

POLITICS & POLICY

MACAU



From December 20 Macau becomes part of China, ending four centuries of Portuguese rule. As the city enters a new era, its problems and challenges are already apparent.

Macau is the perfect story for the end of the millennium in Asia. The founding of the enclave by Portuguese seafarers in the mid-16th century was the culmination of a century of exploration by European traders in search of riches in the Orient. Its return to Chinese sovereignty at the close of the 20th century marks the effective end of the colonial era in Asia. Perhaps no other place better sums up the interaction—political and economic—between East and West.

Yet for all the symbolic importance of its return, Macau is in danger of becoming just another fly-blown former colony after the December 19 handover, without much sense of itself, other than what it was. Beijing and Lisbon have worked hard to create a functioning government and legal system since they agreed on the handover in 1987. But Macau is only now grappling with what kind of place it wants to be under Chinese rule.

The future of Macau's 450,000 people will be constructed in several places: the casinos, the legislature, the schools. Here, the people of Macau will thrash out pressing problems such as education and unemployment, while at the same time seeking a new vision for their city. But Macau's future could also be unmade in other places: in the brothels that have multiplied in recent years and threaten law and order; on the border with China where illegal immigrants and overreaching mainland police threaten to undermine Macau's autonomy; and on the streets where triad-related crime remains rife.

The REVIEW's Bruce Gilley looks at some of the areas where Macau's future will be won or lost.

CASINO LISBOA

When business magnate Stanley Ho won a 1961 tender for the exclusive right to operate casinos in Macau, he promised to build a classy hotel to house the en-

clave's biggest casino. Today, the Lisboa Hotel and Casino is Macau's most indispensable building, and the largest of Ho's 10 casinos. Together, the casinos account for more than half of government revenue and generate jobs for a quarter of the workforce. But they are plagued by crime and low standards of service. Pressure is building for change when Ho's monopoly expires in 2001.

Thomas Chan of the China Business Centre at Hong Kong Polytechnic University is among economists who say Macau must reduce its reliance on the gambling industry. He suggests limiting casinos to a few venues while encouraging other types of entertainment. With foreign-exchange reserves of a mere \$2.6 billion, the Macau government will tamper with the casinos only cautiously. But Chan says his ideas were welcomed by senior Chinese officials at a conference on the mainland in August. "At least we're provoking some serious thinking and discussion," he says. "Otherwise Macau's econ-

omy will not have much of a future."

THE SEX TRADE

As elsewhere, casinos and sex are closely linked in Macau. The same triads that operate extortion rackets and loan-sharking syndicates in the casinos often run brothels too. Small-time junket operators, meanwhile, provide visitors from China, Hong Kong and Taiwan with prostitutes as well as gaming chips. The sex trade's importance to Macau is evident at the ferry terminal in Hong Kong: Video advertisements featuring numbered prostitutes are screened around the departure gate, shops display magazines that give graphic reviews of the women—mostly from China, Thailand and Vietnam—working in various Macau brothels.

Cleaning up Macau's casinos, therefore, will mean cracking down on its sex trade too. The new secretary for administration and justice, Florinda da Rosa Silva Chan, declines to answer questions on the issue. But sources in the incoming administration expect it to take severe action against brothels, which break laws forbidding profiting from prostitution. Prostitutes themselves will be forbidden from plying their trade near the casinos. Macau's flagging tourism industry, sullied by commercial sex and attendant



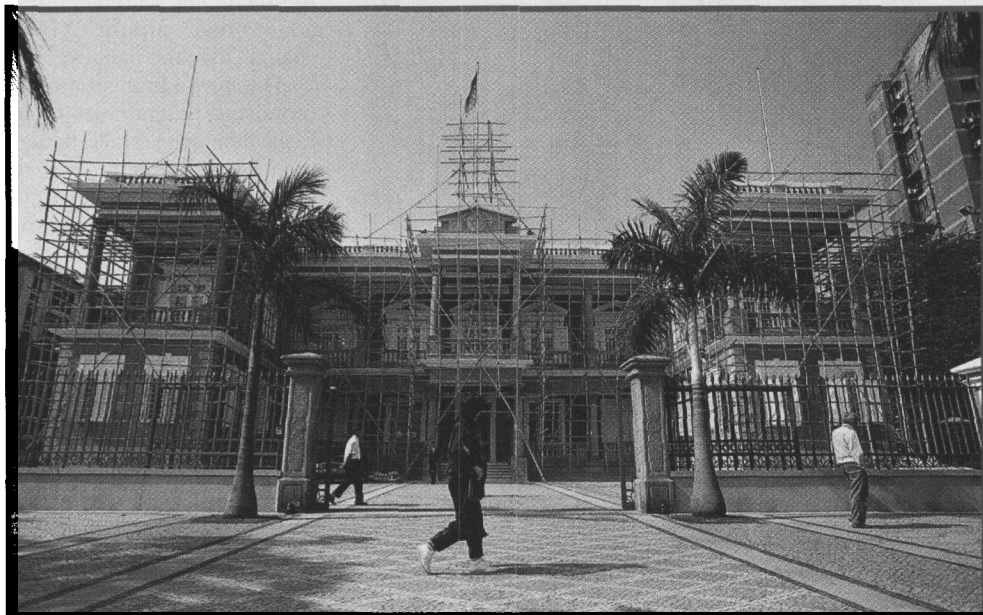
The sex trade: Prostitutes seek clients outside a Macau hotel.

crime, will depend on a clean-up of its image.

GOVERNOR'S MANSION

Edmund Ho, the first chief executive of

The governor's mansion: battle headquarters for Macau's first chief executive, Edmund Ho.



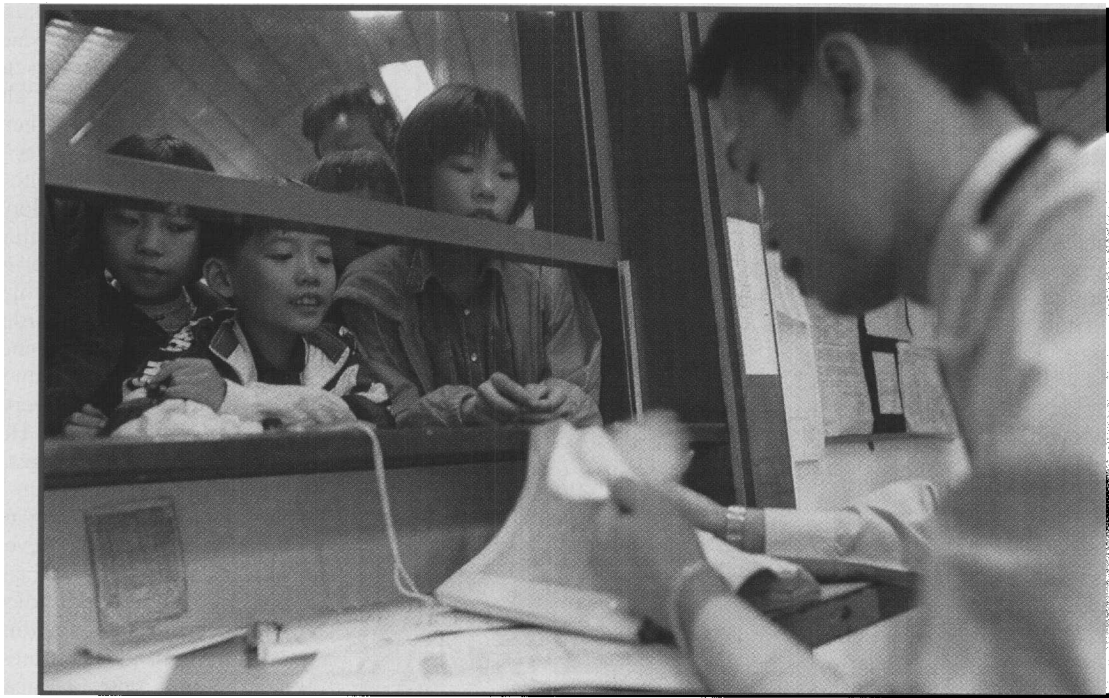
post-handover Macau, talks tough on every major issue facing the enclave. He vows to smash the triads with an "all-out effort" that will make them "public enemy No. 1." "They'll have to behave. I won't allow anybody to make me look bad," he says during an interview with the REVIEW. He plans to look at ways to restructure the casino monopoly in order to increase the economic benefits for Macau and reduce casino-related crime. "Everybody, including Stanley Ho, knows there will be changes," he says. "The only question is when and how." Sprucing up the casino business may even involve bringing in experienced outsiders, he adds, contradicting Stanley Ho's long-standing assertion that the business would be open only to Macau investors in future. "We want world standards. Otherwise the quality will never improve," says the incoming chief executive.

Edmund Ho has chosen to oversee his battle to clean up Macau from the same roseate-and-white office used by the outgoing Portuguese-appointed governors on the waterfront Avenida da Praia Grande. Ho's first term runs for five years until 2004; he doesn't rule out a second term.

LEGISLATIVE ASSEMBLY

Although Macau remains far from a democracy, its Legislative Assembly will be an important forum for post-handover debate. As in Hong Kong, Macau's legislature can stall bills involving spending. And it can raise a fuss if it feels the government is making mistakes.

With Beijing's blessing, the present legislature will remain in place through the handover (with the exception of one member who stepped down over a legal scandal). The body, elected in 1997, comprises eight popularly elected members, eight chosen by special interest groups and seven appointed by the governor. In the elections of 2001 and 2005, the number of popularly elected seats will rise to



PAUL HUI/SIGNAMENT ASIA/REVIEW

Immigration: new arrivals from China cross the land border into Macau.

10 out of 27 and then 12 out of 29. Macau's mini-constitution, the Basic Law, promises a legislature popularly elected in its entirety, but doesn't specify a date. Even so, housed in a grand new building, Macau's assembly will be a powerful symbol of local autonomy and of the public participation vital to a successful future.

IMMIGRATION

Far more than Hong Kong, Macau is surrounded by China. Geographically, it is a stone's throw from China to the north and to the west. Economically, mainland companies dominate the local property and trading sectors, while mainland immigrants are the biggest source of population growth. At the same time, the border is a source of instability. Illegal migrants swim across the river from nearby Zhuhai to work in Macau's restaurants, brothels and factories. Criminal gangs stockpile weapons and drugs across the border for easy transit into the enclave. The mainland police, ostensibly an ally, at times overreach their jurisdiction by kidnapping suspects in Macau for repatriation to China, or simply by treating Macau residents arrested in China as mainland citizens. Managing the border with China will be crucial to Macau's future. Border issues will be mainly in the hands of Beijing, however.

SCHOOLS

As Macau strives to turn itself into a world-class business centre and tourist attraction, education is moving up its priority list. On the surface, its educational system is adequate. The 75,000 students in

primary and secondary schools are taught by more than 4,200 teachers, which equals less than 20 pupils a class. But public funding has long been steered into the small number of schools that teach in Portuguese, leaving the quality of education in Chinese and English-language schools lagging.

"In the past, the Portuguese administration made just a few Portuguese schools the priority of the public system, and the majority of Chinese and English schools were neglected," says Chui Sai On, the incoming secretary for social affairs and culture. "This will change after the handover."

The new administration is also promising programmes to bolster English-language skills, though Portuguese and Chinese will remain the official languages.

"Should we expect the students to speak better English than the two official languages? Of course not," says Chui. "But we know that English is extremely important to Macau as an international city and we will create better conditions to encourage Macau students to learn English."

CRIME AND SECURITY

Macau's crime rate is low by international standards—violent deaths per 100,000 inhabitants in 1996-98 averaged five people

Security: Officers attend a pre-patrol briefing at the District Two Police Station.



PAUL HUI/SIGNAMENT ASIA/REVIEW

PLA GARRISON

Beijing decided only last year to deploy a military garrison in Macau, after watching crime in the enclave rise at an alarming rate. The garrison's purpose will serve both to frighten organized criminals away and as a disciplined example for the police. The garrison totals 800 soldiers, of whom probably only about 200 will be stationed in Macau itself. It is empowered to "exercise the same powers as relevant law-enforcement officials," in effect making it an auxiliary police force. The People's Liberation Army garrison in Hong Kong doesn't have such powers. Cheong Kuoc Va, the incoming secretary for security, says the garrison "will contribute to the long-term stability of Macau" by its mere presence.

THE FUTURE

Freedom. Jobs. Security. These are the hopes of Macau's youth as the enclave returns to Chinese rule after 450 years as a Portuguese colony. But what happens after the handover is also important to an Asia anxious to see whether China can manage a second modern and free enclave besides Hong Kong. Its fate will be of special interest to Taiwan, where sentiment toward reunification with China will suffer if post-1999 Macau is seen as a failure. "I want the world to pay attention to Macau at the handover," says incoming chief executive Edmund Ho. "But I'm not going to tell you that I'll be jumping up and down. We have to be sober and realistic. It will be a painful growing process." ■



Education: A Portuguese-language class at a primary school.

annually, compared with 19 in Las Vegas. However, highly publicized murders by triads have scared away tourists, particularly from neighbouring Hong Kong. Police often appear helpless to confront the crime gangs.

The new secretary for security, Cheong Kuoc Va, says "special task-force groups" comprising members from the judicial (investigative) and public-security (enforce-

ment) police forces will be formed to combat the triads after the handover. These two forces, plus the maritime police, will then be merged to improve their efficiency. Cheong adds that cooperation with police counterparts in China "will be extended to all aspects of security." Such cooperation will include joint meetings, joint training, intelligence exchange and a hot line.

The future: Macau's chief executive, Edmund Ho, warns it will be 'a painful growing process.'

