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**CARMEN AMADO MENDES, JOSÉ LUÍS SALES MARQUES,
JOSÉ CARLOS MATIAS, DANIEL CARDOSO, PETRAS
SHELTON ZUMPARO, HELENA RODRIGUES**

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FORMULA: THE ROLE OF MACAU IN CHINA’S
RELATIONS WITH THE EUROPEAN UNION AND THE
PORTUGUESE SPEAKING COUNTRIES**

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Correspondência:
Apartado 3087
3001-401 COIMBRA, Portugal

Carmen Amado Mendes, José Luís Sales Marques, José Carlos Matias, Daniel Cardoso, Petras Shelton Zumpano, Helena Rodrigues¹

Centro de Estudos Sociais, Universidade de Coimbra

Assessing the “One Country, Two Systems” Formula: The role of Macau in China’s Relations with the European Union and the Portuguese Speaking Countries

Abstract: Since the handover in 1999, Macau has arguably been erased from the Portuguese political agenda, but it has assumed an unexpected role in Chinese foreign policy, as a bridge between the People’s Republic of China and two big political blocs: the Portuguese-speaking countries and the European Union. This working paper aims at analysing the reasons underlying this fact. To do so, the analysis will focus on Macau’s external role and on its evolution within the framework of the “one country, two systems” formula since 1999. The paper will discuss if Macau enjoys some autonomy in its external relations or if it is only one of the parts of China’s broader international strategy whose main goal is to achieve economic development.

Key-words: Macau, China, European Union, Portuguese Speaking Countries, “one country, two systems”.

1. Introduction

The role of the Macau Special Administrative Region (MSAR) in China’s foreign policy has not, to this date, received a great deal of scholarly attention. Research on the importance of Macau in the relationship between the People’s Republic of China (PRC) and the Portuguese Speaking Countries (Angola, Cape Verde, Guinea-Bissau, Mozambique, Sao Tome and Principe, Timor, Brazil and Portugal) and on Sino-European relations are practically inexistent. This working paper is the first outcome of a project that attempts to fill that gap. The assessment of the external relations dimension of the formula “one country, two systems” is based on the examination of these two significant relationships and on case studies.

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It is argued that China has selectively integrated the MSAR in its foreign policy, using the specificities of this region to approach the two groups of countries mentioned above. The way China has dealt with the integration of Macau emphasizes the strong pragmatic dimension of its foreign policy, successfully integrating a territory with a considerably different political organisation from the mainland while maintaining and capitalizing on its unique features. The PRC has broadened its network of international contacts and partnerships in order to fulfil one of its major goals: economic development. This context stimulated the role of Macau in the foreign policy of the central government with special focus on strengthening relations with three strategic areas: Europe, Africa and Latin-America. Beijing has indicated through its policy decisions that these regions are believed to be elements of a multipolar or omnidirectional international strategy, as well as important alternatives to the complex bilateral relation with the United States of America (USA).

Wai-man Lam (2010) identifies in Macau an explicit governmental goal of promoting a sense of hybridity and globalism, by emphasising the contemporary role of Portugal in narratives of local history. Rather than allowing Macau's coloniality to be forgotten, residents and visitors are reminded of it. Conceptualized within the framework of "one country, two systems" the MSAR government has devised policies that highlight Western-Chinese hybridity and the simultaneous coexistence of Chineseness and sovereignty (one country) with internationalism and economic exceptionalism (a second system). However, Lam (2010: 659) argues that in official discourse and policy this exceptionalism is stressed primarily in its economic aspects and that the government has given priority to economic strategies when it comes to Macau's identity reconstruction.

The Forum for Economic and Commercial Cooperation between China and Portuguese Speaking Countries, or Macau Forum (it is based in Macau), is an instrument of both identity reconstruction, or cultural governance, and economic expansion, given that it facilitates the government's goal of promoting internationalism and relations with countries in Europe, Africa and Latin America that have historical links to Macau and China. Although economic interests are officially at the forefront of the Macau Forum, the institution is also the result of a political and cultural agreement of all the member states.

This paper intends to shed some light on the dynamics between the foreign relations of a nation-state actor (China) and the external relations of a sub-national unit

(Macau). With this purpose, the institutional framework created to support these relations between a nation-state and an autonomous region will be analysed. Moreover, the active role played by Macau raises questions about the contemporary nature of “paradiplomacy”, “low politics”, “second line” relations and “track II” diplomacy (at a regional and municipal level). The multilayered and multi-level dimension of China’s foreign policy and pre-existing strategies towards the Portuguese Speaking Countries (PSC) and the European Union (EU) will also be taken into consideration.

2. Conceptual approaches to Macau’s external role: paradiplomacy, multilayered and soft power diplomacy

a) Paradiplomacy

Whereas diplomatic relations are carried out exclusively by sovereign nation-states, via Central Governments, the concept of external relations is broader, encompassing non-sovereign entities.

By paradiplomacy this paper means the external relations of subnational Non-Central Government (NCG) actors. Since the early 1980s, scholars have been debating on how to clarify the meaning of this “neologism”. Paradiplomacy became a buzz word applied to different actors: autonomous regions, federated states, non-autonomous provinces or even municipal units. Moreover, it is used to describe several types of external contacts: between a NCG and foreign nation-states, transborder regional diplomacy or between non-contiguous subnational units (Duchaek, 1986). In any of these situations, contrary to state diplomacy, which is focused on pursuing “a defined state interest in the international arena”, paradiplomacy “is more functionally specific and targeted, often opportunistic and experimental” (Keating, 1999: 4). Other authors reject the concept of paradiplomacy. According to Iñaki Aguirre (1989: 205) it does not make much sense to use “paradiplomacy to characterize the international involvement of NCG, as their activities are not a parallel form of diplomacy”. He believes “the international involvement of NCGs could much more properly be labelled postdiplomatic, because it is a process that moves beyond the nation-state, that is, beyond diplomacy”.

In the case of Macau, this paper follows the concept of paradiplomacy defined by Bartmann (2006: 544) as “the outreach of non-sovereign jurisdictions to actors beyond

their own borders and the frontiers of their metropolitan relationships or claimant states”. In most cases, surely in the situation of Macau, the rise of paradiplomacy does not imply the weakening of the nation-state as the ultimate bearer of sovereignty. It often illustrates the tendency of nation-states to endow NCGs a role in certain fields, frequently regarded as “low politics”. Therefore, “paradiplomacy is, at best, a competence devolved to autonomous entities and hence it is the sovereign state that decides how much of its power it shares” (Wolff, 2007: 13). Moreover, this phenomenon often increases the power of nation-states, as they make use of regional features to deepen their linkages with external partners, in a multilayered diplomatic approach as noted by La Palombara (as quoted in Hocking, 1993: 19).

Surely there may be negative implications for national diplomacy for the NCG external relations activities, which may be a harmful derogation of national prerogatives and a menace to the unity and coherence of the nation-state’s foreign affairs. However, Macau’s paradiplomacy allows a “positive” evaluation, since it is a contribution to “rationalise foreign policy in the context of an ever-growing complex world as NCGs can clearly promote their interests but in accordance with central governments, share costs and pool resources with central governments and complement foreign policy” (Neves, 2002: 60).

b) China’s multilayered and soft power diplomacy

Going beyond paradiplomacy, Brian Hocking (1993: 26) prefers to delve into the concept of multilayered diplomacy, a notion that tends to look at NCGs as actors that exert their external activities in tandem with the Central Governments’ policies and indeed as an expansion of classical foreign policy. Thus, NCGs external relations are regarded in most cases as part of a multilayered comprehensive strategy of foreign policy that simultaneously localises foreign policy and internationalises domestic issues. As noted by Chen Zhimin (2005: 6), subnational governments “are pulled by forces beyond national borders and pushed by national governments to play a more visible role in foreign affairs”.

Since the mid 1990s, China began a shift in its strategy and behaviour as a player in the International System. During the last 15 years, Beijing has been pursuing a multi-level and sophisticated diplomacy, strengthening bilateral and multilateral linkages worldwide.

China has also been in the forefront of other new multilateral arrangements such as the Asia-Europe Meeting (ASEM), launched in 1996, gathering seven ASEAN countries, China, Japan, South Korea and the EU member states and set up strategic partnerships and developed networks of multi-level dialogue with the world major powers, including Russia, the USA and the EU.

In the several multilateral mechanisms, Beijing has a flexible approach and understanding of multilateralism, with differentiated objectives for each mechanism. Yong Deng (2008: 233-7) underlines three main goals pursued by China in its multilateral ventures, especially in what concerns the developing world: first, to promote social and economic development at home; second, as a way to undermine the "China Threat" theories and allow the international recognition of China as a "responsible great power". The third goal is to restrain "potential hostile powers and gain[ing] initiative in shaping the international environment" (Deng, 2008: 237). Joshua Kurlantzick (2007) describes China's stance in world affairs and informal diplomatic initiatives as a "Charm Offensive". Based on Joseph Nye's soft power, Kurlantzick broadens this concept, including formal diplomacy and investments as instruments of China's soft power in this "Charm Offensive". Following Nye (2004: 5), "soft power is more than just persuasion or the ability to move people by argument, though that is an important part of it. It is also the ability to attract, and attraction often leads to acquiescence. It is leading by example and attracting others to do what you want". China's soft power has been unleashed in multiple ways, anchored in "win-win" game rhetoric and in the promotion of Chinese language and culture worldwide.

China's charm offensive in the 2000s coincided with the decline of the USA. The Chinese strategy was intensified and Chinese officials in their discourse promoted the concept of Peaceful Rise, later reframed and altered to Peaceful Development because of the potentially pejorative impact of the word "Rise". However, what is behind this strategy of disseminating soft power? Kurlantzick believes the Chinese leadership decided to promote a peaceful rise in recognition of their relatively fragile hard power and probable failure if a tougher stance were adopted (2007: 38).

Macau's external role can be analysed under the scope of these three conceptual tools: paradiplomacy, multilayered diplomacy and soft power diplomacy. The analysis of the evolution of international steps of Macau will help to show the utility and limitations of each of these tools.

3. Macau’s External Relations Framework

During the first ten years as China’s SAR, Macau has been playing a relatively low-profile but complementary role in the overall Chinese foreign policy. The end of Macau’s colonial era was an outcome of a shared willingness of Portugal and China. Similarly to the case of Hong Kong, the retrocession of Macau as a SAR was also possible according to the “one country, two systems” principle outlined by Deng Xiaoping and introduced as article 31 in the Constitution (Constitution of the PRC, 1982). As stated in section 7 and chap. VIII of annex I of the Joint Declaration, Macau enjoys a “high degree of autonomy except in foreign and defence affairs which are the responsibilities of the Central People's Government” (Joint Declaration, 1995). According to article 136 of the Basic Law of Macau (Basic Law, 1993), the SAR:

[...] may, on its own, using the name "Macao, China", maintain and develop relations and conclude and implement agreements with foreign states and regions and relevant international organizations in the appropriate fields, including the economic, trade, financial and monetary, shipping, communications, tourism, cultural, science and technology, and sports fields.

The Basic Law of Macau (MBL) also allows the establishment of MSAR official and semi-official economic and trade missions in foreign countries. Compared to other NCGs, Macau benefits legally from a clear framework on the specific areas where the Region can develop its own external relations. Indeed, in terms of external relations, the cases of Macau and Hong Kong have different features from other autonomous regions, not only because of the unique legal and political nature of a SAR, but also because of the colonial past and the previous paradiplomatic activities developed under Portugal and the United Kingdom (UK). Article 13 of the MBL states that:

The Central People's Government shall be responsible for the foreign affairs relating to the Macau Special Administrative Region.

The Ministry of Foreign Affairs of the People's Republic of China shall establish an office in Macau to deal with foreign affairs.

The Central People's Government authorizes the Macau Special Administrative Region to conduct relevant external affairs, on its own, in accordance with this Law.

In addition, Macau may set up bilateral linkages with other nations or territories and take part in international organisations and multinational treaties under the name “Macau, China” in the fields of commerce, trade, finance, aviation, communication,

tourism, culture, technology and sport. Despite the apparent clear-cut “division of labour” between the Chinese central government and the SAR authorities in what concerns external relations, reality shows a more complex scenario. Discussing Hong Kong’s external autonomy, Mushkat (2006) underscores the ambiguity of the formal distinction, made in the Basic Laws of the SARs, between foreign affairs and external affairs. The former refers to official diplomatic relations, which are monopolised by the Central People’s Government (CPG), while the latter corresponds to those areas in which autonomy to interact with international actors is granted to the SARs. For Mushkat, one of the crucial issues is that, sometimes, Hong Kong Special Administrative Region (HKSAR) representatives take part in delegations of the PRC government, blurring the distinction between foreign and external relations. However, he is categorical in conceding that the scope of autonomy enjoyed by the SARs in the external arena is quite comprehensive.

Attempting to address these issues of ambiguity and autonomy, our intention is to measure the extent to which the MSAR government a) influences high-politics or foreign relations b) exercises true autonomy in external relations, and c) is directly involved in the management and development of the Forum. These are all indicators of how the “one country, two systems” formula works with regards to external affairs. Furthermore, an analysis of the policy formulation process that led to the establishment of the Macau Forum can also shed light on the overall functioning of the formula.

The scope of this working paper falls short of including how the “one country, two systems” policies work in terms of domestic affairs. Going beyond the literal meaning of the provisions outlined in the Joint Declaration and the Basic Law, Miguel Santos Neves (2002) argues that Macau (and Hong Kong) has a four-tier external relations structure. The Policy Formulation tier is a positive area of autonomy, in the sense that it is conducted in articulation with the Chinese central strategy for relations with foreign countries. The second tier is related to article 136 of MBL, which enables Macau to develop relations and sign agreements with external countries, territories and international organisations in fields other than defence and high politics. The third tier denotes a restrictive autonomy, referring to agreements and pacts where specific authorisation from Beijing is requested. This is the case of, for example, visa exemption matters. The fourth tier is clearly the negative area of autonomy. These issues are dealt entirely by the Central Government.

As of December 31st 2009, 78 nations had established consular services in Macau, most of which have their headquarters in Hong Kong (Macau Government, 2010). Portugal, Angola and the Philippines have established a Consulate-General in the SAR. In addition, over 11 years after the handover, Macau has signed 62 bilateral treaties, while the People’s Republic of China has inked 11 treaties concerning diplomatic and consular issues that are applied to the MSAR (Macau Government, 2011). Furthermore, Macau enjoys independent status in 13 intergovernmental organisations. Macau joined most of these organisations in the 1990s. The territory joined the Asia and Pacific Group on Money Laundering, in 2001, as MSAR (Office of the Commissioner of the Ministry of Foreign Affairs of the People's Republic of China in the Macau Special Administrative Region, 2011).

During its first decade, the MSAR focused its external relations strategy in three regions or groups of countries: the EU, the PSC and Southeast Asia. This is shown by the ministerial-level visits to the SAR and by the overseas visits of the Chief Executive of Macau. By the end of his 10 years mandate, Edmund Ho had been to Portugal and to the headquarters of the European Commission in Brussels twice, namely in 2000 and 2006. This was a signal of willingness to maintain a good relation with the former foreign metropolitan administration and with the EU. In addition, he also visited Germany, the top European powerhouse, in 2004. Macau and the EU hold regular high-level contacts and have been cooperating in several fields (Neves and Bridges, 2000; Marques, 2009). The relationship with the EU is based on the “Agreement for Trade and Cooperation between the European Economic Community and Macau” signed in Luxemburg on June 15th 1992.

Chief Executive Chui Sai On, who took office in December 2009, followed the footsteps of his predecessor. The first official visit overseas was to Portugal, in June 2010. Zeng Lingliang underlines that the quality of Macau’s “actorness” in the international system, which is bestowed by the CPG, doesn’t hamper in any way the scope of action of the sovereign policy. On the contrary, it supplements and enhances China’s status in the global arena (Zeng, 2009). This statement clearly understands Macau as a part of China’s multilayered international strategy.

a) The internationalisation of Macau: Gaming, beyond gaming

Before the handover, doubts were cast on the SAR’s international status, as the territory was a “small economy with no specific role either in the world economy or in the

regional one” (Neves, 1998). Whereas Hong Kong was already a first class world financial hub, Macau’s international dimension was perceived as mostly historical and symbolical. Thus, Neves anticipated that Macau would need “even more than Hong Kong to develop formal external relations”.

Nevertheless, one cannot neglect the historical economic and cultural relations between Macau and the former Portuguese colonial Empire and Southeast Asia. Macau was one of the first city-states to take part in the first wave of globalisation that began in the 16th century and has a long history of relations with the other former Portuguese colonies. It was the first European port in Asia in the 16th century and, for over two centuries, was the hub of the East Asia-South Asia-Africa trade. In the 1950s and 1960s, aiming to boost Macau’s industrial sector, the Portuguese Administration promoted trade with African colonies. The local industrialists, mostly from the textile and garment sector, benefited from duty-free policies. As a consequence, Angola and Mozambique, Africa’s most important Portuguese colonies, became major destinations for Macau’s exports.

In the 1970s and 1980s, Lusophone Africa lost its place as a major trade partner of Macau following independence and subsequent civil wars. In addition, the European Economic Community (EEC) became a more attractive market, as Macau profited from the Multi-Fibre Agreement (Marques, 2006). At a different level, during the last decade before the handover, Macau developed ties with other Lusophone cities, at a municipal level, through sister cities agreements and by taking part in the Union of Portuguese Speaking Capital Cities (UCCLA).

After the handover, on December 20th 1999, local authorities kept an initially very prudent approach to external relations but, gradually, Beijing’s masterplan for the newly created SAR was unravelled. Macau would be a leading world gaming hub and would play the role of a platform for China’s linkages with the PSC.

b) Macau Forum: a “sophisticated” mechanism

From 2003 onwards, the PSC emerged as the most important asset of Macau’s external linkages, as the Chinese government launched a new initiative, with unique features, in the realm of China’s foreign relations. That year, the Macau Forum was created as a new instrument to deepen and widen the linkages between China and the Lusophone nations (except Sao Tome and Principe which is an observer). The Chinese authorities decided that Macau should not only host the ministerial meetings of the Forum, but also

the Permanent Secretariat. Interestingly, the Forum is under China’s Ministry of Commerce and not under the umbrella of the Ministry of Foreign Affairs. This indicates the scope of the Forum and the role that the Central People’s Government wants Macau to play in the PRC’s foreign relations.

The Portuguese Speaking nations have a forum of their own, the Community of Portuguese Speaking Countries (*Comunidade dos Países de Língua Portuguesa – CPLP*) established in 1996. But China’s multilateral dialogue framework bypassed this organisation. There are two main reasons why Beijing did so. Firstly, Sao Tome and Principe has diplomatic ties with Taiwan. Hence, it was not possible to have a China-CPLP forum. What’s more, China would always prefer to create a new mechanism that would be born as a Chinese initiative. This was the case of the FOCAC and it is the situation of the Macau Forum. It is true that Beijing has dialogue frameworks with the EU and ASEAN, but those organisations are of different nature and importance compared to the CPLP.

The Macau Forum is a novelty in international relations, in so far as it gathered an emerging world power and a group of countries that share the same official language. Unlike other powers who have engaged in close relations with particular CPLP countries – but had little or no interaction with other members – China not only connects with the various CPLP nations on a bilateral basis but also as a group, as underlined by Loro Horta and Ian Storey (2006).

The Macau Forum once more shows the multifaceted approach of China to world affairs and Beijing’s flexibility and sophistication. The Macau Forum’s unique nature is also due to the fact that it was established in this SAR, which is itself a new kind of polity.

The FOCAC demonstrated that summitry is a good way to diffuse potential adversities in a multilateral meeting and enables China to emerge as a responsible and generous partner that symbolically brings all the countries on the stage at the same level. The Macau Forum makes similar contributions. This multilateral dimension is a new diplomatic layer that works alongside bilateral relations. It is worth noting that China is always the host and the propeller of the Forum. Multilateral diplomacy, especially when it is regarded as a Chinese initiative, allows China to be recognised as a responsible great power. The Forum reinforces Macau’s distinctiveness and gives it another international dimension besides being as it has been labelled repeatedly: Asia’s Las Vegas. As stated by Moisés Silva Fernandes (quoted in Matias, 2008), “The Forum

reinforces the autonomy and uniqueness of Macau vis-à-vis Guangdong and Hong Kong”. This has been indeed an opportunity for Macau to develop and explore its paradiplomacy, in articulation with Beijing.

The Macau Forum is not only the sum of previous bilateral relations, but itself a new impulse, with some value added. Moreover, to generate a common agenda for Sino-Lusophone development, the Macau Forum also creates a sort of regime, in the sense put forward by Kratochwil and Ruggie (1986), which has in addition to regulatory purposes a constitutive dimension. Not a large-scale institutionalised international regime, but a lightweight and flexible para-regime, able to exhale effectively China’s soft power.

The effects of this para-regime transcend what it is actually built and done under the auspices of the Macau Forum and what it represents is equally important. Despite the low level of institutionalisation, by using a multilateral institutional mechanism and by bumping up the ideas of Sino-Lusophone win-win partnership and Macau as a Platform, China is instilling a looming narrative. Here, ideas and interests walk hand in hand. The ideational dimension crossed with the institutional encounters and the private sector and civil society meetings constitute a relevant inter-subjective dimension that reduces the cultural and symbolic gap between China and the Lusophone countries. The Macau Forum corroborates what Johnston (2008) has argued about China’s involvement in multilateral *fora*, i.e. socialisation in international institutions changes policy makers’ perceptions of the international system and outlook on world politics and business. The same could be said about the representatives of the PSC working within the Forum. Cultural or ideological difference and distance is reduced, facilitating cooperation.

All in all, China’s motives for developing the Forum are about power. Mutual benefits in a “win-win” situation can bring about a bolder power projection. China emerges from this process as a reliable and responsible partner, and paves the way for keener political support from these countries in the international system. Macau, as the host of the Forum, projects an external relations identity and is portrayed as an important complement to China’s strategy towards the PSCs.

Simultaneously, this has been a kind of laboratory for the paradiplomacy activities of the MSAR in the context of the principle “one country, two systems”. The Macau Forum is clearly under the first tier of Neves’ external relations framework as it is an example of Policy Formulation: long term definition of objectives and priorities in

articulation with China's foreign policy. However, how proactive Macau has been in Policy Formulation and how the SAR has been able to uphold its own agenda within the broader strategy of the PRC remains uncertain. These matters require further investigation. Moreover, as the Forum has to be understood in the light of China's emergence as the world's number two powerhouse and global actor, the question of how much of the Forum is just part of China's multilayered diplomacy and what's left for Macau's paradiplomacy also remains unanswered.

4. Cooperation between China and Africa, Latin America and the EU

After having discussed the conceptual approaches to the external role of Macau and after having analysed the external role of Macau, this paper will focus, in this part, on the impact of this SAR's relations with Africa, Latin America and the EU. The goal is to frame the role of Macau in the broader context of China's relations with these regions and actors.

a) China, Africa and Latin America

Always based on the official rhetoric of "Five Principles of Peaceful Coexistence": (1) mutual respect for territorial integrity and sovereignty, (2) mutual non-aggression, (3) non-interference in each other's internal affairs, (4) equality and mutual benefit, and (5) peaceful coexistence, China shifted its approach to the developing world, especially towards Africa, from one based on ideological rhetoric to a rather pragmatic behaviour. As Joshua Eisenman (2007: 33) puts it, "Today Mao's Red Book has been replaced by a balance sheet".

After the end of the Cold War, Beijing abandoned an eminently ideological approach to focus on economic interests and its need for raw materials. Officially Beijing considers cooperation and partnership with African nations a key element of the government's foreign policy. According to China's African Policy paper (Ministry of Foreign Affairs of the PRC, 2006) "sincerity, equality and mutual benefit, solidarity and common development, these are the principles guiding China-Africa exchange and cooperation and the driving force to lasting China-Africa relations". Chinese relations with Africa have during this decade become wider, deeper and more complex. The thrust of Chinese policy towards African nations stems from an urgent need not only of energy resources, such as oil, but as well of several types of raw materials which are essential to feed the hunger of the Chinese economy. We could sum up China's

approach as follows: African countries sell China raw materials and China exports manufactured goods. The result has been the growth of an unfavourable trade balance for many African nations.

Chinese diplomacy has been very serious in elevating its profile in the African continent and in celebrating a new era in Sino-African relations through summitry. The FOCAC, a new multilateral instrument launched by the Chinese government, became a working symbol of the ever-closer relationship. FOCAC ministerial conferences are convened alternately in China and in Africa. Since 2000, five meetings were held.

Although mineral and natural resources play a very important role in China's approach to Africa, it would be overly simplistic to focus analysis exclusively on energy resources. Eisenman (2007) underscores the importance of other factors behind the Chinese "passion" for Africa, such as looking for political support, to boost Beijing's influence in the international institutions, promote the "One China Policy" and thus isolate Taiwan diplomatically, and to take advantage of a variety of commercial opportunities, as Sino-African trade soars. By now only five African nations keep diplomatic relations with Taiwan: Sao Tome and Principe, Swaziland, Gambia, Malawi and Burkina Faso. The objectives highlighted by Eisenman have been carried out through several methods, including humanitarian, cultural and educational projects (soft power), agricultural and technical assistance, investment and economic support through grants and loans (since 2000, China cancelled the debt of 31 African countries), military patronage and peacekeeping and diplomatic support. Eisenman also stresses that Beijing is not sensitive to humanitarian constraints in its dealings with African countries.

Some analysts started to depict China's foreign affairs approach, especially to the developing world, as a new model, an alternative to the Western-based liberal democracies. Ramo (2004) has coined the term "Beijing Consensus" to denote China's alternative response to the so-called "Washington Consensus". Zimbabwe's President Robert Mugabe put the question in a clear-cut way (quoted in Swain, 2008): "We have turned *east* where the *sun rises*, and given our backs to the West where the *sun sets*." China's approach to Latin America is similar to its African policy; there it also searches for raw materials and markets for its products (Freitas, 2008 Teng, 2007). Chinese extractive and state owned oil enterprises (SOEs) are investing heavily in Latin America, which holds 9.7% of the world's proven oil reserves and where China finds oil, copper, iron ore and bauxite supplies, among other resources. It is also a very important source of soybeans, grains and other foodstuffs. In the 2000s, China boosted

its relations with Latin America mostly through a skyrocketing trade increase. Commercial linkages soared from US\$12.6 billion in 2000 to \$140 billion in 2008. However, China still lags behind the USA and the EU as a trade partner of the Latin American region. Furthermore, the claim made by Osvaldo Rosales, from the United Nations' Economic Commission for Latin America and the Caribbean (UNECLAC), that there is a "huge asymmetry between the increasing level of trade between China and Latin America and the low level of Chinese investment" (quoted in Painter, 2008) still remains valid for most of the region.

The strategic importance attached to the region was underpinned in a policy paper (Ministry of Foreign Affairs of the PRC, 2008). In the same vein of China's African Policy paper, this document outlines China's main policy goals towards Latin America and the Caribbean: to deepen cooperation and achieve win-win results (economy and trade cooperation); to draw on each other's strengths to boost common progress and intensify exchanges (culture and people to people exchanges); and to promote the "One China Policy", as 11 of the 23 nations that have diplomatic ties with Taiwan are located in the Caribbean and Central America. Politically, during the last decade, China took advantage of the United States' fading influence in a region labelled in the past as Washington's backyard. In addition, the anti-USA (mostly anti-Bush) backlash in the region was spurred by the rise to power of leftist leaders, as Hugo Chávez, in Venezuela, Evo Morales, in Bolivia, or Daniel Ortega in Nicaragua. These leaders have benefited from relations with China. Yet, as seen before in the case of Africa, China's foreign policy and external economic and trade policy is overtly pragmatic and non-ideological.

For American sinologist David Shambaugh (2008), "Latin American countries also embrace China as part of their new multidirectional diplomacy". This "has introduced a new set of relationships in world affairs, and China's rapid rise in these regions has made Beijing a truly global actor, if not a global power".

b) China-Brazil relations

The Macau Forum is also an outreach platform for China to approach Latin America. Brazil is the only Latin American Portuguese-speaking country and member of the Macau Forum. However, due to its regional power status, territorial frontiers with almost all South American countries and dynamic bilateral and regional bloc relations with the Southern Common Market (MERCOSUR), the Andean Community of Nations

(CAN) and the Union of South American Nations (UNASUR), it is a focal point for China's diplomatic and economic access to Latin America.

In the last few years, China and Brazil have drastically strengthened their strategic partnership. Currently, Brazil is China's most important partner in Latin America and, in April 2009, China surpassed the USA becoming Brazil's top trading partner (Moore, 2009). This represented a significant change in Brazil's economic relations given that the USA has been its most important economic partner for the last eighty years. In 2010, the rapprochement between both countries was further deepened. In May, they signed a Joint Action Plan that frames, until 2014, their cooperation in more than thirteen areas, from economic to cultural and scientific matters (Ministry of External Relations of Brazil, 2010). In December, China formally became Brazil's top investor. During the whole year, Beijing had invested more than US\$20 billion in several infrastructure projects such as steel plants, shipyards, automobile plants, petrochemical industries, gas pipelines and railways (Straitstimes, 2010). The total volume of bilateral trade in 2010 exceeded US\$56 billion according to statistics produced by the Brazilian Ministry of Development, Industry and Foreign Trade.

China and Brazil have not only intensified their economic relations, they have also strengthened their political ties. They have been working together in several international forums and international institutions, such as BRIC+SA (Brazil, Russia, India, China and South Africa), G77 (the largest intergovernmental organisation of developing states in the United Nations) and the World Trade Organisation (WTO). In this realm, it is important noting that in 2009 and 2010, the first two formal meetings of the BRIC forum took place in, respectively, Yekaterinburg (Russia) and Brasilia (Brazil). The underlying goal of this common work is to reform the financial and political international system so that the emergent powers have a greater voice internationally. This issue has been addressed by both countries' leaders. Dilma Rousseff, the Brazilian president elected in 2010, said that Brazil "would continue to advocate for the reform of global governance bodies, particularly the United Nations and its Security Council" (Xinhua, 2011).

This rapprochement became more intense since 2004, when Hu Jintao carried out his first extensive visit to Latin America. Brazil was one of the countries that more warmly welcomed the Chinese leader. Hu's visit was followed by a visit from Lula da Silva, Brazil's president at the time, to China in the same year. In 2004, both countries also set up the China-Brazil High-Level Coordination and Cooperation Committee, a

crucial dialogue mechanism that helped to boost their political and economic relations. The intensification of the relationship between China and Brazil since 2004 was acknowledged by Liang Guanglie, China’s Minister of Defence, who said that in that year the bilateral relationship, entered a new phase (Jiangsu News, 2009).

This intensification of the relationship between Brazil and China has been stimulated mainly by the central governments of both countries. Although there have been paradiplomatic relations between municipalities in both countries and provinces and federated states, the role of Macau in this rapprochement has been very modest. There are few references to the importance of Macau in official documents signed by the two countries. The Joint Action Plan only mentions the Macau Forum once. This reference is made under the topic “economy and finance” and merely encourages both sides to strengthen dialogue within the Forum. According to this plan, no political or cultural relevance is attributed to the Macau SAR.

There are also no references to Macau in the official declarations of both presidents during their state visits (China in 2009 and Brazil in 2010). Besides that, the overview about China presented by the Ministry of External Relations of Brazil does not include any reference to Macau nor to the Forum (Ministry of External Relations of Brazil, s/d). One might argue that this centralisation of the conduct of their bilateral relations at the level of central governments is due to the highly political relevance both attribute to their relation. In this sense, Brazil and China do not perceive Macau as the most suitable and useful platform for their rapprochement. In the last Ministerial Conference of the Macau Forum, which took place in 2010, Brazil was not represented by one of the leading figures of the state. The representation was attributed to the sub-secretary of economic issues (Pereira, 2010).

In terms of Brazilian academic work, no attention has been paid to the role of the Macau Forum either. The most prominent scholars in Asian studies have been focusing mainly on the role of Mainland China and its goals towards Brazil and Latin America. Lytton Guimarães (2003), Henrique Altemani de Oliveira (2010; 2004), Danielly Silva Ramos Becard (2006) among others have made no reference to the Macau Forum in their main publications so far. The absence of references to the Forum in Brazilian academic work may reflect the insipient state of Sinology in Brazil. There are few scholars and research centres working on this subject (Oliveira and Masiero, 2005).

The need to intensify research about China in Brazil increases as the impact of the “China effect” increases too. Indeed, the rapprochement between both countries

encompasses both opportunities and challenges. In spite of strong economic ties and some common political goals, Sino-Brazilian relations are weakened by currency disputes, by the quality of the bilateral trade and Chinese investments, by commercial and political competition in Latin America and in Africa, by differentiated approaches towards the USA, by the huge geographic distance and by several cultural differences (Becard, 2006). Macau can be particularly important in addressing the last two issues just by bringing together both countries in a permanent international organisation. It would help China and Brazil to overcome their deep cultural differences and to get to know each other better.

c) China-EU-Africa trilateral relations

China-EU-Africa relations became a subject in media, academic research and political debate only lately, around 2005, when China’s presence in Africa was already significant. Indeed, in spite of the creation of the Macau Forum in 2003, what really caught the attention of the media and politicians was the third China-Africa Summit, on November 4th 2006.

The EU had its first EU-Africa Summit in 2000, under the Portuguese presidency. It published a new Africa Strategy paper in 2005, and tried to put Africa on the agenda of the 2006 Helsinki EU-China Summit. Commentators refer that the Chinese side was “reluctant” or “hesitant” in accepting to include Sino-African relations in the EU-China agenda. The Joint Statement stated that “Leaders also stressed the importance of their relations with Africa, and stated their commitment to work together on behalf of Africa’s peace, stability and sustainable development” (Council of the European Union, 2006). The Chinese also accepted to establish a regular senior official level dialogue on the continent. As a friendly gesture, Javier Solana, then the High Representative for Common Foreign and Security Policy of the EU, published an article in Chinese media, praising China’s commitment to Africa. In his words “Africa is an important focus for the EU’s comprehensive strategic partnership with China. The EU and China are both committed to helping deliver peace, stability, development, prosperity and good governance in Africa” (Solana, 2007). Of course, he was also framing the scope for Sino-European cooperation in Africa. In 2007, however, at the Beijing Summit, again under the EU Portuguese Presidency, both sides agreed to ramp up cooperation in the continent and China was invited to observe the 2nd EU-Africa Summit that took place in Lisbon on December 2007.

China has increasingly regarded Africa as an opportunity, while Europe has long regarded the continent as a burden. In truth, both external development approaches are lacking, and neither can competently deal with the rising issues on the continent alone (Berger, 2007). In 2008, "a year and a half after beginning structural dialogue on the subject of Africa it would seem that not much has been achieved. Differences in the assumptions underlying Chinese and EU policies with regard to Africa are still a major problem" (Wojna, 2008). According to the same author trilateral cooperation is merely a European idea and, for the time being, is still at the conceptual stage.

The whole issue of China's presence in Africa, particularly the "non-strings attached" approach, which the Chinese would call non-interference, has become the subject of recriminations and principal-based commentaries in Europe, and the West in general. This posture is hardly helpful in terms of contributing to build bridges that would allow those two economic powers to cooperate in benefit of the African continents and its people. The accusatory rhetoric has triggered reactions by some Chinese experts who replied in the same note.

The draft report of discussions that took place at the European Parliament in November 2007, at almost the same time of the above mentioned EU-China Summit is of great importance. The discussion took place at the Committee on Development and the "rapporteur" was former Portuguese ambassador and Member of the European Parliament Ana Maria Gomes. The tone is cautious and sometimes self-critical in the sense that it starts by stressing the need "to strengthen the impact of EU policies in Africa, namely by ensuring delivery of promises and commitments" (Gomes, 2007). It calls for an EU coordinated response to the emergence of new donors in Africa, such as China, however such response "must not attempt to emulate China's methods and aims, since that would not necessarily be compatible with EU values, principles and long-term interests". The report also calls for the EU to "encourage China to assume its responsibilities as a permanent member of the UN Security Council, including the "responsibility to protect", acknowledging that China's presence in Africa, by itself, regardless of any "non-interference policy" intentions, does have real impact on host countries, including politically". It also "stresses that China's 'no-conditions' investment in those African countries misgoverned by oppressive regimes contribute to perpetuating human rights abuses and further worsen governance". Western commentators on China's growing presence in Africa often use accusatory rhetoric, with statements and labels such as "China's scramble in Africa", "Beijing Safari" or

“Neo-Colonialism”. These reflect perceptions that are not restricted to the Chinese presence in this continent but extend to the whole process of its increasing assertiveness and presence in the world. Notwithstanding, the draft report demonstrates an important shift in perceptions within the European Union, and calls for the EU to stop “romanticizing its relationship with Africa” and admit that the declaratory policy and action, double standards in the European Africa policy, often do not match. For instance, the moral dimension usually present in European policies tends to be ignored by the oil sector (Mendes, 2009:131). One official of the African Union gave a very interesting record of the pros and cons of the Chinese presence in Africa (Mugumya, 2008). For this official the alternative ideology to “Western hypocrisy” as well the massive investment in infrastructure development; assistance in providing loans and debt relief; external market opportunities and the inauguration of the FOCAC in 2000 (seen by many African countries as a positive direction to get Africa out of the dependency cycle), are the pros. On the other hand, shipping resources out of Africa; unethical support for some African states with poor human rights record; unconditional aid and loans undermining European and multilateral accountability and good governance; self-interest strategies in dealing with developing countries; neglecting the environment and social standards are some of the main cons. From this list many questions ensue. In a sea of so many pros and cons, which effectively reflect the complexity of African positions? What is the European stance in looking for a trilateral approach? What is the Chinese reaction? Is the EU’s official position of seeking cooperation with China on Africa consensual within Europe? What does Africa want and who, or which organisation, will speak on behalf of Africa? What about the other powers, the old and the emerging ones?

As said by two leading Chinese scholars of International Relations, the disagreements between China and the EU (and the USA) in regard to Africa include these three aspects: whether African policies should insist that Africa accepts Western liberalism and integrates it into socio-political life, or stay respectfully away from African internal affairs; whether China is practising colonialism or neo-colonialism in Africa; whether China’s African policy harms the interest of Europe and the USA in commercial areas (Jian Junbo and Chen Zhimin, 2008). These authors also proposed to lead the discussion into the theoretical controversy asking whether the Washington Consensus or Beijing Consensus is more adaptable to African realities.

The Washington Consensus indicates that Americans, and some Europeans, try to use liberalism and depreciative attitudes towards African sovereignties to spur African countries to change their political and social systems. The Beijing Consensus does not include such a plan. The controversy over the relationship between the two consensuses and sustainable growth in Africa reflects the biggest difference in Western Europe and the USA’s policies for Africa, on the one hand, and China’s on the other. However, it is questionable if the theoretical discussion on the USA, the EU and Chinese attitudes towards Africa can be reduced to a comparison between the Washington Consensus and the Beijing Consensus. The social market economy of the EU is different from the economic liberalism of the USA; moreover, as the financial crisis has proven, the Washington consensus is under fire. On the other hand, the so called Beijing Consensus or China Development Model, as well as any other model, has opportunity costs that are not discussed (see Stiglitz, 2006, 245-268, especially chapter 9 on “Reforming the Global Reserve System”). Furthermore, the so-called Chinese Model is not very different from the industrialisation model followed by several Asian countries before China (for a thorough analysis of the Chinese economy see OECD, 2002).

According to Jian Junbo and Chen Zhimin (2008), the core principles of the Washington Consensus are deregulation, privatisation, “opening up”, unrestricted capital flow and lower taxation. Conversely, the Beijing Consensus is characterised by innovation and experimentation, protection of national boundaries and interests, accumulation of tools of asymmetric power. The overall objective is to achieve growth while maintaining independence. China’s distinctive way of development, rapid economic growth through well-disciplined one-party system, has become a role model for African countries. However, by becoming a role model, and exporting the Beijing Consensus, perhaps China is subject to the same criticism it directs towards the West.

Zhang (2008) proposes another way to popularise the Chinese experience, by replacing the concept of “Good Governance” with “Effective Governance”. According to this viewpoint, the Chinese approach to Africa is to have businesses done. China urgently needs economic development, and so does Africa. Therefore, Chinese pragmatism means that development aid and investments of Chinese origin should be materialised in a timely manner, with positive outcomes and immediate benefits to the host country and its people. Western and in particular European aid and investment, with all its strings-attached, are not effective, leaving Africa without patience and eager to seek alternatives.

Most authors agree that there is room for Europe and China to have positive dialogue and to cooperate on African affairs. Jian and Chen (2008) admit that the Chinese also made mistakes, namely in the case of Zambia, where “China’s negative impact on domestic industries, environment, fair labour practice and resource sustainability” was used by Michael Sata, opposition leader and presidential candidate to inflame his electoral agenda with anti-Chinese propaganda. By the same token, those authors also agree that Beijing must pay attention to the deterioration of human rights in partner countries and “should actively use multilateral approaches to fulfil international obligations and maintain international morality and justice”. With regards to the EU, China could learn from the experience of Europeans in dealing with Africa, since its own record is still quite recent. Although China and Africa have traded for over 2000 years, relations have been intermittent. An historical account of the differences between China-Africa and Europe-Africa engagement indicates that both China and Europe need to adapt to a changing Africa (Shu, 2008).

The opportunity for cooperation might come sooner than expected, considering all the existing controversy and prejudices. In November 2010, specialised media dedicated to international development spread news that the UK government was looking to “partner with China to help end poverty in Africa” (Hawksley, 2010). The UK Secretary of State for International Development, Andrew Mitchell, told BBC they were looking to work very closely with China and do much more to speed up the development in Africa. Moreover, a study conducted with European funding by Hackenesch (2011) found that, although the EU and China have different objectives and methods of engagement in Africa, they engage in different policy fields and therefore do not come into direct conflict.

d) What does Africa think? Chinese and European presence

There is among Africa commentators a positive feeling in regard to the infrastructural effort done by the Chinese in their continent, especially when it comes to roads and railways, hospitals and schools, the general provision of facilities that can translate into real benefits for the public. They also welcome the surge in demand for their commodities from emerging economies such as China and India, because it helps to stabilise their prices and create an alternative to Western markets. Rob Davis, former South African deputy minister of industry and trade, once said “China and India, due to

their industrialization, offer developing countries higher prices for natural resources, they do not force us to lower our tariffs, contrary to Europe" (Baregu, 2008).

There is also widespread resistance to the new European Partnership Agreements (EPA's) proposed by the EU as the foundation stone of their trade relation as previewed in the Cotonou Agreement. According to the former president of Mauritius (Offmann, 2008) the EU has also recently addressed the issue of a new partnership with the EPA's which have not met the consensus amongst the African nations: "EU has also sent a shockwave with the cuts of 37% in the price of sugar thereby denouncing a Sugar Protocol which has been a formidable tool of economic cooperation for decades". In a meeting held in the Rwandan capital of Kigaly early in November 2010, African trade ministers adopted a declaration opposing the EU's model of the EPA's. The African Union Commission and the continent's five regional economic commissions also published a position paper detailing the many problems that the EPA's will cause. Under the proposed model, Africa would allegedly have to open up its economies to European goods, services and companies, jeopardizing the fragile and uncompetitive small industries and service operators as well as the artificially cheap prices of the heavily subsidised agricultural products (Khor, 2010). At the Tripoli Summit between the EU and Africa, later in November 2010 the only reference to this issue of the EPA's in the final Tripoli Declaration was a "commitment to conclude" them. Another point, mentioned by Africa commentators, is the need for the African Union to be able to define what are "African interests" in their engagement vis-à-vis the EU and China, as well as be able to speak with a unified voice. We could summarise that despite Europe's extensive engagement with Africa and its position as the continent's most important trading partner and donor, there is a sense of frustration, for reasons that go beyond the limited scope of this work. Both sides feel that Africa is still very much troubled by non-development, diseases, wars and conflicts, bad governance and corruption. Notwithstanding criticisms that include but go beyond "no strings attached aid and investment policies", the emergence of China as the dragon head of other also emerging presences in Africa, namely India, Brazil and Russia presented Africans with an alternative to their traditional partnerships with Europe and the USA. Moreover, from a pure economic point of view, increased demand for commodities and natural resources triggered by fast growth of these emerging economies establish better prices and conditions for African suppliers.

e) Macau’s role on the China-EU-Africa dialogue

The research already developed by this project suggests that Macau can play an important role on China-EU-Africa dialogue, but there are some conditions that must be fulfilled: this dialogue must be relevant to China-Macau’s relations with Africa; it must fit into an EU-Macau-China dialogue and it must be relevant to Africa.

Macau is a small but bursting SAR of China with a Portuguese connection. Due to this special relation built upon history and former economic relations and managing global interdependence, China decided on a multilateral dialogue process with the PSC hosting the secretariat of the Macau Forum. By using Macau’s historical relations China reveals two aspects: the will to give Macau an international role and to reconfirm its active posture in foreign policy and economic diplomacy, where Africa, South America and Europe play significant roles.

Consequently, multi-dimensional relations between all participants are developing at varied speed, with different outcomes. The Third Ministerial Meeting of the Macau Forum that took place in this territory on November 13th 2010 was presided by Premier Wen Jiabao, with the participation of several heads of State and Governments including the Portuguese Prime Minister José Socrates, marks a symbolic and diplomatic landmark since it is the first time ever Macau has hosted a Summit of that level. It was also the first time that the Forum was presided by the Prime Minister of China. The action Plan approved during that meeting, unilateral declarations by the Chinese representatives as well as the last seven years of the Forum existence, are revealing that the focal point of the Forum is Africa. Not only Angola has become China’s first oil supplier and main Africa partner, but also Chinese engagement with Mozambique, Guinea Bissau and Cape Verde are growing year after year. As a consequence of the US\$1 billion cooperation and development fund between China and the PSC to boost financial cooperation announced by the Chinese Premier (Wen, 2010), Geopactum Oriente, a financial company involving Chinese, Portuguese and Angola partners was recently announced, apparently to ride on such a new opportunity (Shih, 2011).

Macau’s relations with the EU have a tiny dimension in comparison with EU-China’s all-round multi-dimensional dialogue and strategic partnership. However, Macau-EU relations are considered to be part of China’s EU relations (Ministry of Foreign Affairs of the PRC, 2003), despite the fact that Macau and the EU have cultivated steady and friendly relations since the signing of the bilateral Trade and Economic Agreement in 1992. Under the new dimension of a SAR of the PRC, the

articles of the Macau’s external relations under Macau Basic Law condition still leave room for manoeuvring, particularly if the cases concerned are of interest and integrated in the overall foreign policy interests of the PRC. According to Marques (2009) the two Chinese SARs, Macau and Hong Kong, should be helpful in the wider screen of China-EU relations, as a bridge for the existing gap in communication and trust through the trilateral cooperative endeavours, China-SARs-EU.

Hence, Macau contributes to positive interaction between China-EU and Africa, if there is an appropriate intersection between the Macau Forum and the “optimum area of cooperation” for Macau-EU relations.

5. Preliminary conclusions

The “one country, two systems” formula, promoted by Deng Xiaoping, established a very unique framework for the handover of the British and Portuguese administrations to the PRC in 1997 and 1999. Although there is little consensus whether the social and economic systems of Hong Kong and Macau and their main laws have remained fundamentally unchanged, a high degree of autonomy has been kept. With regards to Macau’s external relations, our preliminary investigation has found that the “one country, two systems” formula has worked to the benefit of both the SAR and the Mainland.

This paper took into account various levels of analysis. The state level is the focal point since the paramount location of decision-making lies in Beijing. Nonetheless, below the state level, the regional level, which includes Macau, Hong Kong and Taiwan have a strong impact in the behaviour of the Chinese state. Taiwan is considered a domestic affair by Chinese decision makers and the success of “one country, two systems” policies are important for Beijing’s strategy of luring Taiwan back to the mainland regime. Cross-strait relations give Macau an essential role in the policy of national reunification. Both SARs function as political showcases: they are an example of the applicability of the “one country, two systems” concept in Taiwan. Hong Kong is a useful comparative backdrop to analyse Macau’s contribution to the PRC’s foreign relations. The systemic level of analysis must be taken into consideration given that each country must react to the ever-changing global environment and assign priorities accordingly. Relations between China and the EU, or between China and the PSC, obviously do not occur in isolation and are subject to political and economic events from outside the world regions under our research lenses. The extent to which

international systemic variables affect China-EU and China-PSC relations will be measured. Although the project does not attempt to analyse in detail the processes and machinery of Chinese foreign policy making, theories and models of decision-making are useful for this study,

The paper considers three different levels of diplomacy: high level diplomacy, ministerial level diplomacy (Track I) and informal diplomacy (Track II). It also highlights the interconnections of multi-track diplomacy. Informal diplomacy reveals different aspects in the two case studies. Regarding the PSC, the Forum created in Macau suggests the application of a new concept: “contact diplomacy”, which conceptualises the spill-over of diplomatic relations into other domains of political and social life. The institutional framework of the Forum allows permanent relationships to be built between delegates, leading to friendlier interactions and promoting economic and political contacts within a positive atmosphere. In addition, these interactions and the official discourse of the Chinese and Macau authorities ascribe to the SAR an identity and role as the hub of an international “Sino-Lusophone” culture. In what concerns the EU, at this informal level we identify “routine level diplomacy” as a relevant concept, centred at the Office of the European Commission in Hong Kong and Macau. There have been efforts to set up an “EU-Macau epistemic community” by fostering research and teaching at universities, seminars and conferences on bilateral relations.

Although, according to the Basic Law, Macau has no autonomy in its foreign relations and defence affairs, its transformation into a platform or bridge connecting the PRC to the EU and to the PSC suggests a trend of foreign policy decentralisation in Beijing that contradicts many analysis based on the assumption of absolute decision-making centralisation. In a very pragmatic way, the historical specificities of Macau have been utilised to achieve China’s national interests in Africa, Latin America and Europe. A cultural legacy of almost five centuries of Portuguese administration distinguishes Macau from other Chinese regions, providing it with affinities with the Lusophone countries. Moreover, the friendly tone of the Sino-Portuguese negotiations that led to the handover, especially when compared with the case of Hong Kong, ensures a close political relationship between the Mainland and Macau, despite the region’s limited economic weight.

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