

## MACAU'S URBAN IMAGE PRODUCTION BEFORE AND AFTER THE CREDIT CRUNCH

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**ABSTRACT:** Macau is one example of a rapidly transforming city in Asia. In competition with other cities in the region, it capitalizes on its role as the only place in China where casino gambling is legalised. Since the handover of the former Portuguese enclave to the People's Republic of China (PRC), Macau has experienced various deregulations ranging from the end of its gambling monopoly, and the liberalisation of planning regulations, to the easing of travel restrictions. These liberalisations were followed by an inflow of foreign direct investments (FDI) and visitors, and eventually led to a significant change of Macau's urban landscape. Macau's urban image construction can be discussed in the context of neo-liberalism under consideration of its specific characteristics as a free port, offshore haven and "free market" which however is manipulated by casino corporations, a small local elite, and the Chinese government in Beijing. The paper investigates how changes of Macau's urban image are related to these characteristics and if the urban development after the credit crunch can have a more sustainable direction.

**KEYWORDS:** Neo-liberalism, urban image, urban transformation, offshore-urbanism, Macau, China.



**Figure 1** Macau's skyline in 2007: in the centre the Bank of China Tower (left)  
and the casino Grand Lisboa (right)  
(Photo: H. Tieben)

### 1 INTRODUCTION

In the 2005 book, *A Brief History of Neoliberalism*, urban geographer David Harvey observed the parallel appearance of neo-liberalist policies in countries as different as the United States of America and the People's Republic of China. With his comparison he also suggested an interrelation between development in these countries whilst underlining the unique characters of neo-liberalism in each of them (Harvey, 2005). The rapid transformation of the urban image of the former Portuguese enclave, Macau, analysed in this paper,

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is seen in the context of the international discussion on neo-liberalism, and occurred simultaneously with the rapid growth of other Chinese coastal cities and Dubai in the United Arab Emirates. The boom of these cities began, after the Asian Crisis, in the new millennium and culminated in the biggest meltdown of the global economy since the Great Depression. The character of the boom of Macau and Dubai recalls observations made by Susan Strange in the book *Casino Capitalism* in the 1980s, when neo-liberalism had become the dominant political ideology of governments in the USA, UK and PRC. Strange compared the behaviour of stockbrokers with that of casino gamblers (Strange, 1986). Much of the projects discussed below – gigantic casino resorts and property developments – have a similar character to the games played for maximal gains. Preconditions for the rapid growth of these cities was the availability of large sums of flexible capital from USA, Europe, Hong Kong and China; a set of facilitating legal frameworks and policies; and the willingness of investors at the top level of international banks and corporations to gamble on the success of cities which invested almost exclusively on luxurious residential properties, tourist infrastructure, and, in the case of Macau, casinos. These preconditions together with facilitating local conditions, which will be discussed below, resulted in the transformation of the tiny offshore enclave of Macau into the new World Capital of casino gambling.

This paper addresses following questions:

- How was the urban image of Macau restructured to attract international capital?
- Was the transformation of Macau related to neo-liberalist policies, which were they, and did they differ from policies in other places?
- How did the transformation affect the life of Macau's urban spaces?
- What can we expect for Macau's future after the current financial meltdown and the growing critique of neo-liberalist policies?

Macau is located at the southern coast of the People's Republic of China, around 29km west of Hong Kong. Its territory consists of the main Macau peninsula and the islands Taipa and Coloane. The two islands have, since the late 1990s, been connected by extensive land reclamation. This reclamation is today marketed as the "Cotai Strip™". The territory of Macau SAR is connected with the Chinese mainland by a northern border gate located on an old isthmus and by the new Lotus Bridge which connects the Cotai Strip with Hengqin Island, again an area of two islands connected by land reclamations. After the vast land reclamations at the end of the 1990s, Macau has a size of 29.2 sq km. On this territory live 544,200 registered residents (2nd Quarter/2009, MSAR DSEC, 2009)

In 1999, the former Portuguese enclave was handed over to the PRC, two years after Hong Kong's hand over, and became China's second Special Administrative Region (SAR). Its political status, like Hong Kong's, was organised according to the "One Country, Two Systems" policy formulated by the Chinese government.

With the introduction of the "Open Door" policy (1979) and the creation of the Zhuhai Special Economic Zones (1984), Macau's economical and political significance increased after long stagnation. For the new China, under Deng Xiaoping, it became attractive as a place through which it could absorb foreign direct investments (FDI) and international expertise, and which could become a model for unification with Taiwan. This political role influences the specific character of Macau's neo-liberalism. The pro-growth policy of its government in the new millennium was able to produce, in a short time, a recognisable financial success. However with growing negative social and environmental impact of the casino industry, the Chinese government has, since 2005, begun to pressure Macau's Chief Executive, Edmund Ho, to implement stronger economic diversification. This push for change had already happened before the global financial crisis, and is seen as a reaction to the amount of money lost by mainland gamblers in foreign casinos as well as the critique of Macau as a future model for unification with Taiwan (Lo, 2009).

When analyzing Macau's development in the context of neo-liberalist policies, foreign direct investments and city competition, it is helpful to be reminded by Peter Sloterdijk that globalisation is not a new phenomenon (Sloterdijk, 2006). Macau's recent history can be understood not only through the sudden impact of globalisation, but also by the continuously changing fortunes of a networked, centuries old, maritime city.

Macau was founded in 1557, just a few decades after the first circumnavigation in 1522. It was an early product and tool of what Sloterdijk calls the second phase of globalisation, which followed a cosmological globalisation during the time of ancient Greece. Sloterdijk defines this second phase, which began in the late 15<sup>th</sup> century, as the "nautical phase of globalisation". The competitiveness of the Western Europe compared

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with other nations, was based on their high risk, debt financed, sea expeditions.

The evolving maritime trade that followed these expeditions was risky, as its success often depended on luck which could suddenly change for the worst on an unpredictable sea. On the other hand, if successful, it could bring immediate, exceptional, wealth. The notion of this early, highly fluctuating investment environment thus becomes comparable with the risks and opportunities of the billion dollar bids by casino corporations and their stock holders on Macau's future as the only city in China with a legal casino industry.

Similarly to other Asian cities, Macau's urban image has played an important role in attracting both investment and visitors (Wu, 2003; Gaubatz, 2005). However, due to the complex economical and political goals of the actors involved, and Macau's topographical, historical, and cultural preconditions, the results of the transformation process has gained unique characteristics.

## **2 CONSTRUCTION OF MACAU'S URBAN IMAGE BEFORE CASINO LIBERALISATION**

After the handover in 1999, the formulation of Macau's urban image took a sudden turn when in 2002 the government decided not to renew the expiring gambling franchise of casino tycoon Stanley Ho. In the 1990s, the dominant trend of Macau's urban image construction was to build museums, revitalize public spaces, and erect public monuments, which underlined the continuity of Portuguese and Macanese culture under the new political condition as a Chinese Special Administrative Region. These projects aimed to establish an image of Macau as a "City of Culture" (Cheng 1999). This ideal was occasionally disturbed by shootouts between competing triad gangs, especially in the year before the handover. The investment of capital and expertise in cultural projects set the foundation for Macau's bid for the UNESCO listing of its historic centre in 2001. After revision of the application by integrating recently revitalized public spaces, the bid became successful in 2005.

While the main attention of these years was focused on cultural projects, in parallel large amounts of residential units were constructed, in a boom which peaked in 1996 just before the Asian financial crisis. During this crisis the number of new built units declined and many of them remained vacant for several years. The decline continued after the handover and reached a low in 2002 after the September 11 terrorist attacks in the United States. The turning point came in the year of gambling liberalisation. Building activities began to increase – only interrupted in 2003 by the SARS outbreak – and continued to rise until the world financial crisis in 2008.

During the UNESCO application process, the decision to liberalize the local gambling franchise shifted the main effort of urban image construction from the "City of Culture" to an "Asian Las Vegas" (Tieben, 2009), with heritage taking a backseat and used as an additional "feature" to promote property and casino projects.

Generally, the Macau Government's idea to bring in professional casino corporations from the United States and Australia was supported by Central Government. The two governments wished to end the problematic monopoly after gambling sub-licenses appeared in the hands of triad gangs. The liberalisation was also meant to help develop a more competitive international tourism industry. These aims corresponded well with China's membership to the World Trade Organization in 2001, the same year when the new gambling laws for Macau were formulated.

Previously in 1999, the Macau Government had presented a study for Macau 1999-2020 which aimed for more balanced socio-economic development (Lan, 2009). An important part of this study was a new town to be built on the newly created land reclamation, Cotai, between the islands Taipa and Coloane. With the liberalisation and the government's consequential plan for a new gambling and entertainment centre in Cotai, the plans for a new town for Macau's residents disappeared from the agenda.

Since Deng Xiaoping's introduction of the "Open Door Policy" and his leitmotiv of "getting rich is glorious", the strong linkage between politics and business found its way into official terminology. With names such as the "Shenzhen and Zhuhai Economic Zones" for the new cities of millions, or the title "Chief Executive" for the government heads of Hong Kong and Macau, there was an indication of the political goals of an efficient government striving for maximised economic growth.

In the years leading up to the handover in Macau and Hong Kong, projects were constructed which underlined the Chinese commitment to keeping a stable and growing investment environment. In both territories, the towers for the Bank of China became the most important landmarks. Due to their heights they deliberately dominated the skylines of both SAR's. In Hong Kong, the tower of the Bank of China was

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designed by American Chinese I.M. Pei with a shape composed of rising triangles highlighted by flashing white light beams, creating an image of dynamic growth. The tower of Macau's Bank of China followed a symmetrical design. Its mirror glass façades were framed by large corner stones, thus giving the bank a more heavy and solid outlook. The new tower was positioned just near the Casino Lisboa, the then aging centre of Macau's casino industry. With a height of 38 storeys the Bank of China clearly surpassed the casino and the other buildings in the city, implementing a new spatial hierarchy.

In 1996, Portuguese architect Manuel Vicente, added another tower at Macau's skyline: the tower of the World Trade Centre. The design followed the 19-storey height limitation and thus was significantly lower than the Bank of China tower. However, it caught attention with its red façade grid and the large letters "WTC" at its top. The WTC opened one year after the creation of the World Trade Organization (WTO) which Macau joined as a founding member from January 1995. According to the Director General Pascal Lamy "The World Trade Organization – the WTO – is the international organization whose primary purpose is to open trade for the benefit of all." ([www.wto.org/english/thewto\\_e/whatis\\_e/wto\\_dg\\_stat\\_e.htm](http://www.wto.org/english/thewto_e/whatis_e/wto_dg_stat_e.htm), Sept 10, 2009). Macau's World Trade Center is an example how the local promotion of the free market ideology in Asian countries can differ from the idealised views in the West (Stiglitz, 2002). In Macau, the business circle who officially promoted "free trade" was the same which long controlled Macau's economy. The General Assembly of Macau's WTC is still chaired today by the former gambling monopolist Stanley Ho Hung Sun. The mission statement of the local World Trade Centre also differs in a significant detail from the broader ideals of the World Trade Organization. It aims are: "To encourage the development of World Trade Centres and provide high quality services, products and programs for our global network of members." ([www.wtc-macau.com/introduction/index.htm](http://www.wtc-macau.com/introduction/index.htm), Sept 10, 2009).

Since 1999, Macau has set up different policies for increased economic liberalisation and the attraction of FDI. In October 1999, just before the handover, the last Portuguese Governor, Vasco Rocha Vieira, approved an Offshore Law for Macau (Decree-Law No. 58/99M) which provided for the regulation of offshore institutions, and authorisation to conduct business activities. In 2002, the Macau Trade and Investment Promotion Institute (IPIM) established the Macau Business Support Centre (MBSC) reducing start-up costs for foreign investors, enabling them to familiarise themselves with Macau's business environment and the administrative procedures (from 2001 to 2005 the number of FDI enterprises in Macau grew from 560 to 1,314). The strongest increase of FDI however, came only after the end of the 40-year casino franchise, and more precisely between 2004 and 2005, after the introduction of the Individual Visit Scheme for mainland visitors as a reaction to the SARS epidemic in 2003, and the successful opening of the first American casino, The Sands, in 2004.

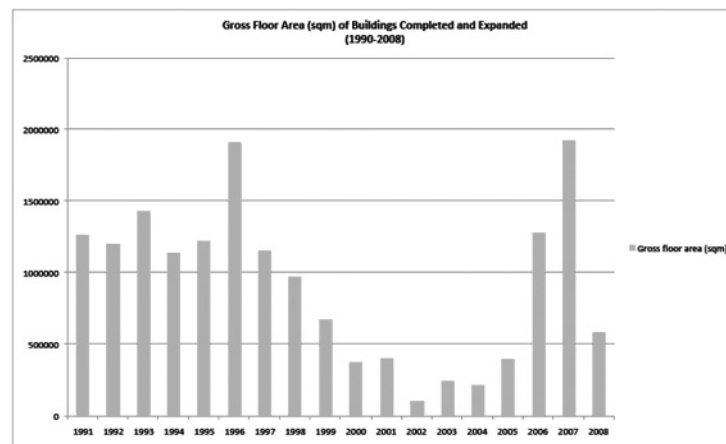
### **3 CHANGE OF MACAU'S URBAN IMAGE AFTER CASINO LIBERALISATION**

Soon after the introduction of the previously mentioned policies to liberalise Macau's market and promote economic growth, planning rules were also changed. This further boosted economic growth, and led to fundamental changes in Macau's urban image. The Bank of China Building, as the landmark of a stable economy in the region, was soon surpassed by new casino constructions. Since its establishment in 1991, the adjacent NAPE district of Macau had a height limitation of 19 storeys. This limitation was repealed at the occasion of the casino project Star World Galaxy. On its site in 1992, a 19 storey project had been approved and was then sold. The change of ownership was approved under the condition that the site would be developed within 42 months. However, after nine years nothing had happened. Then in 2001, when the Law 16/2001 for the liberalisation of the gaming industry was submitted to the Legislative Assembly, the project suddenly went ahead. The new plan for a casino with 50-storeys was directly supported by Macau's Chief Executive Edmund Ho. It was reported that for undefined reasons the 1991 height limitation had not been renewed. After protests from neighbours and problems with the foundation works on the reclaimed land, the Star World Galaxy Casino was completed in 2006 with 39-storeys, setting the stage for all further casino developments (Azevedo, 2006). The soon to follow casinos – The Wynn, Grand Lisboa, MGM Grand Macau, and Ponte 16 – were all placed on prime locations of the Macau peninsula, all in highly visible positions relative to the axes of San Ma Lo (Macau's main street) and on waterfronts. Thus this relatively small number of, albeit large, projects had a massive impact on Macau's urban image (Fig. 1/5).

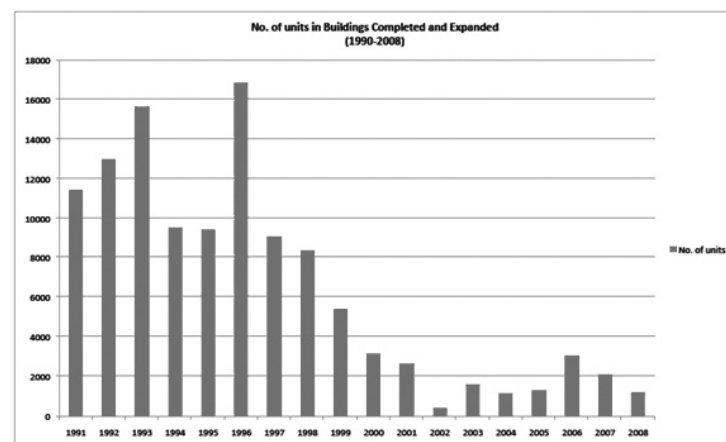
Initially, the Las Vegas casino corporations LVS and Wynn tested the Asian market in Macau with two

medium scale casinos. In 2000, due to the overly ambitious scope of his projects, Steve Wynn had lost his flagship casinos, Mirage and Bellagio, to his Las Vegas competitor MGM. In Macau, in contrast, he chose to start with a copy of his recent “come back” casino, The Wynn, which aimed to create a more intimate scale targeting the elite of the casino gamblers (Binkley, 2008). The Wynn Macau project left the option for further extension. The first phase opened in 2006, and the second phase with a higher tower, is now almost complete. An earlier envisioned project on the Cotai Strip has not yet began. Wynn’s local American competitor, the Las Vegas Sands Corporation (LVS), was the first foreign casino corporation which engaged Macau’s casino market. Highly visible, the golden glass façade of The Sands symbolised the beginning of a new era for anybody arriving at the Hong Kong-Macau Ferry Pier. With this casino, LVS made such high profits that the corporation risked a huge leap for its next step, the construction of The Venetian Macau, which at once became the world’s biggest casino. The design followed the 1999 inaugurated The Venetian in Las Vegas. Macau’s Venetian opened in August 2007 as the first operating casino on the Cotai Strip.

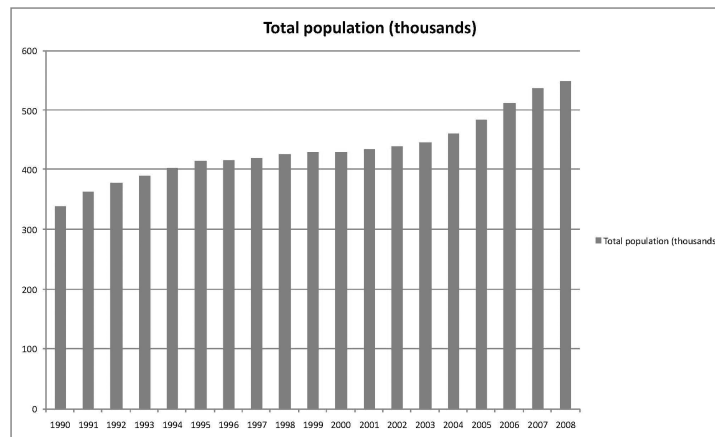
The Macau Government, after abolishing plans for a new town in Cotai, aimed to develop this area as the new entertainment and leisure centre. The government was attracted by the type of Las Vegas casinos, which offered space for a broad range of activities such as conventions, concerts, recreation and shopping, and were themselves major tourist destinations due to their spectacular scale and historical themes. According to the recommendations of a Task Force Study by the Pacific Asia Travel Association (PATA) and the Macau Government in 1994, theme parks should help to support Macau’s economy and channel some visitors away from the historic centre, helping to preserve its local heritage and life (PATA, 1994).



**Figure 2** Gross floor area of buildings completed and extended (1990-2008)  
(Source: MSAR DSEC, 2009)



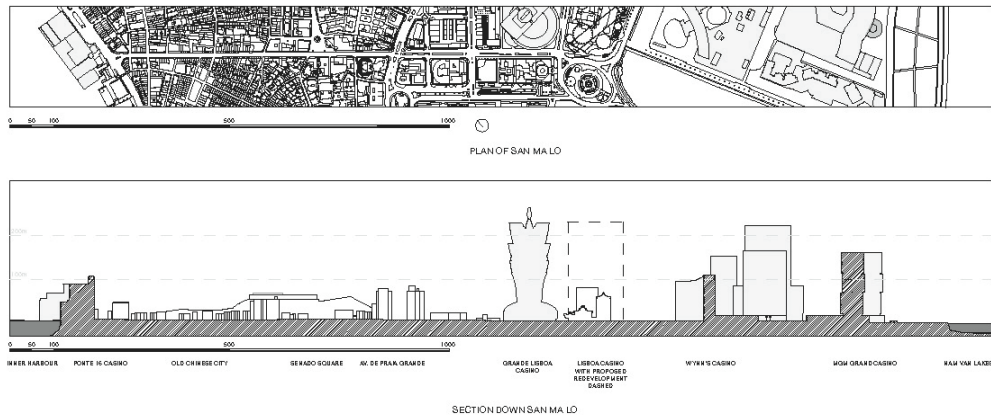
**Figure 3** Number of units in buildings completed and extended (1990-2008)  
(Source: MSAR DSEC, 2009)



**Figure 4: Macau's total population (1990-2008)**  
(Source: MSAR DSEC, 2009)

The construction boom in Macau was boosted (as in Singapore and Dubai), by an increasing supply of cheap labour by migrant workers. Many of whom stayed only temporarily in Macau. At the same time the number of Macau's registered residents also increased from 425,200 at the end of 1998 to 544,200 in the second quarter of 2009 (MSAR DSEC, 2009). One could expect that the construction of housing would have increased at the same time to accommodate the around 120,000 new residents, but the opposite occurred. While construction in Gross Floor Area (GFA) increased rapidly, the number of completed housing units remained low (Fig. 2-4). The construction boom brought new large casino resorts but only a few residential buildings, which mostly targeted the highest price segment. With the increase of the number of residents and less apartments built, the profits of property owners soared (from 2000 to 2007, prices per square meter doubled to US\$2490). In 1996, the Macau Government implemented a new immigration policy, to increase the demand of luxurious properties by starting a Realty Investment Residency Scheme. Until 2007, when the scheme was suspended, citizenship was offered to investors purchasing properties worth US\$250,000 (this figure was lowered in 2000 to US\$125,000). The new property projects after 2002, although few in number, made a stronger impact on Macau's urban image than the many units constructed before. Like the new casinos, they were placed in key positions and their completion was orchestrated with regional media campaigns. Thus they contributed to the change of the internationally perceived image of Macau as a dynamic and modern place, with standards and amenities quickly catching up with Hong Kong. As most free land was reserved for the construction of casino resorts, the situation in Macau's residential districts in the northern part of the peninsula became increasingly congested and expensive. Additionally, it is here where the new Hong Kong-Zhuhai-Macau Bridge will connect. Investors understood quickly the future potential of the area and several condominium towers are already completed.

In the six years between the liberalisation of the gambling monopoly and the financial crisis, Macau became a global tourist destination offering the most prestigious retail, hotel and casino brands. Additional promotion came in January 2007, with New York Times and Bloomberg devoting headlines to the growth of Macau's gambling revenue of US\$6.95 billion exceeding that of Las Vegas with US\$6.6 billion. Until the end of 2007, the stock of Macau's inward FDI increased by 21% to US\$7,858 million, with the major investor countries being Hong Kong (US\$4,645 million or 59% of total, up by 22%), the USA (US\$ 1,584 million or 20% of total, up by 33%), China (US\$829 million or 11% of total, up by 41%) and the EU (US\$580 million or 7.4% of total, up by 22%). These FDI were mainly in the gaming (US\$4.7 billion) and financial sectors (US\$1.6 billion). FDI for the construction industry was US\$430 million, while industrial production received US\$349 million, (MSAR DSEC, 2009).



**Figure 5** Plan and section showing the scale of the new casino constructions on both sides of San Ma Lo and the historical centre; in light grey: Completed casino constructions after 2002

Before the news of the American credit crunch, and of dramatic losses on the international stock markets, Chief Executive Edmund Ho had already made attempts to slow down the casino developments by announcing that no new casino licenses would be granted. Since 2005, the Chinese Government has recommended Macau diversify its economy. In 2006, the Macau Government experienced a serious blow, when the corruption case of the Secretary for Transport and Public Works Ao Man Long became public. The scandal showed how strongly the fast boom was related to highly corrupt land policies. It also confirmed that precious public land assets were given for the lowest prices to casino and property developers, while receiving personal bribes, and that projects had been approved which did not comply with Macau's building regulations and the general public interest in sustainable development. The case added to the anger of local workers over increasing competition from migrant workers. The anger and frustration was aired at the Labour Day demonstration in 2007 (Lo, 2008, Lo, 2009). Another blow came, when in October 2008, concerned about the amount of money spent by Chinese residents in Macau's casinos, Guangzhou's government restricted the number of visits allowed by the Individual Visit Scheme and visitor arrivals declined by 11.8 per cent from March 2008 to March 2009 (MSAR DSEC, 2009).



**Figure 6** Idle construction site at the Cotai Strip in 2009.  
(Photo H. Tieben)

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#### 4 REACTIONS TO THE WORLD FINANCIAL CRISIS

In Macau, the world financial crisis arrived with full force in November 2008, after the international stock value of casino corporations had already drastically decreased. Especially vulnerable was LVS, the fastest expanding casino corporation, with its parallel mega projects in Macau, Singapore and the United States. It halted further construction phases on the Cotai Strip adjacent to the Venetian Macau and the Four Seasons, and focussed on the completion of its Marina Bay Project in Singapore. To avoid bankruptcy, LVS had to be recapitalised by US\$2.1 billion, including US\$1 billion from its Chairman Sheldon Adelson. To cut costs, it laid off, in a single day, around 10,000 construction workers, including 4,000 from Hong Kong, 4,000 from the mainland, and 2,000 from Macau (Lo, 2008). From January 2007, the number of officially registered non-resident workers had increased from 66,769 to a peak of 104,281 in September 2008 and decreased then to 83,616 in June 2009. Migrant workers who had lost their jobs had to return home at a time when there were few job opportunities to return to. Many of Macau's upscale property projects were tailored to attract well paid expatriates in the management of the new casino resorts, however with the crisis many expatriates had to leave Macau. Those who were fired were forced to leave the territory within days despite the challenge of searching not only for a new job but also schools for their children, and buyers for their newly acquired homes. Dreams of a career in the boom town Macau turned into a nightmare. Attracted by Macau's new dynamic image and slogans such as "In a world of difference, the difference is Macau", foreign workers realised that in the moment of crisis the Macau Government concentrated on its long neglected residents fearing an boiling over of their frustration. To calm local sentiments the government reacted with investments in its social security net by providing more housing subsidies, by distributing "candies" to all members of the society, and by offering better loans to small and medium enterprises hurt by the global downturn (Lo, 2009).

In parallel, it promised to extend infrastructure projects such as the LRT (light rail transport system). A second line was proposed which finally reached into the areas where local residents live. The first proposed line will connect mainly the northern border gate, the casinos, and the international airport. However, the planning of infrastructure projects to cope with the fast increasing traffic were long promised but not executed, in contrast to Hong Kong where an efficient mass transport system has operated for more than three decades. Macau, instead, had invested during the 1990s in bridges and streets encouraging individual car traffic. Seeing its model for the unification with Taiwan at stake, the Chinese government pushed forward several initiatives. The project of the Hong Kong-Zhuhai-Macau Bridge, which already was proposed by developer & engineer Gordon Wu in the 1980s (Sayer, 2006), now seems close to realisation. The Chinese government also encouraged better collaboration among the cities in the region with: (1) the Regional Cooperation Conference (PPRD) aiming to provide exchange and co-operation for local and global venture capital, and (2) the Closer Economic Partnership Arrangement (CEPA) between the PRC and the Special Administrative Regions Hong Kong and Macau. Both platforms were already established, but due to the new scale of challenges the willingness of the cities to cooperate on these platforms increased.

In January 2009, Chinese Vice President Xi Jinping visited Macau. Instead of promising an end to the new restrictions of the Individual Visitor Scheme, he reiterated the importance for Macau to diversify its economy.

In June 2009, the Standing Committee of the eleventh National People's Congress (NPC) passed a bill to give Macau jurisdiction over a new campus for the University of Macau on Hengqin Island. This campus will cover approximately one square kilometre and will be connected with Macau via tunnel, enabling 24 hour commuting without crossing the border checkpoint ([um2.umac.mo/apps/pr/press-release.nsf/press-releases/20090627-001-3](http://um2.umac.mo/apps/pr/press-release.nsf/press-releases/20090627-001-3)).

This gift from the Chinese government is an important opportunity for a new direction in Macau's development. Since the casino boom, students opted to quit their university education to work in one of the many Western casinos, or worked full-time in the casinos with study in their free time. The new investment in education will help to change Macau's image again and create new job opportunities. The decision was also a clear signal against the extension of the casino industry at Cotai on the adjacent territory of Hengqin Island. Over the past few years, several casino developers have unsuccessfully made such proposals. The plans for the new campus on Chinese territory will not be made in Macau but, under supervision of the Chinese government, in Beijing.

While Macau's economy after the crisis is on the way to recovery, the future of the Cotai Strip still



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remains unclear. Most investors are reluctant to start projects here. The development is further slowed as all projects approved under Ex-Secretary for Transport and Public Works Ao Man Long are being scrutinised by corruption investigations. This delay makes operation more difficult for The Venetian Macau and Cities of Dreams which have already opened at the Cotai Strip and find themselves surrounded by vast deserted construction sites (Fig. 6). The completion of the promised light rail is still along way off, and as of writing it has not yet been started.

However, other voices, such as Macau's Cultural Institute see the crisis as a good opportunity at the right time. After the region was caught by surprise over the vast impact of the construction boom, and following the casino liberalisation, it now sees an opportunity to update Macau's legal and planning framework to cope in the future. In this context, a new heritage law is currently under way which will introduce, among other things, impact assessments for large scale developments and a platform for cooperation between different governmental departments.

## **5 NEOLIBERALISM WITH 'MACANESE CHARACTERISTICS'**

The idea to open Macau's market to American and Australian casino corporations was initially considered by the Central Government as an option to clean up the local casino industry as well as develop an internationally competitive tourism industry. This aim was partly successful as the new generation of casinos introduced new professional standards in design and management, and created new international tourist attractions. However, "liberalisation" meant mainly to invite a small number of the world's biggest casino corporations.

The economic and urban development of Macau continues to remain strongly influenced by the gambling industry, even although there are now several competitors. Political influence surfaces in situations of important decisions such as regarding the controversial Article 23 or the election of the new Chief Executive. In these situations, local casino tycoons discourage humble steps towards democratisation with the arguments that they could endanger economic growth and the relationship to the Mainland. A typical example of the this political culture is the comment of Stanley Ho Hung-sung on the election of the new Chief Executive Fernando Chui Sai, who will take office in December 19, 2009: "More than 280 people believe he should be the chief executive. Those who made the mistake [of voting blank] won't be able to sleep. They won't feel comfortable with what they did" (Ian & Nunes, 2009). These 14 voters had made blank votes in an election with a single candidate.

Currently, Macau's newspapers is printing stories on the family relations of the elected Chief Executive. Through his marriage with Winnie Fok, Chui is closely related to the family of Hong Kong's tycoon Henry Fok. Before his dead in 2006, the tycoon served as Vice-Chairman of the Chinese People's Political Consultative Conference National Committee and was one of the first Hong Kong investors who used the "Open Door" into the Chinese market. In 1962, he was the key figure behind the successful bid for Macau's gambling franchise, which he made together with Stanley Ho, Yip Hon, and Teddy Yip.

During the boom years, Chief Executive Edmund Ho concentrated his effort on the promotion of economic growth, allowing tycoons and casino corporations to make exceptional profits. At the same time, his government profited from higher tax revenues paid by the casino industry. These profits were made by selling precious land resources at bargain prices. This is in a city which, according to a comparison of the American magazine *Forbes* in 2006, is one of the ten most congested cities of the world. With these low land prices, Macau could compete, particularly with Hong Kong, where the revenue of the government depends on land auctions leading to exorbitant land prices. The Macau Government could adopt this strategy as it could increase the tax revenue through record gains in the casino industry. Between 2004 to 2007, tax revenue paid by the gambling industry increased from US\$1.908 billion to US\$3.877 billion. This gave the government a solid financial base to cushion the impacts of the world financial crisis while LVS (and its stock holders) had to take the high risks of its ambitious projects on its own. The other side of this economic growth was: (1) a continuous dependence of the government on the casino industry; (2) the problematic social impact of casino gambling such as gambling addiction or organized crime; (3) the loss of valuable land resources; (4) the impact on local residents through increased congestion, pollution, and a reduced, more costly living space; and (5) the problematic situation of migrant workers which fuelled the fast growth, but due to Macau's strict border regime can be easily dismissed at any time.

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## 6 A VIEW INTO THE FUTURE

As previously mentioned, an important factor for Macau's specific character of neo-liberalism comes from Macau's role as model for unification with Taiwan. Despite the official policy of "One Country, Two Systems," the Chinese government has repeatedly intervened in Macau's affairs, especially when it feared that the rapid development and growing influence of the American casino industry could endanger its political goals. However, these interventions, together with pushing for the acceptance of Article 23 and the denials of entry of international scholars and journalists to Macau, raise questions about the success of the model, especially if it comes with unsustainable growth and reduced civil rights. The gift of new land for a University Campus is made to improve the image of the role of the Chinese government. The position of Macau as the gambling capital will require the constant upgrading of its facilities. It will need to cope with rising competitors such as Singapore, Malaysia and possibly Taiwan. A view to Las Vegas shows the short life span of its casinos, which often close after a few years and have to make way for new construction. In continuation with its maritime colonial past, Macau will remain dependant on an unpredictable fortune and decisions made beyond its borders.

In July 2009, Taiwan officials in the outlying archipelago of Penghu County announced a massive resort-casino with investment of at least \$910 million if local voters approve a gambling referendum (Reuters, July 22, 2009). Over the last few years most casino corporations have already sent representatives to the archipelago to consider it as a viable alternative to Macau and Singapore. In July 2009, Penghu began a four-month programme with the former Chinese capital Nanjing, allowing Chinese visitors to receive landing visas on arrival (Hirsch, 2009). The only obstacle for the start of construction is the right of the local residents to vote about the introduction of a casino industry in their neighbourhood. This case also shows the ambivalent role of the Chinese government which criticises Macau's focus on casino gambling, while approving flights from Nanjing to Taiwan in the interests of improving its image.

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