 2021; Land Watch Thai, *Special Economic Zones and Land Dispossession in the Mekong Region*, 2021, th.boell.org/en/2021/05/24/special-economic-zones-and-land-dispossession-mekong-region.

¹¹ T. Farole, G. Akinci, *Special Economic Zones: Progress, Emerging Challenges, and Future Directions*, The World Bank, 2011, 3.

¹² See S. Moser, *New Cities: Old Wine in New Bottles?* in *Dialogues in Human Geography*, No. 5, 2015; S. Moser, *Forest City, Malaysia, and Chinese Expansionism* in *Urban Geography*, No. 39, 2018; E. Avery, S. Moser, *Urban Speculation for Survival: Adaptations and Negotiations in Forest City, Malaysia* in *Environment and Planning C: Politics and Space*, 15 August 2022; H.B. Shin, *Envisioned by the State: Entrepreneurial Urbanism and the Making of Songdo City, South Korea* in A. Datta, A. Shaban (Eds.) *Mega-Urbanization in the Global South: Fast Cities and New Urban Utopias of the Postcolonial State*, Routledge, 2016.

2. The State, the Developer and the SEZ: Policy Diffusion and Local Reinterpretations

Since the early 2000s, private developers around the globe have benefitted from the “exceptional” conditions present in SEZs to create «private metropolises [...] replete with the latest gimmicks and gadgetry, packaged in the rhetoric of sustainability, [...] environmental friendliness and [...] military-like safety features»¹³, though their endeavor entailed a high level of risk for such things as a volatile market, environmental degradation and debt¹⁴. Along with these developers, state actors have played a decisive role, particularly, but not exclusively, in East and Southeast Asia, as catalysts of state-business alliances in a power-sharing agreement with the private sector¹⁵, whereby massive resources were mobilized by central and local governments to develop «residual spaces», such as peri-urban land, informal settlements, abandoned industrial complexes, ports and other state-owned portions of land in return for financial gains produced through its «monetization»¹⁶.

As shown by Shin, several local governments started relying on domestic and international capital for local economic development by promoting urban mega-projects and landmark buildings in order to, *à la Harvey*, «channel surplus capital into the built environment and produce speculative profits»¹⁷. Significantly, they did so often by recurring to the «green growth» rhetoric to reflect national development discourses¹⁸ while concealing the speculative aim of such projects and at the same time enhancing a new form of “pragmatically non-ideological” urban and social governance which excludes, marginalizes and disempowers large fractions of the society¹⁹. Nevertheless, since the early 2010s, new multi-use SEZs have spread to the so-called «Global South», not just through «a rational and voluntaristic adherence to ‘best practices’», but rather, through a combination of «less logically coherent operations, structured by institutions and cultural contexts, which have an assortment of path dependencies, power hierarchies, and embedded

¹³ C.W. Herbert, M. J. Murray, *Building from Scratch: New Cities, Privatized Urbanism and the Spatial Restructuring of Johannesburg after Apartheid: Privatized Urbanism in Johannesburg after Apartheid*, in *International Journal of Urban and Regional Research*, No. 39, 2015, 489.

¹⁴ E. Avery, S. Moser, *Urban Speculation for Survival*, cit., 5.

¹⁵ L. Weiss, *Globalisation and the Myth of the Powerless State* in *New Left Review*, No. 225, 1997, 25–27.

¹⁶ G. Shaktin, *Cities for Profit: The Real Estate Turn in Asia’s Urban Politics*, Cornell University Press, 2017, 36.

¹⁷ H.B. Shin, *Envisioned by the State*, cit., 85.

¹⁸ *Idem*, 91.

¹⁹ F. Caprotti, C. Springer, N. Harmer, ‘Eco’ For Whom? *Envisioning Eco-Urbanism in the Sino-Singapore Tianjin Eco-City* in *International Journal of Urban and Regional Research*, No. 39, 2015, 498–499; H.B. Shin, *Envisioned by the State*, cit., 95.

assumptions»²⁰. This is a reflection of the fact that «urban policies are learned, translated, and mobilized» and change «as they circulate»²¹, and that policy diffusion in this regard involves not only human actors (such as developers, consultants, government officials, charismatic leaders, etc.) but also non-human ones (plans, images, texts, cities themselves, etc.) whose interconnectedness is fostered by enhanced global connectivity and communication technologies²². As a result, being *de facto* «urban megaprojects», multi-use SEZs normalize several «neoliberal assumptions of urban development» while promoting new interpretations of modernity and social responsibility²³.

The cases presented below are illustrative of the above-mentioned theorization. Despite the growing volume of economic and political exchanges between the ROK and the SRV in recent years²⁴, and the two SEZs' several geophysical and spatial similarities, it is hard to identify any direct attempt at directly exporting a specific urban development model. Therefore, rather than a form of blueprint urban exportism, it might be more accurate to speak of the circulation of a model that is being reinterpreted and adapted to different social realities predominantly to reassess the State's role as a catalyst and major stakeholder in land and urban policies. The cases below are particularly interesting as evidence of the internalization of neoliberal logic in space- and city-making within the developmental state tradition²⁵.

3. Songdo and the Incheon Free Economic Zone

A USD 40 billion-worth multiyear land-reclaiming and real-estate development project²⁶, the IFEZ stretches over a 122.42 km²-wide territory, comprising three land reclamation areas, namely Songdo, Yeongjong and Cheongna and key regional logistics hub such as the Port of Incheon, the country's second largest seaport, and Incheon International Airport, South Korea's main international airport and one of

²⁰ S. Moser, *Two Days to Shape the Future: A Saudi Arabian Node in the Transnational Circulation of Ideas about New Cities*, in H. Molotch, D. Ponzini (Eds.) *The New Arab Urban*, New York University Press, 2020, 215.

²¹ *Ibidem*.

²² *Idem*, 217–18.

²³ *Idem*, 226–27.

²⁴ Ministry of Planning and Investment of the Socialist Republic of Vietnam, *Overview of Vietnam-Korea Cooperation*, 7 October 2016, mpi.gov.vn/en/pages/tinbai.aspx?idTin=34996&idcm=133; K. Botto, *South Korea Beyond Northeast Asia: How Seoul Is Deepening Ties With India and ASEAN*, in *Carnegie Endowment for International Peace*, 19 October 2021, carnegieendowment.org/2021/10/19/south-korea-beyond-northeast-asia-how-seoul-is-deepening-ties-with-india-and-asean-pub-85572; Y. Hai, *Vietnam Remains Favorite Investment Destination for South Korea amid Covid-19*, in *Hanoi Times*, 5 August 2021; hanoitimes.vn/vietnam-remains-favorite-investment-destination-for-south-korea-amid-covid-19-318277.html.

²⁵ H.B. Shin, *Envisioned by the State*, cit., 84.

²⁶ O. Gassmann, J. Böhm, M. Palmié, *Smart Cities: Introducing Digital Innovation to Cities*, Emerald, 2019, 126.

Northeast Asia's key hubs. Specifically, Songdo is presented as «a global base for the high-tech knowledge industry» attracting advanced industries and globally renowned universities and research institutes; Yeongjong, situated around Incheon International Airport, is the aviation and logistics center of the IFEZ, offering high-end leisure and shopping facilities to its visitors; while Cheongna acts as the IFEZ financial, service and healthcare hub. IFEZ's PR materials describe it as a «splendid miracle» born out of «mud flats» and as a place of «unrivalled competitiveness» for international investors, being as it is 3-hours distant from 147 major cities in Asia by plane²⁷.

SEZ-like tax benefits and tariff exemptions have worked as pull factors for both domestic and foreign investors. According to the zone's administrators, IFEZ has attracted 11.8 billion dollars in 2018 growing by nearly 50% from 2015 with 81 international companies investing in it (11 of which are listed in the Fortune Global 500) and it is endeavoring, through a «green finance valley» initiative, to attract more knowledge-based industries, particularly in the biotech, IT and renewable energy sectors, with the long-term aim to become a Northeast Asia «service and knowledge» hub²⁸.

The history of technocratic imagination with regards to land management and urban planning in the area dates back to the late 19th and early 20th centuries, when Incheon developed into Seoul's port at the mouth of the Han River. Known as Chemulpo and Jinsen under Japanese rule (1906-1945), it became one of Korea's first open ports following the 1876 Japan-Korea Treaty of Amity, and developed into one of the Japanese Empire's key nodes for the supply of ammunitions and rice, attracting many workers from abroad, particularly from China²⁹. After World War 2 and with the beginning of the Korean War in 1950, Incheon lost its significance as a trade outpost³⁰, regaining its importance as an export-oriented industrial area under Park Chung-hee's regime in the mid-1960s. In the 1970s, the port city emerged as a chemical, steel and rubber manufacturing hub.³¹ Despite the fact that an earlier masterplan to transform the area into an «international center for trade and technology» reclaiming several square kilometers of land off the coast of Incheon dates back to the early 1960s³², it was only in the early 2000s, after the Asian Financial Crisis, that the ROK government injected new blood into the land reclamation project. At the time, the relative importance of the fishing and manufacturing sectors for the local economy had already decreased in favor of the

²⁷ IFEZ, *Global Business Frontier*, 2019, ifez.go.kr/ifezn/pro32/2000180?curPage=2.

²⁸ *Ibidem*.

²⁹ D.G. Southerton, *Chemulpo to Songdo IBD: Korea's International Gateway*, Creative Media Partners, 2009, 74–75.

³⁰ *Idem*, 80.

³¹ J. Roh, Y. Jong, *Urban Industrial Structure and Its Impact on Development: The Case of Incheon in Hanguk Jeongchaeg-Yeongu [Korean Policy Studies]*, No. 13, 2013, 28.

³² H.B. Shin, *Envisioned by the State*, cit., 87.

tertiary sector³³. Therefore, having inherited the Korean developmental state's approach to territorial planning³⁴, the ROK in coordination with the Incheon metropolitan government adopted specific policies to attract foreign direct investments (FDIs), such as the creation of a free economic zone (FEZ) centered around the new 2001 Incheon International Airport, with the aim of matching the PRC's competitiveness as a destination for global FDI flows. To this end, planning and land development permissions were granted to a consortium of construction firms led by US-based Gale International and POSCO Engineering & Construction³⁵.

In November 2002, Incheon was officially recognized as a FEZ (*Incheon gyeongjeon guyeok*)³⁶ and, in early 2003, the IFEZ was launched. Songdo, one of the earliest areas to be developed, saw the establishment of the Techno Park, a venture building center focused on technology and innovation, whose establishment preceded the successive real estate development plans³⁷. Further incentives for the creation of a technology-led ecological city in this area of IFEZ were offered by the national government's 2004 "IT839" plan, which allocated 100 billion Korean won (KRW) for the integration of IT services, infrastructure and technologies. This was followed by the 2008 *Act on the Construction of Ubiquitous City*. The aim of these initiatives was to usher in an «advanced urban model [...] using [Internet communication technologies (ICTs)] for various urban systems including housing, economy, transportation and health»³⁸. Under President Lee Myung-bak, the ROK doubled down on these projects through the 2009 *National Strategy for Green Growth* and the 2010 *Framework Act on Low Carbon, Green Growth*. The latter in particular was concerned with developing a «green homeland», where economic growth and social development are «harmonized» in a healthy, comfortable and beautiful natural landscape, by, among others things, reorganizing urban spaces into carbon-neutral and energy self-sufficient cities³⁹. With the declared aim to attain «clean development» by 2050, the Lee administration used the aforementioned legal basis to introduce a series of several-USD-billion-worth fiscal stimuli to rein in the negative impact of the 2007-2008 global financial crisis on the national economy while promoting strategic industries, particularly in the technology

³³ J. Roh, Y. Jong, *Urban Industrial Structure*, cit.; T. Edelsten, *Still Time for Songdo City to Protect Biodiversity*, in *The Korea Times*, 8 January 2012, m.koreatimes.co.kr/pages/article.asp?newsIdx=102458

³⁴ H.B. Shin, *Envisioned by the State*, cit., 83.

³⁵ S. Yoo, M. Batty, *Songdo: The Hype and Decline of World's First Smart City* in F. Caprotti, L. Yu, *Sustainable Cities in Asia*, Routledge, 2018, 152; H. B. Shin, *Envisioned by the State*, cit., 90.

³⁶ H. Satō, *Kankoku: Inchon Keizai Jiyū Kuiki No Sumāto Shiti-Ka e No Torikumi - Songdo [The Initiative to Transform South Korea's Incheon Free Economic Zone into a Smart City: Songdo]* in *Kiyō Ronbun*, No. 13, 2012, 32.

³⁷ Author interview with former Techno Park and current SUNY Korea management-level employee, September 2022.

³⁸ S. Yoo, M. Batty, *Songdo*, cit., 147.

³⁹ *Framework Act on Low Carbon Green Growth*, Artt. 49 and 51.

sector⁴⁰. This, in turn, led to a revitalization of the developmental state-paradigm and to an increase of large-scale construction activities under the «green growth» banner, with Songdo being a paradigmatic case⁴¹. Given the highlighted importance of «convergence technologies» and research in this sector, several national (Yonsei University) and international universities (SUNY Stony Brook, the University of Utah and the University of Ghent) have since 2010 opened their satellite campuses in Songdo offering instruction in engineering, management and technology, with the endorsement of highly influential political figures in the ROK⁴².

Described as «world's first smart city»⁴³, the city today boasts a population of more than 190,000 residents and a waterfront skyline replete with new-build glass and steel skyscrapers in a pleasant “green” urban environment modeled after renown landmarks in Europe and North America⁴⁴. Several studies have demonstrated the limitations of this project⁴⁵. However, on-site observation and interviews with residents and experts have further confirmed that Songdo's “smartness” is more political than actual, although it has nevertheless helped the local government to attract funding from the central state and international attention⁴⁶. Furthermore, Songdo boasts the presence of numerous UN-affiliated international organizations and their regional branches, such as the UN Commission on International Trade Law (UNCITRAL), the UN Economic and Social Commission for Asia and the Pacific (ESCAP), and most significantly, the Green Climate Fund, the UN's fund to support developing countries' efforts to curb global warming and build climate-resilience⁴⁷. Hence the pledge by IFEZ administrators to «lead» the international community in «tackling global issues»⁴⁸. In fact, in its PR materials, the IFEZ authority maintains that it is contributing to «changing urban

⁴⁰ C.M. Dent, *South Korea's green growth strategy and East Asia's new developmentalism*, in A.P. D'Costa (Ed.) *After-Development Dynamics: South Korea's Contemporary Engagement with Asia*, OUP, 2015, 54.

⁴¹ H.B. Shin, *Envisioned by the State*, cit., 91.

⁴² SUNY, the harbinger of international universities in Songdo, for instance, received the support of former Minister Oh Myung, one of the most prominent supporters of South Korea's digital development and Stony Brook alumnus. See M. Oh, J. Larson, *Digital Development in Korea: Building an Information Society*, Taylor and Francis, 2011. Author interview with former Techno Park and current SUNY Korea management-level employee, September 2022.

⁴³ S. Yoo, M. Batty, *Songdo*, cit.

⁴⁴ IFEZ, *Oegug-insu: tong-gyelo boneun IFEZ [Number of foreigners: IFEZ in figures]*, 31 August 2022, ifez.go.kr/abo055.

⁴⁵ In addition to the comprehensive critique offered by Shin, see J. Kim *Songdo Free Economic Zone in South Korea: A Mega-project Reflecting Globalization?* in *Journal of the Korean Geographical Society*, No. 46, 2011; D. McCarty, J.M. Park, *A critical analysis of the Incheon Free Economic Zone* in *Journal of Urban Science*, No. 7, 2018.

⁴⁶ Author interviews with former Techno Park and current SUNY Korea management-level employee and B.G. Park, September 2022.

⁴⁷ S. Lee, *Songdo, a Place Cut out for U.N. Operations*, in *The Korea Herald*, 16/10/2012, koreaherald.com/view.php?ud=20121016000771; Green Climate Fund, *About GCF*, 18 February 2021, greenclimate.fund/about.

⁴⁸ IFEZ, *Global Business Frontier*, cit.

paradigms» by creating a pleasant urban environment, merging landmark buildings and green «Eco-friendly» areas apt to attract both businesspeople and new residents looking for a safer and healthier lifestyle⁴⁹. As a result of this effort, as of 2020, the entire IFEZ area had more than 370,400 residents with nearly 6,200 foreigners. Nevertheless, the area still appears to be predominantly under construction. As shown in figure 1, despite the presence of several landmark sites and buildings such as the POSCO Tower, the IFEZ headquarters (G-Tower) or the Songdo Tri-bowl (a theatre and art exhibition center) in Central Park, the city waterfront is still subject to ongoing land development.

IMG. 1 – Incheon waterfront development⁵⁰



Besides attracting new residents and tourists with its technological and yet pleasant urban image, in 2015 the Incheon metropolitan government, which administers the IFEZ, launched the Incheon Tourism Organization (ITO), which was tasked with enhancing Incheon's image as an attractive tourist destination. ITO works in close coordination with the IFEZ authority and has set up an ad-hoc Meetings, Incentives, Conferences and Exhibitions (MICE) Bureau with the aim of promoting it domestically and abroad as a destination for international meetings and events, featuring in particular its up-to-date convention center, Songdo Convensia. After appointing Kim Jin-yong as commissioner of the IFEZ Authority for a second term after his first in 2017-2019, the local authorities will likely take steps to further promote investments in the IT and biotech sectors. This latter in particular is considered strategic in the mid- and long run to enhance the IFEZ's

⁴⁹ *Ibidem*.

⁵⁰ Photo by the author, 2022.

attractiveness as a medical tourism destination, in hopes of continuing to attract visitors and financial resources from within South Korea and abroad⁵¹.

4. Diffusing the IFEZ Model? The Case of the Van Don SEZ, Vietnam

Though not yet fully developed, the Van Don SEZ represents an interesting case-study, considering the analytical framework that has been presented in section 2 above. Since the 2017 launch of the New Southern Policy (NSP) by the Moon Jae-in administration in an effort to detach ROK's policies from its traditional scope while establishing leadership in «unconventional issues such as healthcare, education, infrastructure provision and the digital economy, smart cities, climate change management, gender equality, policing and water security»⁵², the volume of exchanges between South Korea and the ASEAN countries has been on the rise. Among the 10 ASEAN member nations, Vietnam has been one of the countries that has benefitted the most from Seoul's international activism. On top of its Official Development Assistance, the country received more than 70 billion US dollars in Korean FDIs in 2020, and almost 75 billion the following year, with tech giant Samsung playing a major role (in a USD 19.2 million-worth total capital commitment), followed by conglomerates LG, Lotte and POSCO⁵³. Furthermore, during former ROK president Moon's visit in Hanoi in March 2018, the two countries signed a series of Memoranda of Understanding to further expand their trade relations to USD 100 billion by 2020 and to promote bilateral cooperation in fields such as research, human resource development, technology transfer and urban planning, urban regeneration and construction technology⁵⁴. Specifically, the ROK Ministry of Land, Infrastructure and Transport (MOLIT) has launched smart city and urban regeneration training initiatives targeted at Vietnamese public servants, including province party secretary-level officials, and bilateral cooperation on «Korean style», «green» industrialization such as in the Hung Yen

⁵¹ E. Chung, *Incheon Announces New Commissioner of the Incheon Free Economic Zone Authority*, in *JoongAng Daily*, 7 September 2022, koreajoongangdaily.joins.com/2022/09/07/business/economy/korea-incheon-IFEZ/20220907154753574.html; IFEZ, *Bio Complex*, ifez.go.kr/eng/ivd010.

⁵² J. Nilsson-Wright, J. Yu, *South Korean Foreign Policy Innovation amid Sino-US Rivalry: Strategic Partnerships and Managed Ambiguity*, Chatham House Research Paper, 22 July 2021, chathamhouse.org/2021/07/south-korean-foreign-policy-innovation-amid-sino-us-rivalry/05-seoul-s-new-southern-policy.

⁵³ Ministry of Planning and Investment, *The 18th Session of the Vietnam-Korea Intergovernmental Committee*, 18 November 2022, mpi.gov.vn/en/Pages/tinbai.aspx?idTin=48407&idcm=133; T. Nguyen, *Vietnam Remains Preferred Investment Destination for South Korean Companies: KorCham*, in *Hanoi Times*, 23 July 2022, hanoitimes.vn/vietnam-remains-preferred-investment-destination-for-south-korean-companies-korcham-321352.html.

⁵⁴ S. Song, *Mun daetonglyeong, Beteunam bangmun maegae 6 geon MOU chegyeol... 'gyoyeog 1 cheon-eog dalleo aegsyeonpeullaen' haegsim [President Moon signs six MOUs during his Vietnam visit. Toward a '1 billion dollar trade pact']* in *Kyeongin Shimpo*, 23 March 2018, kyeongin.com/main/view.php?key=20180323010009212.

Clean Industrial Park⁵⁵. Against this backdrop, local governments, such as that of IFEZ, have also been actively involved in MOLIT's initiatives to promote their smart urban solutions in Vietnam⁵⁶.

Despite the ROK government's activism and the geophysical similarities that Van Don and IFEZ share, the development of the Van Don SEZ might be best interpreted as a "translated" and "adapted" land and urban planning model rather than a mere replica. In fact, the Van Don District in northeastern Quang Ninh Province has been at the center of a concerted endeavor by local and national governments to shift its «rural economic structure» to a new one based on tourism and leisure, thus monetizing on the area's natural beauty while stressing the importance of environmental protection since the early 2010s, thus prior to the NSP launch⁵⁷.

Known as a major regional trading port since the 12th century and an area rich in biodiversity, particularly in its tidal flats⁵⁸, the Van Don area sits on the western edge of the UNESCO-protected Ha Long Bay area, and encompasses over 600 islands on a total area of 553.2 square kilometers. Having first designated it as a SEZ in 2006, the SRV government has recently elicited the Van Don SEZ as a pillar of its sustainable "green" growth strategy, launched in 2012⁵⁹. In 2020, a development masterplan by Callison RTKL, a Washington D.C.-based international architecture company, was approved with the aim of enhancing the locale's «sea sightseeing, cultural tourism associated with values of the wet rice civilization and local traditional activities, urban tourism, MICE (Meetings, Incentives, Conferencing, Exhibitions) tourism» capabilities⁶⁰. Against this

⁵⁵ Ministry of Land, *Infrastructure and Transport*, *Invitation of Vietnamese Public Officials to Teach Korean Smart City/Urban Regeneration Policies*, 4 June 2019, molit.go.kr/english/USR/BORD0201/m_28286/DTL.jsp?id=eng_mltm_new&mode=view&idx=2741.

⁵⁶ Smart City Korea, *Incheon City Visits 'IFEZ Smart City Technology Cooperation Group' in Vietnam*, 19 June 2017, smartcity.go.kr/en/2017/06/20/인천시-ifez-스마트시티-기술협력단-베트남-방문/.

⁵⁷ VNA, *Van Don: Rises up from the Sea*, in *VietnamPlus*, 6 December 2012, en.vietnamplus.vn/van-don-rises-up-from-the-sea/40640.vnp.

⁵⁸ See V. K. Nguyen, *Vân Đồn: An International Sea Port of Đại Việt in Early Modern Southeast Asia, 1350-1800*. Routledge, 2015; K.B. Dang, T.T. H. Phan, T.P. N. Pham, M.H. Nguyen., *Economic Valuation of Wetland Ecosystem Services in Northeastern Part of Vietnam in Knowledge & Management of Aquatic Ecosystems*, No. 423, 2022.

⁵⁹ B. Tam, *SEZ Development*, cit., 87; M. Ngoc, *Vietnam Establishes Management Unit of Van Don Economic Zone after Failed SEZ Draft Law in Hanoi Times*, 21 November 2019, hanoitimes.vn/vietnam-establishes-management-unit-of-van-don-economic-zone-300234.html; JICA, Nippon Koei, International Lake Environment Committee Foundation, *Socialist Republic of Vietnam: Project for Green Growth Promotion in Halong Bay Area, Quang Ninh Province - Final Report*, 2016, openjicareport.jica.go.jp/pdf/12265229_01.pdf.

⁶⁰ The Prime Minister of the Socialist Republic of Vietnam, *Strategy on Viet Nam's Tourism Development until 2020, Vision to 2030*, 30 December 2011, vietnam.gov.vn/2011-2010-69175/strategy-on-viet-nam-s-tourism-development-until-2020-vision-to-2030-1695138. Also as a result of this strategy, the area has emerged as a major tourist destination in the country, with visitors

backdrop, state authorities have envisioned Van Don as a new urban assemblage which will become a «smart, modern and green coastal area», a site of «eco-tourism» and a «multi-sectoral marine economic zone and an entertainment centre»⁶¹ with «new tourism products» such as casinos, discount luxury shopping complexes and high-end housing spaces⁶².

The sustainable transition envisioned by the state in Quang Ninh contrasts with the region's image as one of the largest reserves of coal in the Red River Delta area, supporting around 90% of the national coal production (both legal and illegal) with more than sixty coal mining sites, of which more than forty are in operation, managed by state-owned Vietnam Coal and Mineral Corporation (VINACOMIN)⁶³. In this regard, waste from the mining, cement, food processing and aquaculture industries, have in fact contributed to environmental decay in the area, increasing organic pollution levels, and above-standard oil and heavy metals concentrations in protected water bodies in Van Don and Ha Long Bay areas in the context of advancing eutrophication⁶⁴. On top of this, the heavy rains of July 2015, causing the breach of a dam and the subsequent inundation of several coal mines and power stations, have resulted in 17 deaths, the evacuation of thousands of workers, residents and tourists, and a potentially hazardous toxic slurry containing byproducts of coal extraction and processing such as arsenic, sulfur, and mercury into the marine environment⁶⁵.

In summary, for the SRV's government, SEZs remain key to sustain the country's economic growth, which still relies heavily on the export of raw materials and manufacturing goods but is gradually diversifying toward services such as retail and tourism and foreign government agencies, including the Japan International Cooperation Agency (JICA); meanwhile, international consultancy firms, such as McKinsey and BCG of the US and Japan's Nikken Sekkei and Nippon Koei are actively supporting the draft of strategic development plans for the area⁶⁶. However, the 2016 legislation designating Van Don and others as Special Administrative and Economic Zones (SAEZ), drafted to attract foreign investment granting a 99-year

almost tripling in less than a decade, from 5.4 million in 2010 to 14 million in 2019. See C. Minh, *Ha Long Bay Bustles after Months of Frozen Tourism* in *VnExpress*, 4 October 2021, e.vnexpress.net/photo/places/ha-long-bay-bustles-after-months-of-frozen-tourism-4366974.html.

⁶¹ M. Ngoc, *Vietnam Establishes*, cit.; VNA, *Industrial Parks, Economic Zones Create New Growth Momentum in Quang Ninh*, in *Ministry of Planning and Investment of the Socialist Republic of Vietnam*, 10/9/2020, mpi.gov.vn/en/Pages/tinbai.aspx?idTin=47493.

⁶² JICA et al., *Socialist Republic of Vietnam*, cit, II-44–45.

⁶³ *Idem*, II-25–29; T. A. Phan, *A Simulation of the Illegal Coal Mining in Quang Ninh Province, Vietnam Using Vensim* in *SSRN Electronic Journal*, 2008.

⁶⁴ JICA et al., *Socialist Republic of Vietnam*, cit, II 21–23.

⁶⁵ A. Pradas Osuna, *Quang Ninh Coal Mines, Flooding in 2015, Vietnam*, in *Environmental Justice Atlas*, 17 August 2017, ejatlas.org/conflict/master-agua-quang-ninh-mines.

⁶⁶ Ministry of Construction of the Socialist Republic of Vietnam, *Real Estate Market Booming in Quang Ninh*, 25 June 2019, moc.gov.vn/en/news/48250/real-estate-market-booming-in-quang-ninh.aspx.

land leasing tenure, provoked unprecedented protests and was later withdrawn⁶⁷. Specifically, the proposed legislation raised concerns regarding a possible advance of Chinese influence in the northeastern region and on the expansion in the area of potentially environmentally disruptive businesses, such as chemical plants, and waste management facilities, along with unregulated China-bound trade. Concerns included the effects of such expansion on endangered animal species⁶⁸.

Nonetheless, since the late 2010s, several infrastructure development projects have been launched to provide better connectivity to the region, and urban planning is underway⁶⁹. Since 2014, investments in the real estate sector have poured in and housing prices have boomed⁷⁰. More specifically, since its establishment, the Van Don SEZ has attracted slightly more than USD 1 billion in investments, which have resulted in large-scale tourist resorts and eco-tourism sites. Moreover, in the neighboring Mong Cai border gate economic zone (BGEZ), two of Vietnam's major real estate groups, Vingroup and Sungroup, are considering large real estate development projects such as residential complexes and shopping malls⁷¹. As a result, the SRV's government expects that the SEZ will see its resident population grow from its current 52,000 to 140,000, alongside the creation of 89,000 jobs, and has encouraged local authorities to step up efforts to promote internet connectivity and the birth of a local digital economy⁷².

Against this backdrop, the Van Don International Airport inaugurated its operation in late 2018 with a grand ceremony in the presence of former Prime Minister and current SRV President Nguyen Xuan Phuc, and other national and local Communist Party of Vietnam (CPV) echelons. More recently, in September 2022, the 176-km-long Van Don-Mong Cai Expressway opened, connecting Hanoi

⁶⁷ M. Ngoc, *Vietnam Establishes*, cit.

⁶⁸ S. Kishtwari, *How Tourism Fuels Southeast Asia's Wildlife Trade*, in *China Dialogue*, 28 September 2021, chinadialogue.net/en/nature/how-tourism-fuels-southeast-asias-wildlife-trade/; T. Fawthrop, *Vietnam Mass Protests Expose Hanoi's China Dilemma*, in *The Diplomat*, 21 June 2018, thediplomat.com/2018/06/vietnam-mass-protests-expose-hanois-china-dilemma/; T. Fawthrop, *Public Criticism Pressures Vietnam to Back down on New Economic Zones*, in *China Dialogue*, 26 March 2019, chinadialogue.net/en/business/11154-public-criticism-p pressures-vietnam-to-back-down-on-new-economic-zones/; M. Q. Nguyen, *SEZs in Vietnam: What's in a Name?*, in *The Diplomat*, 14 September 2018, thediplomat.com/2018/09/sezs-in-vietnam-whats-in-a-name/; P. Schuler, M. Truong, *Vietnam in 2019: A Return to Familiar Patterns*, in *Southeast Asian Affairs 2020*, 2020.

⁶⁹ National Institute for Urban and Rural Planning, *City Development Strategy for Halong*, World Bank, 2012, 46.

⁷⁰ VNA, *Quang Ninh Woos Investment in EZs, IPs with Incentives*, in Ministry of Planning and Investment of the Socialist Republic of Vietnam, 16 May 2019, mpi.gov.vn/en/Pages/tinbai.aspx?idTin=43256; Ministry of Construction, *Real Estate Market*, cit.; *Apartment Prices Continue to Rise in Major Cities*, in *VnExpress International*, 18 November 2020, e.vnexpress.net/news/business/industries/apartment-prices-continue-to-rise-in-major-cities-4193063.html.

⁷¹ VNA, *Industrial Parks*, cit.

⁷² *Quang Ninh Accelerates Comprehensive Digital Transformation*, in *VietnamPlus*, 28 February 2022, en.vietnamplus.vn/quang-ninh-accelerates-comprehensive-digital-transformation/222734.np; M. Ngoc, *Vietnam Establishes*, cit.

to the SRV-PRC border in just 3 hours. The land clearance works have taken 3 years and required an expense of 64.5 million USD by the Quang Ninh provincial administration, in addition to a review of local transport networks and floating fishing village relocations⁷³. Generally, the SRV state⁷⁴ has been supportive of local authorities' development endeavors, presenting them as beneficial for all and downplaying the above-mentioned resistance and contestation. At the airport inaugural speech, for instance, PM Phuc publicly praised the efforts of local authorities and developer Sungroup for keeping construction costs low without surrendering «quality». Furthermore, he stressed the «harmony of interests» (*hai hoa loi ich*) between the state and the people who «peacefully» agreed to give up their land and homes for the construction project⁷⁵. The exclusion of former residents and local communities highlights a fundamental aporia between state policies and state rhetoric. In fact, during a recent visit to the area, the CPV General Secretary Nguyen Phu Trong, the country's paramount leader, cautioned local officials about the need to push ahead with innovation and reforms to «Develop strongly and comprehensively», without however neglecting «sustainability», considered here as a mere technical issue⁷⁶.

IMG. 2 – Van Don International Airport⁷⁷

⁷³ *Quang Ninh Completes Land Clearance for Van Don-Mong Cai Highway*, in *VietnamPlus*, 12 July 2019, en.vietnamplus.vn/quang-ninh-completes-land-clearance-for-van-don-mong-cai-highway/155998.vnp.

⁷⁴ Current SRV Prime Minister Pham Minh Chinh, appointed to the country's top-executive job in February 2021, had previously been Secretary of the Quang Ninh Provincial Committee of the CPV from 2011 to 2015, before his appointment to the top-executive job in February 2021 and was allegedly supportive of the draft SEZ law in his previous position as head of the Party's Central Organization Committee and Politburo member. P. Schuler, M. Truong, *Vietnam in 2019*, cit., 395.

⁷⁵ *Sân Bay Vân Đồn Chính Thức Đi Vào Hoạt Động [Van Don Airport Officially Came into Operation]*, in *Zing News*, 30 December 2018, zingnews.vn/san-bay-van-don-chinh-thuc-di-vao-hoat-dong-post904628.html

⁷⁶ Nhan Dan, *Party Leader Pays Working Visit to Quang Ninh Province*, in *Nhan Dan Online*, 11 April 2022, en.nhandan.vn/week_review/item/11387302-april-4-10-party-leader-pays-working-visit-to-quang-ninh-province.html.

⁷⁷ Wikimedia.



5. Discussion and Conclusion

The two cases presented above elucidate the circulation of new urban and land development models in East and Southeast Asia. As illustrated above, particularly since 2017, the ROK and the SRV have strengthened their ties on several levels, including technology transfer, urban planning and regeneration, and smart cities. However, as argued by Moser, policy diffusion happens because of the interplay of different actors through a process of translation and adaptation which benefits from factors such as enhanced connectivity, an increased volume of international exchanges at both the formal and informal level and the development of ICT. The successful representation and marketization abroad of Songdo, the smart city at the center of the IFEZ, could not possibly have happened without both human agency (e.g., states, international agencies, companies and consultants) and spontaneous processes of circulation, translation and adaptation of a perceivably successful urban and land development model.

In particular, the capacity of IFEZ to attract domestic and foreign investments and to create a knowledge hub is an integral part of its perceived success in constituting a model for local governments in Asia and around the globe. Nonetheless, as indicated above, Songdo could better be read as a cautionary tale. Despite the ROK and local governments' efforts to develop a global business hub, IFEZ is still lagging, in terms of attractiveness, in comparison with other global cities in the region, such as Singapore, Shanghai, Hong Kong and Tokyo and even nearby Seoul⁷⁸. The risk inherent to the diffusion of such a model of urban development is to give way to speculative urban enterprises centered on the “power” and allure of cutting-edge infrastructures and exclusivity rather than people, culture and inclusion⁷⁹.

⁷⁸ J. Kim, *Songdo Free Economic Zone*, cit.

⁷⁹ A.V. Ereiner, *Promises of Urbanism: New Songdo City and the Power of Infrastructure*, in *Space and Culture*, 2021.

A fundamental contradiction appears in both Songdo and Van Don's publicized environmental sustainability. By arbitrarily separating them from their surrounding natural environments and ecosystems, IFEZ and Van Don SEZ planners and developers have deployed concepts such as «green growth» and «environmental sustainability» as instruments to attract capital, investors, residents and, in light of the development of a tourism industry in both locales, international visitors. It is possible to agree with scholars like Caprotti and others who have stressed the utility of the “green” and “eco” discourse to conceal monetizing and «social engineering» efforts by states supporting SEZ establishment and SEZ-based urban megaprojects⁸⁰. Furthermore, these developments have led to phenomena such as land price hikes and *de facto* housing bubbles, contributing to increased social inequalities with regards to access to affordable housing and inclusive urbanization.

At the discursive level, however, by employing the idiom of “green” and “eco” development, national and local governments such as the ROK and SRV can show their commitment to the UN framework agreements on climate change and sustainability of which they are part. Nevertheless, several inconsistencies with the UN framework agreements on climate change and, more broadly, with the 2015 SDGs have emerged. If on the one hand, new SEZ-based urban projects display a high degree of technology implementation for climate change adaptation and mitigation⁸¹, on the other, they create imbalances at the societal level insofar as they emerge as «spaces of exclusion», as discussed above. As noted in the 2022 SDG Report, factors such as the lack of affordable housing options for low-income households, «dysfunctional urban, land and housing policies», and a low share of population with access to urban public transport are hindering the attainment of sustainable cities and communities worldwide (goal 11)⁸². The reproduction of a developmental-state model combined with a power-sharing arrangement with private developers and rent-seekers in both countries has led however to megaprojects that have inevitably affected natural ecosystems⁸³. Moreover, both the IFEZ and Van Don SEZ development plans seem to ignore the long-term effects of the current climate emergency such as sea-level rise and climate-related migrations. As shown in the figure below, by 2030, the rise of sea levels is likely to affect key infrastructures (such as local airports) and other facilities built on coastal areas or reclaimed land (the areas projected to be below annual flood levels are highlighted in red).

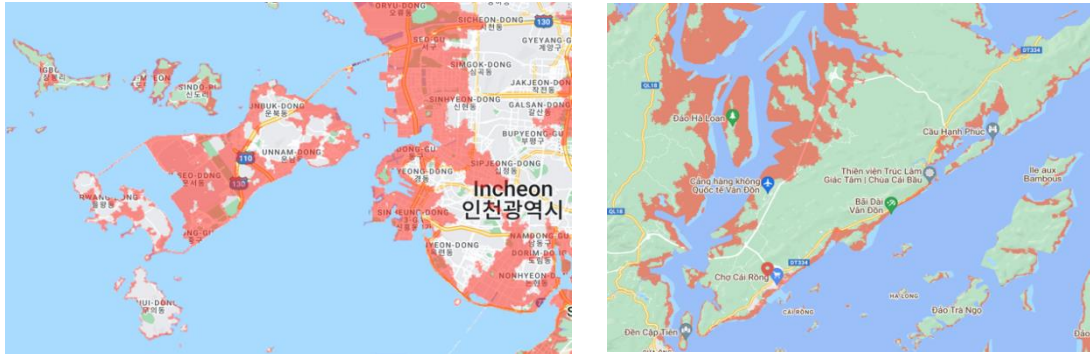
⁸⁰ See C. W. Herbert, M. J. Murray, *Building from Scratch*, cit.; F. Caprotti, *Eco-Urbanism and the Eco-City*, cit.; F. Caprotti, C. Springer, N. Harmer, *'Eco' For Whom?*, cit.; E. Avery, S. Moser, *Urban Speculation for Survival*, cit.

⁸¹ United Nations DESA, *Paris Agreement*, 2015, sdgs.un.org/frameworks/parisagreement.

⁸² United Nations, *The Sustainable Development Goals Report 2022*, 2022, unstats.un.org/sdgs/report/2022/The-Sustainable-Development-Goals-Report-2022.pdf, 47.

⁸³ T. Edelsten, *Still Time for Songdo*, cit. J. MacKay and W. Vrins, *Report on the Advisory Mission to Halong Bay Heritage Site, Quang Ninh Province Viet Nam from 16th to 20th July 2018 in International Union for Conservation of Nature (IUCN)*, 2018.

IMG. 3 – Rising sea levels in Incheon and Van Don District⁸⁴



In both selected cases, tourism, conceived as a “sustainable” activity, has emerged as an important economic engine, particularly for regions and provinces to attract foreign money and, in certain cases, promote economic recovery. Apparently (i.e., without analyzing its deeper implications on a given area’s socio-ecological system), tourism is often perceived as a more economically and environmentally sustainable activity than environmentally burdensome primary or secondary industries such as fishing or, in Van Don’s case, mining.

However, recent studies are reconsidering the economic role of tourism and its environmental impact, and it is the afore-illustrated cases that are examples of «speculative urbanism», as demonstrated by a body of research⁸⁵. As aptly demonstrated by Cristiano and Gonella regarding Venice, for instance, tourist accommodation facilities and related activities, particularly as far as energy and water consumption and solid waste generation are concerned, have a substantial environmental impact on local ecosystems. On top of this, tourism is in essence an input-dependent activity which diverts physical resources from the citizenry to tourists, and ultimately creates dependence of the urban system on tourism flows, progressively weakening the system, which ceases to be resilient and adaptive to external disruptions⁸⁶.

In conclusion, against the backdrop of growing regional interconnectedness and competition, IFEZ and Van Don SEZ are local adaptations of land monetization strategies used by governments in East and Southeast Asia to rein in negative

⁸⁴ Climate Central n.d.

⁸⁵ H. Shin, *Envisioned by the State*, cit., 18; E. Avery, S. Moser, *Urban Speculation for Survival*, cit.

⁸⁶ S. Cristiano, F. Gonella, ‘Kill Venice’: *A Systems Thinking Conceptualisation of Urban Life, Economy, and Resilience in Tourist Cities* in *Humanities and Social Sciences Communications*, No. 7, 2020, 6–9. One example of such disruption is offered by the halt of tourist flows and labor shortages following the adoption of restrictive measures to contain the spread of Covid-19 by many national governments including the ROK and SRV. Particularly with regard to the Vietnamese case, studies highlight the reliance of special economic zones on migrant workers (70% of the total, 2.3 million according to official statistics). Nguyen Hong Ha, *Migrant Workers Face Challenges in Returning to Cities to Work*.

economic contingencies (such as financial crises), promote deindustrialization and a service-based economy, and attract foreign capital while reserving a central role for the state in economic policymaking. In this sense, a historically consolidated preference for the developmental-state paradigm throughout East and continental Southeast Asia, and in fact in both the ROK and SRV, cannot be overlooked. Imbued with technocratic *hybris*⁸⁷, the multi-use SEZ model of urban planning and governance helps to enhance technology and infrastructure as instruments of state rule, albeit rule disguised under the neutrality of the “smart”, “green” and “sustainable” city narratives. Nonetheless, in both cases, state planners and developers have ended up disentangling locales from their natural ecosystems and often alienating residents without considering possible detrimental effects in the long run. In fact, it is by doing this and increasingly catering for a non-resident élite population that IFEZ and Van Don SEZ’s structural vulnerabilities (input-dependence, exposure to climate change, etc.) have emerged, and will perhaps consolidate in coming years, rather than being tackled.

⁸⁷ See J. Scott, *Seeing Like A State*, Yale University Press, 2020.