

WHO ACTUALLY RULES MACAO?

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Executive Summary

Interest groups occupy a central position in Macao politics. The three big interest groups (Chinese General Chamber of Commerce, Federation of Labour Unions, and Neighbourhood Association) have taken over most of the seats in the Executive Council (the highest decision-making body of the Macao government) and Legislative Assembly.

The dominance of interest groups in Macao's political landscape is due to several factors. During the colonial era, they were entrusted by Beijing to monitor the colonial government. The colonial government relied on them for providing social services. After the handover of sovereignty in 1999, interest groups' close connection with Beijing and their right to elect the Chief Executive (the head of government) and their ability to mobilize the people to participate in political events entrench their position.

The relationship between interest groups and the Macao government is reciprocal. The Macao government needs the political support of interest groups who in turn rely on the government for business opportunities and subsidies to enhance their support bases. Examples of these business opportunities include gambling loan, land use, and the import of labour.

Before 2004, the government turned a deaf ear to activities related to illegal gambling loan which were under the control of interest groups' leaders. In 2004, the restrictions on gambling loans were lifted under a new law which, however, was unable to eradicate the ill practices of debt collection.

Land use policy is also favourable to interest groups' leaders. They can acquire land at below market price and change land use without paying much premium.

In the import of labour, while many applications from small businesses without connection with major interest groups and government have been rejected, businesses of major interest group leaders have been assigned extra import quota for resale.

Many interest groups are also able to get subsidies from the government to expand their support bases. Regulations on subsidy application of interest groups are very loose. As a result, the total subsidies that interest groups receive may be several times more than budgeted. Squandering and overspending are therefore common.