

Different Roads to Home: the retrocession of Hong Kong and Macau to Chinese sovereignty

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The retrocession to Chinese sovereignty of Hong Kong in 1997 and Macau in 1999 have been milestones in the PRC's national reunification drive. While these two South China coast enclaves share many similarities under Western colonial rule, their homecoming to China was markedly different in several key dimensions. HK's contested sovereignty and democratization mired Sino-British cooperation over transition matters, except for the British forces-PLA agreements on military sites and advance teams. The more cordial Sino-Portuguese ties masked unsatisfactory localization efforts in Macau, where Beijing's decision to station PLA troops provoked Lisbon's strong objection. The sharpest contrast was between HK's widespread crisis of confidence and Macau's sense of acceptance and relief at the prospect of autonomy under Chinese Communism.

The retrocessions of Hong Kong and Macau to Chinese sovereignty have been milestones in the PRC's quest for national reunification. Despite their sharp differences in history and polity, demographic and territorial size, economic, geopolitical and strategic importance, Beijing's approach to the retrocession of HK and Macau and their reintegration with the mainland has been the same 'one country, two systems' formula. This has also been the model designed for Taiwan's reunification. During the past two decades, HK and Macau have taken different roads in their homecoming to China. This article aims at highlighting some of the more noteworthy comparative dimensions of the HK and Macau dual retrocession processes in historical and realpolitik perspectives.

Specifically, the focus here will be on delineating and contrasting the apparent similarities and marked differences between HK's and Macau's transition to Chinese sovereignty in the following five major areas: (1) the PRC's bilateral negotiations with the UK and Portugal; (2) local democratization; (3) functional preparations; (4) military presence; and (5) popular response in the two enclaves. A brief historical sketch illuminating the distinctive features in British and Portuguese colonialism in South China and their divergent experience in Hong Kong and Macau will provide a proper context to appreciate their varied dynamics of transition in these five areas.

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Historical sketch

While a late comer to the game of Western mercantile imperialism on the China coast, the British impact has been far more devastating and provoked much stronger Chinese resentment than the Portuguese presence which dated from the early sixteenth century. British aggressive attempts to ‘open’ the China market with gunboat diplomacy set off the chain of events that characterized much of China’s unhappy encounter with Western imperialism from the mid-nineteenth to the mid-twentieth century—military defeats, territorial losses, economic and administrative concessions, impaired sovereignty and lost jurisdiction, indemnities and reparations. The bitter memories and troubled realities of the tensions, strains and stresses stemming from British encroachment against Chinese national interests have colored Sino–British relations. The earliest, longest lasting, and most physically visible scar of British imperialist subjugation of Chinese rights had, until 1997, always been HK.¹

Indeed, British aggression, first manifested in the mid-nineteenth century Opium Wars resulting in China’s loss of Hong Kong Island in 1842 and Kowloon in 1860 to the British crown, set the overtone that overshadowed and complicated Sino–British, and by extension Sino–Western, relations. The British extraction of a 99-year lease on the New Territories (NT) in 1898 amid the Western powers’ ‘scramble for concessions’ following China’s defeat in the 1894–1895 Sino–Japanese War only added to the record of British infringement against China. Hence, HK under British colonial rule had been a dark stigma and grave affront to the rising tide of Chinese nationalism since the late Qing period, throughout the Republican era and into the post-1949 Communist age. In Chinese eyes, British colonial HK was often viewed with indignation as the first byproduct of the 1842–1942 ‘century of unequal treaties’ that witnessed China’s humiliation under foreign imperialism.²

Until the advent of the full onslaught of Japanese militarism in the 1930s, British imperialism remained the prime external target of Chinese patriotic outbursts. As such, colonial HK was often on the frontline or even becoming the main arena of Sino–British crossfire, as exemplified by the 1925–1926 Canton–HK General Strike–Boycott under the sponsorship of the Kuomintang–Chinese Communist United Front. Yet deep-seated misgivings and dark suspicions of colonial HK by mainland Chinese were paralleled by the British enclave’s functional utility to and economic complementarity with the mainland.

The Chinese Communist victory on the mainland in 1949 ushered in a most challenging and difficult phase in Sino–British official ties and China–HK interface. Despite the UK’s formal recognition of the new PRC regime on 6 January 1950, partly in view of HK’s peculiar situation and over the objection of the USA and NATO allies, London–Beijing official relations remained frosty. Their diplomatic

1. On British imperialism in China with HK as its stronghold, see Robert Bickers, *Britain in China: Community, Culture and Colonialism, 1900–1949* (Manchester: Manchester University Press, 1999).

2. Ming Chan, ‘China Mainland–Hong Kong relations: a retrospective across the 1949 divide’, *South China Morning Post*, (1 October 1999). Also see Ming Chan, ed., *Precarious Balance: Hong Kong between China and Britain, 1842–1992* (Armonk: M.E. Sharpe, 1994).

representation was kept at only the *charge d'affaire* level from the mid-1950s until 1972 when it was elevated to full ambassadorial exchange after US President Nixon's breakthrough visit to Beijing. Cold War antagonism and ideological hostility was underlined by the PRC's opposition to the Anglo-American imperialist camp and also Beijing's objection toward private property and capitalistic exploitation as practiced in HK. Such basic concerns significantly shaped the Beijing-London links and also distorted mainland China-HK's neighborly interactions after 1949.

In a sense, the Communist China mainland-colonial capitalist HK relations became hostage to Cold War realpolitik that curtailed and invalidated much of the previously extensive socio-economic links, personal and institutional networks, and functional cooperation between HK and China mainland, especially with the Guangdong-Pearl River Delta. Despite its twin commitments to communism and nationalism, the PRC adopted a pragmatic approach to capitalist HK under British rule. The Chinese Communist policy guideline could be characterized by Premier Zhou Enlai's famous dictum on colonial HK (and Macau), 'long term calculation and full utilization'.³

Deng Xiaoping's reform and opening policies introduced in 1978 ushered in a second revolution in the PRC by drastically transforming its economy, society and external relations, particularly with the Western industrial democracies. Improved Sino-British official ties along with new economic opportunities paved the way to a friendlier era of renewed partnership between China and HK. In fact, the privileged vanguard role of Guangdong with its two Special Economic Zones (Shenzhen and Zhuhui) adjacent to the British and Portuguese enclaves effectively promoted closer economic cooperation, functional links, and human bonds between mainland China and HK as well as Macau.⁴ This provided the optimal external conditions and internal environment with facilitating cross-border linkages for the PRC to launch its efforts to recover HK and Macau as vital steps toward national reunification.

In sharp contrast to British colonialism in HK, the Portuguese presence in Macau, which enjoyed a much longer history from about 1535, was considerably milder and less violent, provoking fewer Chinese outbursts and less intensive resentment. To begin with, the small Portuguese settlement in Macau, first established in the mid-Ming period, was in the form and nature of an ad hoc trading post to facilitate commerce and shipping with the Chinese Empire. Portuguese mercantile elements stayed in and operated out of Macau did so only at the sufferance and tolerance, tacit or otherwise, of the Chinese officialdom. The on-and-off maritime seclusion policies and frontier security measures of the Ming and Qing imperial government did not dislodge the Portuguese from Macau. In fact, through bribery, tax and customs duties or rent payments, and other means of currying favors with local Chinese officials, the Portuguese managed to preserve their

3. Qi Pengfei, 'Changqi dasun, chongfen liyong' ['Long term calculation, full utilization'], *Zhonggong dangshi yanjiu* 57, (1997), pp. 23-30; and Yang Tianze, *Aomen 1999 [Macau 1999]* (Beijing: Xinhua chubanshe, 1998), pp. 153-155.

4. The Guangdong-HK integration is examined in detail by Reginald Kwok and Alvin So, eds, *The Hong Kong-Guangdong Link: Partnership in Flux* (Armonk: M.E. Sharpe, 1994).

foothold on Macau despite central authority orders from Beijing, and even survived the sea change in China from Ming to Qing dynastic transfer in the mid-seventeenth century.

The Portuguese's almost uninterrupted presence in Macau for over four centuries can be partly attributed to their deliberately non-confrontational and often low-profiled approach to the Chinese state. Almost absent was the blatant practice of gunboat diplomacy and outright militant coercion in Portuguese dealings with China. Unlike the British and their Opium Wars, the Portuguese fought no major war to control Macau and to expand its domain. Rather, the nature, status and maintenance of Macau as a Portuguese enclave were shaped by a combination of factors and circumstances over long process of evolutionary changes and incremental steps.⁵

Starting from a simple trading outpost in 1535, the Portuguese community in Macau grew slowly over time but only as a *de facto* small foreign settlement on the southern fringe of the Chinese mainland. After first obtaining the local officials' permission to stay in 1553, the Portuguese in 1573 signed a land-lease on Macau with the Chinese authorities, agreeing to pay an annual rent of 500 taels of silver to Zhongshan county. It was not until the 1887 Protocol of Lisbon that any high level Sino-Portuguese treaty was concluded to stipulate the official status, institutional links and rights as well as obligations of the Portuguese in Macau in a legally binding manner. Thus, for over three centuries, in the eyes of China and international law, the Portuguese were only rent paying 'tenant-guests' for trade purposes residing in China's Macau. The Ming and Qing Empire not only maintained Chinese sovereignty over it but also exercised effective jurisdiction in Macau until the 1840s. For instance, the early Qing Gaungdong provincial customs commissioner established a Chinese maritime customs station in Macau in 1685.⁶ It was due to the Chinese court's 'using barbarians to control barbarians' policy and their lack of understanding of Portuguese language, culture and social custom that local Chinese officials allowed the Portuguese in Macau some measure of *de facto* jurisdiction among themselves. Thus, it was a case of limited internal autonomy among the local Portuguese community in a Macau still under Chinese imperial jurisdiction and sovereignty. In a sense, Macau's situation before the 1840s could be regarded as an unclear case of *de facto* 'mixed jurisdiction' under Chinese sovereignty.⁷

Lisbon adopted a gradualist approach to strengthen and expand the settlement in Macau through a series of unilateral legal and administrative measures over

5. This account on the Portuguese in Macau draws mainly from: Steve Shipp, *Macau, China: A Political History of the Portuguese Colony's Transition to Chinese Rule* (Jefferson: MaFarland, 1997); Deng Kaisong, *Aomen lishi [A History of Macau]* (Macau: Aomen Lishi Xuehui, 1995); Huang Hongzhao, *Aomen shi gang yao [An Outline History of Macau]* (Fuzhou: Fujian Renmin Chubanshe, 1991); Jonathan Porter, 'A question of sovereignty', *China Perspectives* 26, (November–December 1990).

6. Huang Qichen, '16–19 shiji zhongye Zhongguo zhengfu dui Aomen xingshi zhuquan he shishi guanli' ['The Chinese Government's exercise of sovereignty and management over Macau during the sixteenth to mid-nineteenth century'], *Administracao: Revista de Administracao de Macau* 48, (2000).

7. 'Mixed jurisdiction' is used by C.A. Montalto de Jesus in *Historical Macao: International Traits in China Old and New* (Macao: Salesian Press, 1926), chs 4, 11. On China's unyielded sovereignty see Camoes C.K. Tam (Tan Zhijiang), *Aomen zhuquan wenti shimo, 1553–1993 [Disputes Concerning Macau's Sovereignty Between China and Portugal, 1553–1993]* (Taipei: Lifework Press, 1994).

the centuries. For instance, the Portuguese crown officially bestowed ‘city’ status on the Macau settlement in 1586, three years after a ‘municipal council’ was established and a Catholic Bishop of Macau was installed. In 1605, the Portuguese built defensive city walls in Macau after several Dutch attacks but without China’s permission. In 1623, Lisbon appointed Macau’s first full time governor. In the aftermath of China’s defeat in the First Opium War and the British takeover of HK in 1842 and the opening of five Chinese coastal treaty ports, Portugal took more assertive measures to diminish Chinese control in Macau. In 1846 under Governor Joao Ferreira do Amaral, the Portuguese not only stopped tax and rent payments to China but instead began taxing local Chinese residents in Macau. They also expanded the Macau domain beyond its borders, demolished the Chinese customs office and expelled local Chinese officials in 1849. They seized Taipa, an island south of the Macau peninsula, two years later. The lack of vigorous protest and effective local resistance by Chinese officials against such Portuguese infringements resulted in the wholesale erosion of Chinese jurisdiction over Macau from the mid-nineteenth century onward.

Riding on the surging tide of Western imperialism after China’s defeat in the Second Opium War, Portugal negotiated an 1864 Treaty of Tientsin with China in an attempt to secure formal recognition of Macau as a Portuguese colony. Seeing through Lisbon’s scheme, Beijing refused to ratify the treaty but thought of buying back the Macau lease. It was only with the 1887 Sino–Portuguese Treaty of Friendship and Trade (the Lisbon Protocol) that Macau’s legal status was confirmed as under Portuguese ‘perpetual occupation’. The treaty did not cede Chinese sovereignty over Macau, nor did it settle the problem of border demarcation, which continued to cause frictions into the twentieth century.⁸ Both Portugal’s 1910 and China’s 1911 republican revolutions did not alter the status quo of Macau under Portuguese rule.

The rising tide of Chinese nationalism led to three episodes of confrontation between the Cantonese authorities and the Portuguese Macau regime during 1919–1922. The first and second case stemmed from the long-standing disputes over the lack of legally valid demarcation of Macau’s boundaries. In the third case, Portuguese military and police brutality against local Chinese in Macau provoked a strike-boycott in summer 1922. These incidents, relatively minor when compared with the 1925–1926 General Strike-Boycott against British Hong Kong, revealed the Portuguese desire to take advantage of a divided China (while Sun Yatsen’s Canton regime challenged the legitimacy of Beijing’s ‘national’ government) for aggressive assertion from Macau.⁹ Even after the Kuomintang under Chiang Kaishek established the Nationalist regime in Nanjing with its avowed objective of unequal treaty abrogation, Macau’s status remained unchanged. The 19 December

8. On the 1864 and 1887 treaties, see Tam, *Aomen zhuquan wenti shimo*, ch. 3; Huang Hongzhao, *Aomen shi gang yao*, pp. 166–189; Jiang Bingzheng, *Aomen wenti shimo [The Macau Problems]* (Beijing: Falu Chunanshe, 1992), ch. 4.

9. Chen San-cheng and Chuang Sha-hua, ‘Zhongguo dui Aomen zhuquan jiaoshe de yiduan lishi kaocha (1919–1926)’ [‘Historical observations on China’s negotiations on the sovereignty of Macao, 1919–1926’], in *GangAo yu jindai Zhongguo xueshu yantaohui lunwenji [A Summary of Symposium on Hong Kong, Macao and Modern China]* (Taipei: Academia Historica, 2000).

1928 Sino–Portuguese Treaty of Friendship and Trade also confirmed the Portuguese administrative jurisdiction in Macau.¹⁰ Portuguese neutrality saved Macau from Japanese occupation during World War II.

The initial years of the PRC saw Macau maintaining an uneasy neighborly relationship with the Communist giant. The continuing Lisbon–Taipei diplomatic ties and the die-hard anti-Communist stance of the Salazar dictatorship in Portugal, which was a member of the NATO alliance, definitely did not make PRC–Macau links any warmer in the Cold War. In fact, an armed border conflict with PRC troops occurred in July 1952 at the Barrier Gate (the only land crossing into the mainland) where the local Portuguese sentries attempted to place their guard post forward onto Chinese soil. After a four-week Chinese blockade, it was settled by a full Portuguese retreat—the sentinel post’s relocation back into Macau, compensation and apology to the Chinese. Under PRC pressure, the planned Portuguese celebrations of the 400th anniversary of the establishment of their Macau domain in 1955 were cancelled. However, despite Beijing’s objection, Lisbon officially designed Macau as an ‘overseas province’ of Portugal with a new ‘provincial constitution’ in July 1955.¹¹

The real storm from the mainland came in December 1966 as a spillover of the PRC’s Cultural Revolution radicalism. Conflicts between Macau police and soldiers on the one side, and Chinese workers, students and local leftists on the other in public demonstrations against the ban of a local pro-Beijing school construction escalated into violence and brutal suppression. During 2–5 December, a total of eight Chinese were killed, 212 injured and 61 arrested. Local leftists and Beijing demanded compensation for the dead and wounded, punishment of police and military officials. The crisis was finally settled by the Portuguese governor’s humiliating public apology. On 29 January 1967, Portuguese and PRC representatives signed a secret agreement promising local cooperation with Beijing in exchange for continued Portuguese rule in Macau.¹² It was only after the 25 April 1974 Revolution in Portugal that Lisbon’s new decolonization policy helped to prepare for Macau’s eventual retrocession to the PRC.

After Beijing declined the new Lisbon regime’s offer to withdraw from Macau in late 1974, Portugal unilaterally changed the legal designation of Macau to a ‘territory under Portuguese administration’ in 1976. In January 1975 Lisbon extended official recognition to the PRC as the sole legitimate government of China and terminated diplomatic ties with the Nationalist Chinese regime in Taipei. The PRC and Portugal entered into formal diplomatic relations with ambassadorial exchange in February 1979 after a secret Sino–Portuguese understanding on Macau’s status as ‘a Chinese territory under Portuguese administration’.¹³ The

10. On the 1928 treaty, see Tam, *Aomen zhuquan wenti shimo*, pp. 218–220; Jiang, *Aomen wenti shimo*, pp. 205–210, which includes the text of the treaty.

11. Yang Tianze, *Aomen 1999*, p. 157.

12. Macau officials also agreed to ban pro-Taipei activities. On the 1996 incident, see Huang Hongzhao, *Aomen shi gang yao*, pp. 237–239; Tam, *Aomen zhuquan wenti shimo*, pp. 245–254; and Shipp, *Macau, China*, ch. 10. For pro-Beijing views in a tri-lingual Chinese–English–Portuguese propaganda pictorial see *Opposing the Sanguinary Atrocities Perpetrated by the Portuguese Imperialism in Macao* (Macau: *Macao Daily News*, 1 September 1967).

13. This secret agreement was revealed in January 1987 by Lisbon in the final stage of the negotiations with Beijing over Macau. See Jiang, *Aomen wenti shimo*, pp. 213–224; Tam, *Aomen zhuquan wenti shimo*, pp. 260–262; Shipp, *Macau, China*, ch. 11.

PRC's reluctance to recover Macau at that time had much to do with its desire to preserve international and local confidence in HK, still under British rule, and also Beijing's own agenda for national reunification with Taiwan as the ultimate grand prize. Only after the future status of HK was settled in 1984 did Macau become the next item on the PRC's agenda for reunification. It was against such a historical background linking colonial HK's fate with Macau's prospect under Portuguese rule that the dramas of their different homecoming to motherland China unfolded in the 1980s and 1990s.

Sino-British negotiations on Hong Kong

A most crucial difference between HK's and Macau's retrocession has been Beijing's contrasting relationship with the two departing European powers. The key factor was the all important issue of national sovereignty, on which the PRC was firmly insistent and absolutely unyielding. Contested sovereignty over HK had soured Sino-British negotiations from the very start in 1982 and complicated subsequent dealings over transition matters until 1997. The more harmonious and much shorter 1986-1987 Sino-Portuguese negotiations and generally cooperative management of Macau's transition owed much to Lisbon's earlier recognition of PRC sovereignty over the enclave. Thus Beijing's 'sovereignty obsession' and its acute need for sovereignty actualization directly conditioned the atmospheres and set the tones of Sino-British-/Portuguese relations shaping the courses of HK's and Macau's transition processes.

On 20 March 1972, soon after the PRC took the China seat in the UN, Beijing addressed a letter to the UN Special Committee on Colonialism, stating 'Hong Kong and Macau are part of Chinese territory occupied by the British and Portuguese authorities. The settlement of the questions of Hong Kong and Macau is entirely within China's sovereign right and does not at all fall under the ordinary category of colonial territories'.¹⁴ At that time, there was no recorded objection from London or Lisbon. As the UK and Portugal have been allies for over four centuries and enjoyed friendly relations, it could be presumed that London was informed of the 1979 Sino-Portuguese 'secret agreement' on Macau's status. Thus, it was rather an unwelcome surprise to Beijing when the British Prime Minister crudely attempted to assert the continued validity of the three nineteenth century treaties justifying British control of HK in her meeting with Deng Xiaoping in September 1982. It provoked an immediate Chinese rebuke and public condemnation of past British imperialist aggression.

This British claim to bygone era treaty rights transformed the negotiations on HK into an extremely difficult contest between Chinese sovereignty assertion vs. British colonial desire. It refreshed China's bitter memories of HK's cessation to the British Crown as the first victim of the century of unequal treaties. This sovereignty contest seriously prolonged and stalled the negotiations and the deadlock was removed only in early 1984 when the British finally ceded both sovereignty claims

14. Shipp, *Macau, China*, pp. 96-98; Jiang, *Aomen wenti shimo*, pp. 212-213.

and administrative rights to Beijing.¹⁵ While the British might have asserted treaty rights as a diplomatic ploy to enhance its bargaining power, it was not only ineffective but rather counter-productive. The British position was fatally undermined by a built-in deadline—the NT lease expiration on 30 June 1997. Without continued control of the NT, which constituted 93% of the HK land domain and housed much of its key infrastructures, industries and population, HK Island and Kowloon Peninsular, supposedly ceded to Britain in perpetuity, simply could not function.

Perhaps London deliberately floated this ‘treaty rights’ hot air balloon to gain leverage for a ‘Macau style’ settlement—to trade sovereignty over HK Island and Kowloon for a 50-year extension of British administrative control over the entire HK domain (NT included). Nonetheless, the PRC insisted that full sovereignty could not be separated from actual jurisdiction, and thus it could not accept any alternative similar to the post-1979 Macau status as ‘Chinese sovereignty territory under foreign administration’. The PRC’s design for post-colonial HK as a Special Administrative Region (SAR) under Chinese sovereignty enjoying special rights and autonomy in internal affairs with unchanged legal, economic and social systems for 50 years until 2047 according to the ‘one country, two systems’ formula in fact accommodated part of the British demands to preserve HK’s ‘stability and prosperity’.

The very bitter sovereignty contest not only poisoned Sino–British relations in the 1982–1984 negotiations but also reinforced Chinese mistrust of British intentions in their sunset colonial rule over HK. Subsequently, British-sponsored democratization, even though limited and gradual, only deepened Sino–British mutual suspicion. Under the 1992–1997 Patten regime this further deteriorated into sharp discord and open hostility that seriously disrupted bilateral cooperation over HK transition matters. Thus, HK’s transition was an arena of a Sino–British tug-of-war over sovereignty and democracy.

Sino–Portuguese relations on Macau

In sharp contrast to the strains and stresses in Sino–British entanglements over HK, Portugal’s acknowledgement of PRC sovereignty over Macau in 1979 removed the bone of contention and helped pave a relatively quick, smooth, and straight path toward settling Macau’s future. Unlike HK, for which London took the initiative in 1979 to press Beijing for an early settlement a decade and half ahead of the 1997 NT lease expiration, Lisbon was rather passive in waiting for Beijing to take the final steps to resolve the ‘historical problems’ of Macau which had no specific dateline. As with Zhou Enlai’s ‘long term calculation and full utilization’ dictum, the fates of these foreign enclaves on Chinese soil were inevitably intertwined.

After the Sino–British accord on HK was initialed in September 1984, Macau

15. Critical analysis of the talks are given by Mark Roberti, *The Fall of Hong Kong* (New York: Wiley, 1996); Robert Cottrell, *The End of Hong Kong* (London: John Murray, 1993); and Roger Buckley, *Hong Kong: The Road to 1997* (Cambridge: Cambridge University Press, 1997). Ex-PRC officials’ views are Xu Jiatun, *Xu Jiatun Xianggang huyilu [The Hong Kong Memoirs of Xu Jiatun]* (Taipei: Lianhebao, 1993); Li Hou, *Huiqui di licheng [The Course of Retrocession]* (Hong Kong: Joint Publishing, 1997).

immediately moved up on Beijing's reunification agenda through head-of-state diplomacy. Following Deng Xiaoping's October 1984 statement that resolution of Macau's status would follow the case of HK, PRC President Li Xiannian paid a state visit to Lisbon the next month and to Macau in February 1985. Portuguese President Antonio Eanes made a return state visit to Beijing in May 1985 and a Sino-Portuguese joint communiqué was issued to announce the start of negotiations on Macau in late June 1986.¹⁶ Such friendly Sino-Portuguese summit visits were in stark contrast to the lack of Sino-British cordiality preceding the HK settlement and the sharp discords since 1992 over HK democratization. While Queen Elizabeth II did make the first visit by a reigning British monarch to China in October 1986, two years after the HK accord, the only time when a PRC head of state ever set foot in colonial Hong Kong was President Jiang Zemin's arrival at 5:15 pm, 30 June 1997, just hours ahead of the handover ceremony at midnight. Jiang's state visit to the UK, the first ever by a Chinese head of state, had to wait until October 1999 when he also visited Portugal.¹⁷ (The second such PRC summit presence in Lisbon in 15 years.)

The Sino-Portuguese negotiations lasted only nine months through four rounds of talks from 30 June 1986 to 23 March 1987. At the first session, Beijing's chief negotiator Zhou Nan said these talks would proceed 'very smoothly and harmoniously' as discussions between partners, not opponents. As Zhou was also chief PRC delegate to the Sino-British negotiations during 1983-1984, the direct contrast with HK was unmistakable.¹⁸ HK's example and the Beijing-Lisbon entente definitely expedited the Macau settlement on which both sides had reached 'relatively early understanding' and 'without disputes between them' as Deng said to Eanes.¹⁹

Less than three weeks after the Sino-Portuguese Joint Declaration on Macau was initialed by the two sides on 26 March 1987, the Chinese and Portuguese premiers signed the document on 13 April 1987, and exchanged ratification instruments on 15 January 1988, the formal start of Macau's 12 year transition to SAR status.²⁰ By comparison, the Sino-British Joint Declaration on HK was initiated on 26 September 1984 but had to wait almost three months before it was signed on 19 December 1984, and the instruments of ratification were exchanged on 28 May 1985. The delay was due to a public consultation exercise on the acceptance of the Sino-British accord by the HK public, which in turn was prerequisite to British parliamentary approval.²¹

The speedy conclusion of the Sino-Portuguese negotiations, however, did not

16. Gu Longsheng, comp., *Aomen shouce [A Dictionary of Macau]* (Chengzhou: Henan remin chubanshe, 1999), p. 36; also *China Quarterly* 101 (March 1985), p. 189, and 103 (September 1985), p. 572.

17. *China Quarterly* 109, (March 1987), pp. 167-168, and 161, (March 2000), pp. 341-342.

18. *China Quarterly* 107, (September 1986), p. 590.

19. *China Quarterly* 103, (September 1985), p. 572.

20. For the Macau negotiations, see Jiang, *Aomen wenti shimo*, ch. 6, on the friendly relations, the easier and shorter talks than the difficulties over HK. See also Tam, *Aomen zhuquan wenti shimo*, ch. 6; Shipp, *Macau, China*, pp. 107-111; and Jaw-ling Joanne Chang, 'Settlement of the Macao issue: distinctive features of Beijing's negotiating behavior', *University of Maryland School of Law Occasion Paper on Contemporary Asian Studies* 89, (1998).

21. This also aimed at restoring confidence among HK people. See Ian Scott, *Political Change and the Crisis of Legitimacy in Hong Kong* (Hong Kong: Oxford University Press, 1989), pp. 206-216.

mean the absence of disagreement over substantive issues. But unlike the deep gulf and serious gap between London and Beijing over contested sovereignty, Beijing and Lisbon only differed on practical matters of less significance and issues of a more technical nature. The three major concerns on the Portuguese side were: (1) Lisbon's desire to prolong its presence in Macau beyond 2000, perhaps until the 450th anniversary of the founding of Macau as a Portuguese settlement. It also needed more time to facilitate an honorable exit. (2) The interests of the deeply rooted, sizeable Macanese community (of some 10,000) which constituted a major part of Macau's government services. (3) The post-retrocession continuation of full Portuguese citizenship rights for qualified local Chinese residents.

Beijing's response to these concerns revealed some, if still limited, flexibility in view of its friendly relations with Lisbon and Macau's peculiar circumstances. Instead of the original goal to recover Macau by 1997, the same time as HK's retrocession, Beijing allowed an extension of two and a half years to the end of 1999. But the PRC absolutely refused to tolerate foreign rule on Chinese soil beyond the twentieth century. Thus the 20 December 1999 date represented Beijing's compromise, giving partial satisfaction to Lisbon as it was not the prime imperialist aggressor, no war was ever fought and Chinese sovereignty was never lost over Macau.²²

The sizable Macanese community in Macau with long historical local roots but few direct ties to Portugal was a fact that Beijing could not ignore. In view of the very inadequate localization of government services and the lack of Chinese-Portuguese bilingual skills among the local Chinese, the functional contribution of the Macanese to the Macau SAR Administration would be needed to maintain local stability and prosperity after 1999. Related to the protection of Macanese rights were the preservation of Portuguese cultural influence, schools and historical monuments as well as the continuation of Portuguese as one of the two official languages.²³

The problem of Portuguese citizenship was complicated by the fact that, unlike the British National (Overseas) Passports issued by London to HK colonial subjects for travel purposes but without any right of abode in the UK, Lisbon had been issuing full Portuguese passports to the Macanese and qualified Macau-born Chinese residents with full rights of abode in Portugal, and by extension the entire European Community (EC). This ran against Beijing's prohibition on dual citizenship involving persons of Chinese descent born and living in Chinese territories. As the total number of Macau Chinese with Portuguese passports was relatively small (about 100,000, 25% of the local population), much less than the 3.5 million HK Chinese qualified for BNO passports, Beijing again compromised by 'agreeing to disagree'.

Thus, the Sino-Portuguese accord contains two parallel memoranda issued by and exchanged between Beijing and Lisbon stating their respective official stance

22. On this 1999 compromise see Jiang, *Aomen wenti shimo*, pp. 222-224; Chang, 'Settlement of the Macao issue', pp. 8-12; and Tam, *Aomen zhuquan wenti shimo*, pp. 282-285.

23. On the protection of Macanese rights, see Jiang, *Aomen wenti shimo*, pp. 220-221, 227; and Tam, *Aomen zhuquan wenti shimo*, pp. 290-293.

on the passport/citizenship issues. By not directly contradicting or invalidating the Portugal citizenship/passport holders' rights of the Macau Chinese, the PRC accommodated this very keen Portuguese concern without explicitly yielding its principle against dual citizenship. This is a significant concession, as unlike the BNO passports which the PRC regarded as mere 'travel documents', Macau-issued Portuguese passports confer full Portuguese (and EU) citizenship with extensive rights on their holders.²⁴

The HK and Macau Basic Laws also differ on the right of abode of SAR legal residents' mainland children. The HK Basic Law's imprecision on this matter embroiled the HKSAR regime in a controversy, after its new immigration law was overturned by the HKSAR Court of Final Appeal in early 1999 it sought Beijing's re-interpretation of the Basic Law clauses to invalidate the court ruling. This triggered a constitutional crisis over Beijing's intervention undermining HK's cherished judicial independence under the common law system.²⁵ Macau was spared such pain as its Basic Law provides very precise definitions and exact criteria on permanent residents and their children's right of abode. With its Portuguese legal legacy, the Macau SAR adheres to the continental law tradition, a major divergence from the HKSAR.

The friendlier Beijing–Lisbon ties in the absence of contested sovereignty yielded considerable advantage to Lisbon in its more vigorous efforts than London on behalf of its colonial residents. Several factors underlined Beijing's more accommodative attitude. First, the size, scale and magnitude of Macau, its population, economic and strategic significance were much less than HK, hence the room for greater flexibility. Second, the Portuguese were willing and ready to withdraw from Macau, as early as 1974. Thus, their threat to depart before 1999 or even earlier without reaching any agreement with the PRC could not be taken lightly as empty words. If a pre-emptive Portuguese departure from Macau did occur, it would have very serious repercussions, eroding HK's confidence in Beijing's faithful implementation of the 'one country, two systems' policy and undermining its appeal to Taiwan toward peaceful reunification. Third, unlike the UK which is a close US ally, Portugal, even though also a NATO and EC member, does not enjoy the same influence as the UK on the world stage. As such, Beijing did not view Lisbon in the same light as London's suspected post-colonial influence in HK as a potential threat to Chinese communism. On the other side of the coin, the lopsided Sino–Portuguese power imbalance rendered it almost impossible for Lisbon to stop Beijing from making unilateral decisions on Macau.²⁶ These are the crucial differences that set Macau apart from HK during the transition era.

24. On the citizenship issues, see Jiang, *Aomen wenti shimo*, pp. 220–221, 227, 242–243; Chang, 'Settlement of the Macao issue', pp. 12–18; and Tam, *Aomen zhuquan wenti shimo*, pp. 289–307.

25. See S.H. Lo, 'The politics of debate over the Court of Final Appeal in Hong Kong', *China Quarterly* 161, (March 2000), pp. 221–239.

26. Richard Edmonds and Herbert Yee, 'Macau: from Portuguese Autonomous Territory to Chinese Special Administrative Region', *China Quarterly* 160, (December 1999), p. 802.

Democratization

The most serious obstacle to harmonious Sino–British links and cooperative PRC–UK–HK interfaces during the countdown to 1997 was their opposing views and incompatible stances on pre- and post-1997 HK democratization. The relatively less politicized Macau Chinese with a weaker local democratic movement but a longer history of Portuguese sponsored electoral system contrasted sharply with the rise of political activism and electoral fervor in HK’s transition era, which witnessed major if still limited British-sponsored constitutional reforms as part of its decolonization.

Indeed, the high profiled and vocal campaigns for democracy by HK activists supported by an increasingly politicized populace added an excitable dimension to the already strained Beijing–London–HK links. The powerful pro-democracy appeal transformed both the British reforms for electoral representation and the PRC’s HK Basic Law drafting into highly divisive processes among the HK people along partisan lines. The combined effects of Beijing’s stern opposition, the pre-1992 British appeasement of Beijing, and the post-1992 Sino–British discord over Governor Patten’s electoral reform led to the derailment of HK democratization in 1988–1998.²⁷ A causality of such political crossfire was the pre/post-1997 legislative ‘through train’ convergence arrangement. On 1 July 1997, right after the handover ceremony, the 1995 elected Legco was replaced by a non-elected SAR Provisional Legislature (PLC), which had no clear legal basis in the Basic Law but served until April 1998.

Despite the Joint Declaration’s stipulation of electoral process to produce the SAR legislature and chief executive, Beijing has been extremely reluctant to permit pre-1997 democratization to proceed under British auspices. While the British moved slowly from indirect Legco elections beginning in 1985 to direct election of some legislators (18 out of 60 seats in 1991 and 20 out of 60 in 1995), the scope and speed of democratization remained far too inadequate to meet HK people’s urgent needs to secure a solid foundation for the promised ‘high degree of autonomy’ of the SAR.

In the aftermath of the 1989 Tiananmen crisis, many of HK’s leading democratic advocates were condemned by Beijing as ‘subversives’, two of them were even expelled from the Basic Law Drafting Committee. Beijing’s open break with the local democratic lobby became final and complete after the 1991 Legco direct elections. The electoral results, which many regarded as a referendum on the 4 June events, substantiated Beijing’s worse fear. It was a landslide for the democratic lobby that took 17 out of the 18 directly elected seats and two thirds of the popular votes while all pro-Beijing candidates were defeated. This made Beijing even less inclined to favor SAR democratization and dismissed this partially directly elected Legco as merely a British colonial ‘consultative body’ unrepresentative of public interests.²⁸

27. On HK democracy, see Ming Chan, ‘Democracy derailed: realpolitik in the making of the Hong Kong Basic Law’, in Ming Chan and David Clark, eds, *The Hong Kong Basic Law: Blueprint for ‘Stability and Prosperity’ Under Chinese Sovereignty?* (Armonk: M.E. Sharpe, 1991); and Alvin So, *Hong Kong’s Embattled Democracy* (Baltimore: Johns Hopkins University Press, 1999).

28. Ming Chan, ‘The 1991 elections in Hong Kong’, in George Yu, ed., *China in Transition: Economic, Political and Social Developments* (Lanham: University Press of America, 1993).

The 1995 direct election was another Waterloo for Beijing as the democratic landslide once again confirmed the popularity of the democratic 'subversives' who again captured the lion's share of 29 seats. In the 20 seats up for direct election, the pro-Beijing Democratic Alliance for Betterment of Hong Kong managed to win only two seats where its chair, vice-chair and secretary-general were all defeated at the polls.²⁹ The rout of pro-Beijing candidates rendered the PRC establishment even more opposed to further HK democratization. Beijing interpreted the democratic lobby's electoral victory (with 2/3 of the popular votes in the direct elections) as a colonial conspiracy to plant 'anti-PRC, anti-Communist but pro-British' figures in public office ahead of the handover so as to perpetuate British influence after 1997.

On the surface, the PRC must accept, as stipulated in the Joint Declaration and the Basic Law, some form of representative government with democratic institutions and processes for the HKSAR polity. In fact, Beijing harbored deep fear for HK democratization as a by-product of British decolonization, which could promote a powerful anti-Communist force against its effective control by 1997. Worse still, Beijing suspected that the HKSAR as a genuinely functioning democracy might set a dangerous example to contaminate the rest of the Chinese nation and could even become a powerful base to export 'subversive ideas' and provide valuable resources to domestic dissident movements against the Communist dictatorship. To prevent the single spark that might light a prairie fire, Beijing had done all it could to retard HK's democratic reform as a most undesirable development in the transition era for both its potential resistance to PRC control and its more threatening implications for similar democratic opposition to Communist rule on the mainland. It is of course unrealistic to expect a Communist dictatorship to be supportive of a democratic polity under its sovereignty even in the context of the 'one country, two systems' formula.

The Sino-British discord since Patten's 1992 electoral reform prompted Beijing to unmask itself earlier with the formation of a shadow government or 'second kitchen stove', the SAR Preliminary Working Committee (PWC) in 1993, and the handover power organ, the SAR Preparatory Committee (SARPC) in 1996, both excluding democratic elements from their membership. The PWC and SARPC decided to disband the 1995 elected Legco and replaced it with an unelected PLC in July 1997. This signified Beijing's determination to roll back the democratic gains HK had achieved under the British. In Beijing's obsession with sovereignty and reunification, local democratic movements were perceived to harbor evil potentials of turning autonomy into unchecked localism leading to separatism or independentist sentiments undermining China's national unity, territorial integrity and effective central control. Thus, national reunification and sovereignty actualization provided Beijing with justifications for HK's democratic regression. In October 1997 the PLC passed highly restrictive electoral rules for the May 1998 first SAR legislative elections. In the functional constituencies, the new rules disenfranchised some 800,000 workers.³⁰

29. Ian Scott, 'Party politics and elections in transitional Hong Kong', *Asian Journal of Political Science* 4(1), (June 1996).

30. Suzanne Pepper, 'Elections, political change and Basic Law government: the Hong Kong system in search of a political form', *China Quarterly* 162, (June 2000).

The much weaker and slower-paced democratization in Macau under Portuguese rule has yielded far less input into the transition era power realignment nor exerted serious negative impact on the cordial Beijing–Lisbon ties. In this aspect, Macau has been very dissimilar to HK. Under the 1976 Organic Law, Macau's Legislative Assembly was composed of 17 members of which six were directly elected, six indirectly elected, and five appointed. While Macau's electoral franchise was limited during 1976–1983 (with less than 4,000 qualified voters in 1976–1980), such an electoral system did exist before the transition. It is of significance that three types of seats were included—direct and indirect elected as well as appointed seats. Hence, Macau's direct election system also pre-dated HK's 1991 introduction by a decade and a half.³¹

Macau's 1984 electoral reform expanded the franchise to over 51,000 registered voters in a population of about 400,000. In the August 1984 legislative elections, more than 29,000 ballots were cast by about 56% of the registered voters. In 1990, the Macau Legislative Assembly was further enlarged to include 23 members—eight directly elected, eight indirectly elected and seven appointed. The turnout rate for the 1992 direct elections was 59.25% among 48,137 registered voters.³² This is an impressive figure (higher than HK's record 53.3% turnout in 1998). In this sense, electoral participation experience was longer and higher in pre-transition Macau than in transitional HK. But the 1984 reform was mainly due to Governor Costa's desire to curb the power and dilute the influence of ambitious Macanese legislators returned by limited franchise. Under the post-1966 dominance of pro-Beijing forces, Macau's legislative alignment since the 1980s has been a tug of war between the pro-PRC and Macanese members with the liberal democratic elements a small minority. The countdown to 1999 naturally strengthened the influence of pro-Beijing members, unlike their counterparts' sad fate in HK's pre-1997 Legco elections.

The cordial Sino–Portuguese ties had been enhanced by Lisbon's passivity to facilitate Macau's limited democratic reform.³³ Continuity has been provided for in the Macau Basic Law which mandated a pre/post-1999 legislative 'through train' arrangement. But continuity also preserved the appointed seats in the Macau SAR legislature, unlike HK's all-elected SAR Legco (which by 2004 will have half of its 60 members directly elected and the other half elected indirectly). As its Basic Law stipulated, the Macau SAR legislature will be expanded in 2005 to 29 seats with 12 directly elected, ten indirectly elected and seven appointed members. While the lopsided dominance enjoyed by Beijing since 1967 had significantly reduced the potential of a partially democratic Macau SAR from ever becoming a serious threat to the mainland, Beijing did not yield much room for local democratization. To this end, Beijing has no trouble, with Lisbon's complicity, in preserving the Portuguese governmental structure for the Macau SAR regime to function as an

31. An authoritative study on Macau politics is given by Shiu Hing Lo, *Political Development in Macau* (Hong Kong: Chinese University Press, 1995), from which much of this section is drawn.

32. *Ibid.*, pp. 31–35, 99; see also Huang Hanjiang *et al.*, eds, *Panorama de Macau*, 2nd edition (Macau: Macau Foundation, 1996), pp. 103–111.

33. Edmonds and Yee, 'Macau', p. 806; Herbert Yee, 'Prospects of democratization', *China Perspective*, 26.

authoritarian, executive-led administration under a non-directly elected chief executive over a weak legislative.³⁴

It is not the same in the HKSAR with a similarly constituted chief executive due to their different local democratic forces. Despite their limited post-1997 prospects, HK's pro-democracy activists will not yield in their continuous uphill struggles. Even with the rising middle class political consciousness, Macao's democratic lobby has only a lone presence in a few voices out of the legislature.³⁵

Functional preparations

This is a major area that despite the PRC's far friendlier relations with Lisbon than with London, Beijing probably would prefer the British functional transition efforts. Notwithstanding the Sino-British discord and non-cooperation on many transition matters, the British sunset regime had mounted a fairly systematic, wide-ranging and speedy decolonization process on many fronts. Institutional and personnel localization attempts were often high profiled and helped lay a solid foundation for the HKSAR's new order. Other than the 1997-1998 legislative 'non-through train' disconnect and the July 1998 new airport opening fiasco, the first few years of the HKSAR were blessed with a remarkable absence of major institutional or personnel rupture.

Behind the facade of warmer Lisbon-Beijing ties, the Portuguese had very meager success in Macao's inter-related 'triple localization' of government services, legal system and official use of Chinese language. In fact, Portugal was unwilling to rapidly localize the civil service, partly due to its wish to maintain the importance of the Portuguese language in administration. Nor had the bilingual codification of local laws and Lisbon-originated statutes made much progress. The lack of Chinese-Portuguese bilingual proficiency among Macao's populace reflected the status of Portuguese, while until 1992 the sole official language, is not the universal language of commerce, education and technology. Never having been 'acculturated' with Portuguese culture, the local Chinese community which forms 95% of the population cannot speak, read or write Portuguese, but prefer sending their children to learn English.³⁶

Due to this gap, few local Chinese ever became mid or high level local officials before 1999 as Portuguese proficiency was a requirement. The Macanese, who filled almost 90% of local government posts in 1986, still form the bulk of bureaucracy. This only exacerbated the lack of progress in the use of Chinese as the other language in government, of which Portuguese expatriates dominated the senior ranks until the end. As a result of such bureaucratic non-localization, the new Macau SAR chief executive Edmund Ho, unlike his HK counterpart C.H.

34. Edmonds and Yee, 'Macao', pp. 813-814; also see S.H. Lo, 'Macao's political system', in J.A. Berlie, ed., *Macao 2000* (Hong Kong: Oxford University Press, 1999), pp. 53-70.

35. See Jill McGivering, *Macao Remembers* (Hong Kong: Oxford University Press, 1999), pp. 44-51 for legislator Ng Kuok-cheong's view.

36. See *Administracao: Revista de Administracao Publica de Macau* 5(16), (August 1992), 'Bilinguismo' special issue; also Chang Hu, 'Aomen "sanhua" di jiantao' ['An appraisal of Macao's Sanhua'], *Zhongguo dalu yanjiu* [*Mainland China Studies*] 43(1), (January 2000), pp. 1-13; and Yang Tianze, *Aomen 1999*, pp. 181-208.

Tung, did not inherit an experienced local Chinese civil service top echelon which had already been on the job in the final colonial years. Ho and his nine Macau SAR departmental secretaries were all under age 50 at the handover, mostly without senior administrative exposure.³⁷

The late development of higher education in Macau also impairs the nurturing of talents needed for SAR autonomy. The University of Macau was established in 1981 and remains small in size with limited academic programs. The lack of qualified personnel cannot be remedied soon and the retention of Macanese in public services is the only practical solution. Otherwise, massive import of bureaucratic talents from the mainland or HK would affect the 'high degree of autonomy' promised in the 'one country, two systems' formula. Perhaps this serves Lisbon's hidden agenda in protecting Macanese interests and preserving Portuguese cultural legacy after 1999.

If HK's colonial regime was often criticized for its shortsightedness and lack of developmental vision, then the Portuguese Macau authorities were ever more passive and uncommitted, especially after 1974. Yet, due to realpolitik interference the massive public infrastructure undertakings initiated by the HK and Macau sunset regimes did not share the same fate. The new airport projects in these two Western enclaves on the South China coast are illuminating examples. HK's new airport and container port projects, billed by the British as a major confidence building measure after the Tiananmen events, incurred the political wrath and financial suspicion of Beijing. Despite the 1991 Sino-British Memorandum of Understanding giving Beijing a veto over the funding of public work projects transcending the 1997 divide, HK's new airport project was delayed partly due to Beijing's scrutiny. It was not ready for use until one full year after the handover. In contrast, Macau started its new airport construction only in late 1991 but it was operational in December 1995, greatly enhancing Macau's direct external links and facilitating mainland-Taiwan traffic.³⁸

Perhaps without the Patten reforms, Beijing might have facilitated rather than obstructed HK's new airport project to enable a pre-handover completion.³⁹ The old CCP dictum of politics taking command over economics is still of relevance even in the reform era. In contrast, Beijing's tacit tolerance of the Portuguese's half-hearted, unsatisfactory 'triple localization' efforts was meant to reward Lisbon's political cooperation. The PRC officials' deliberate display of charm offensive with effusive friendly gestures toward Macau authorities were intended to be clear signals of their deep displeasure with and isolation of the hostile British HK regime under Governor Patten. Yet the day of paying for such lavish political indulgence and diplomatic dispensation would eventually come to extract a heavy toll on China's Macau SAR.

37. Edmonds and Yee, 'Macau', pp. 805–806; *Yazhou zhoukan*, (29 December 1999), pp. 30–31. Also see Bolong Liu, 'Hong Kong's reversion and its impact on Macau', in James C. Hsiung, ed., *Hong Kong the Super Paradox: Life after Return to China* (New York: St Martin's Press, 2000), pp. 291–292.

38. See Shipp, *Macau, China*, pp. 121–128, and *Ponorama de Macau*, pp. 359–365, on Macau's airport and other projects.

39. Christopher Patten, *East and West: China, Power and the Future of Asia* (New York: Random House, 1998), ch. 2.

Military presence

The 1984 Sino–British Joint Declaration provides for Chinese military presence in the HKSAR after 1997. Even before the bilateral agreement was reached, PRC paramount leader Deng Xiaoping at a meeting with HK and Macau NPC delegates on 25 May 1984 openly condemned as ‘sheer nonsense and false utterances’ the statements by senior diplomat Huang Hua and former defense minister Gen Biao (both were then NPC vice-chairs) that the People’s Liberation Army (PLA) would not be deployed in HK after 1997. Deng stressed that without the PLA presence how could China truly demonstrate its resumption of sovereignty by exercising its rights in HK.⁴⁰ This became the PRC dictum that military presence means the actualization of sovereignty, and the decision to deploy PLA forces in the HKSAR was thus finalized by Deng. The HK Basic Law also states clearly that the central government shall be responsible for national defense with a garrison in the HKSAR. Therefore, military presence through the stationing of PLA troops should be considered a normal and necessary act of state exercising sovereign prerogatives. Deng’s outburst illuminated Beijing’s concept of sovereignty and its insistence on the actualization of sovereign rights.

A brief comparison with the British military in colonial Hong Kong can be informative. Since the armed forces had a direct role in the gunboat diplomacy resulting in HK under British rule, the presence of Royal Navy warships in the harbor and British troops in barracks and other facilities had been prominent features in the colonial landscape. The British garrison in Hong Kong was both a deterrent to mainland Chinese threats and an instrument against internal disorder. However, the ill-equipped and under-manned garrison was no match against enemy assaults as demonstrated in the Japanese conquest of the colony after a 17-day campaign in December 1941. In the post-War era, the perceived threats to HK came from mainland China under Communist control which forced London to reinforce the local garrison to an unprecedented level of 45,000 in 1949 when the well-known Gurkha soldiers’ presence began. As PRC–UK relations improved in the 1970s, such potential external threats largely evaporated. By 1989, as a British observer commented, ‘with a limited external threat and general internal stability, the main role of the British forces in Hong Kong today is symbolic’. As stated by the British Forces Headquarters: ‘The role of the HK Garrison is primarily to assist the Government in maintaining security and stability and to sustain confidence in the UK’s commitment to HK’.⁴¹

In view of the British forces’ presence throughout HK’s colonial existence, it was natural for the new sovereign to establish a garrison in the SAR, the defense of which as Chinese territory should be the PLA’s right and duty. The British never challenged such Chinese rights.⁴² The real problem had been the negative percep-

40. *Wen Wei Po*, (21 July 1993); Xu Jiatus, *Xu Jiatus Xianggang huyilu*, pp. 107–111. Also see Lo Suo, comp., *Jiefangjun jinzhū Xianggang [The PLA’s Deployment in Hong Kong]* (Hong Kong: Songtien, 1993), which is a collection of local press items on the subject, pp. 71–73, 80–84. Lee Yee, *Xianggang yiju juqi* (Hong Kong 1997) (Taipei: Shenfzhou, 1996), pp. 144–149, points out in November 1982–April 1984, Director of the PRC’s HK and Macau Affairs Office had thrice said Beijing would not station troops in the HKSAR.

41. Leonard Rayner ‘The security forces’, in Richard Y.C. Wong and Joseph Y.C. Cheng, eds, *The Other Hong Kong Report 1990* (Hong Kong: Chinese University Press, 1990), p. 193.

42. In a meeting with Deng on 18 April 1984, British Foreign Secretary Geoffrey Howe conceded this.

tion of the PLA among the HK people traumatized by the Tiananmen crackdown in which the PLA played a high-profile role. Such consequential fears and genuine anxieties were widespread in HK where many questioned both the need for and exact role of the PLA in the SAR, despite the Basic Law stipulation that the PLA 'shall not interfere in the local affairs of the Region', and 'shall abide by the laws of the HKSAR'.⁴³

The irony was not lost that if the British forces' functions had been to counter potential threats from Communist China and to secure the borders against illegal mainland immigrants, then after the handover the PRC would pose no such threat to its SAR and should also cooperate more vigorously to interdict illegal immigration with HK police, which since 1994 has been responsible for border patrol without British military inputs. As such, the PLA's deployment in the HKSAR should not, in functional terms, be a matter of absolute necessity. To many HK residents, the PLA was seen as the armed agent of a political system, a communist dictatorship, which was the very opposite to HK's liberal, free, and increasingly democratic existence.

HK's public alarm also stemmed from the altered military-civilian relationship. In the colonial era, the British governor, dispatched from London to represent the Crown, was concurrently the Commander-in-Chief (C in C) of all British forces in HK. Until February 1993, the Commander of British Forces (CBF) in HK was always an ex-officio member of the Executive Council (Exco). The drastic scale down of the British garrison (from 11,000 in 1991 to 8,700 in 1993 and finally to 3,250 by 1995 until 1997) and rapid decolonization finally delinked the CBF from Exco.⁴⁴ The HKSAR chief executive, a local Chinese, would have no such authority and would not be the C in C of the SAR military. The commander of the HKSAR garrison, a PLA general, would be under the direct control of the central military authorities in Beijing.

Also of concern was that under the Garrison Law, the HKSAR courts could only try criminal charges against military personnel if they had been committed while they were off-duty.⁴⁵ Seldom mentioned is the fact that unlike past practice of the colonial regime which since 1975 was forced to pay 75% of the British garrison's costs (under the UK-HK Defense Costs Agreement), the PLA garrison expenditures would be the sole responsibility of the PRC central government, which would pay the full costs and also exercise full control.⁴⁶ This is stipulated in the HK Basic Law and reaffirmed in the HKSAR Garrison Law promulgated by

43. See Lo Suo, *Jiefangjun jinzhu Xianfangan*, pp. 59–65, for public opinion survey findings on the subject. Also see Neil Craig and Jo Craig, *Black Watch. Red Dawn: The Hong Kong Handover to China* (London: Brassey's, 1998), pp. 159–161; David W. Chang and Richard Y. Chuang, *The Politics of Hong Kong's Revision to China* (New York: St Martin's Press, 1998), pp. 31–33, 39–42.

44. Government Information Services, *Hong Kong 1992: A Review of 1991* (Hong Kong: 1992), p. 282, *Hong Kong 1993: A Review of 1992* (Hong Kong: 1993), p. 12, *Hong Kong 1995: A Review of 1994* (Hong Kong: 1995), p. 347, and *Hong Kong 1997: A Review of 1996* (Hong Kong: 1997), p. 312.

45. Craig and Craig, *Black Watch. Red Dawn*, p. 167. It focuses on the experience of the last British army unit, the 1st Battalion, Black Watch from Scotland, stationed in HK from February to 30 June 1997.

46. *Xin Bao*, (19 July 1993), editorial. See Rayner for the British Forces statement claiming HK also derived economic benefits from the British military which employed 4,500 HK residents and spent HK\$ 990 million locally in 1988–1989. That was only a fraction of HK's total payment for the troops.

Beijing in late 1996. To provide a clear legal-command framework for and to promote HK public confidence in the PLA garrison's non-interference in the local SAR affairs, this law defines the duties as well as the personnel discipline rules and judicature of the PLA in the SAR.⁴⁷ Beijing has tried to reassure the world with this law which is unprecedented in PRC military history.

The PLA's presence in the two SARs could also serve a forward, positive projective purpose.⁴⁸ Beijing hoped that the exemplary conduct and impressive appearance of the future SAR garrisons, to be composed of the cream of the crop from PLA's ranks, would help to refurbish the PLA's tarnished image and showcase it as a highly civilized and well-disciplined modern defense force safeguarding Chinese sovereignty, unity and territorial integrity. Indeed, the previous description of the British forces could be adapted to reflect Beijing's aim for the PLA garrison: 'The principal role of the garrison continues to be to provide a tangible demonstration of the UK's (PRC's) sovereignty and commitment to HK until (after) 1997, in this way contributing to security, stability and prosperity in the territory'.⁴⁹

In a larger context, the restoration of Chinese sovereignty over HK and Macau can be viewed as a significant moral act.⁵⁰ As an integral part of the collective redemption of historical humiliation, the PLA's deployment into territories newly recovered through the liquidation of foreign colonialism should be an utmost national imperative and patriotic necessity. The PLA presence in HK and Macau is a visible signal with profound implications for political legitimacy as it symbolized the PRC leadership's determination and effectiveness in redressing the unequal treaties wrongs by re-establishing authority and control over lost soil extorted from the motherland by imperialist military might. The PLA has taken strong pride in and attached great significance to its role in the defense of territorial integrity and the pursuit of national unity through its SAR garrisoning as actualization of sovereignty. In fact, PLA generals had sat on HK's Basic Law Drafting Committee and the PWC and SARPC.

A case illuminating the great store that Beijing placed in the PLA's direct role in HK transition is the breakthrough after seven years' discussions in the 30 June 1994 Sino-British accord on the transfer of 14 British military sites to the PLA in 1997 for defense purposes. This agreement also returned 25 sites to HK for socio-economic development when they were no longer required by the British garrison before July 1997. Under the accord, the HK government would provide certain new facilities affected by the return of British military sites, mainly the relocation of the naval base from the central business district to Stonecutters Island. In view of the windfall—extremely high market value for these ex-military estates,

47. From the text of the 'White Paper on China's National Defense' (issued by the PRC State Council, 27 July 1998) which is included in *China Quarterly* 156, (December 1998), p. 1120.

48. Ronald Montaperto, 'Strategic and military implications of Hong Kong's reversion', in Warren Cohen and Li Zhao, eds, *Hong Kong Under Chinese Rule: The Economic and Political Implications of Reversion* (Cambridge: Cambridge University Press, 1997), pp. 186, 194; also Lo Suo, *Jiefangjun jinzhu Xianfengang*, pp. 53–55.

49. *Hong Kong 1995*, p. 348. The italics, parenthesis and the words within are the author's.

50. Montaperto, 'Strategic and military implications of Hong Kong's reversion', pp. 184–185.

mostly in prime locations—the Legco speedily voted HK\$ 4 billion for this purpose.⁵¹ New naval facilities on Stonecutters Island were soon built, in part meeting PLA naval specifications.

This defense land accord was the only significant item of Sino–British cooperation since autumn 1992 when Governor Patten’s electoral reform angered Beijing and triggered a three-year confrontation until autumn 1995. Meanwhile, Beijing held major infrastructure projects like the new airport and the no. 9 container terminal hostage while the Sino–British Joint Liaison Group made little progress on substantive issues straddling 1997. Thus this accord reflected the PLA’s powerful influence and direct involvement in the politics of HK’s sovereignty retrocession and actualization.

The cordial PLA–British garrison exchanges at both the commanding generals and grassroots levels during 1996–1997 were the very opposite of the fierce antagonism between the PRC officialdom and Governor Patten who was denounced as ‘sinner of a millennium’. In late May 1996 the CBF–HK Major General Bryan Dutton went to Shenzhen to call on Major General Liu Zhanwu commander of the PLA HKSAR garrison. This was the first ever official visit by the CBF–HK to the PRC since 1949. In mid-July, General Liu paid a three-day return visit to the British garrison in HK at the invitation of General Dutton, thus inaugurating the formal contacts between colonial HK’s British forces and the future SAR’s military. General Liu came to HK again in mid-August on a nine-day working visit organized by the Joint Liaison Group. At the ‘solider to solider’ level, players from the British forces and a PLA tournament team visiting HK even teamed up to take on a professional rugby team from the UK.⁵²

On 22 April, 19 and 30 May 1997, three batches of PLA advance teams totaling 196 officers and soldiers led by HKSAR garrison deputy commander Major General Zhou Bojung arrived in HK. They were housed in various British barracks and bases where the British forces assisted the PLA teams in their liaison, logistics and communication tasks to prepare for their new garrison of about 4,000, which was calibrated at the final British forces level.⁵³ Indeed, the British permission allowing these PLA advance teams into HK helped restore some momentum into Sino–British cooperation on transition matters at the eleventh hour. The British accepted a last minute PRC request for the earlier entry of 509 PLA officers and men in 39 vehicles at 9 p.m. on 30 June 1997, ahead of the arrival of the bulk of the PLA garrison at midnight.⁵⁴

This ‘military presence as sovereignty actualization’ in HK transitional affairs reflected the PRC’s acute crisis of ideological vacuum, effective authority and

51. *Hong Kong 1995*, p. 60. See Lo Suo, *Jiefangjun jinzhu Xianfgang*, pp. 95–101, for Beijing’s three principles (first defense needs, then HK’s economy, and resolution by negotiations) and its concession by not insisting on the transfer of all British sites that helped to seal the accord. Also see Chang and Chuang, *The Politics of Hong Kong’s Revision to China*, pp. 37–39.

52. *Hong Kong 1997*, pp. 42, 310.

53. *Ta Kung Pao*, 23 April, 20, 31 May 1997. Also see Craig and Craig, *Black Watch. Red Dawn*, pp. 156–159. The actual size of the PLA garrison did cause some Sino–British disagreements, see Chang and Chuang, *The Politics of Hong Kong’s Revision to China*, p. 34.

54. Government Information Department, *Hong Kong—A New Era* (Hong Kong: 1998), pp. iii–iv; Craig and Craig, *Black Watch. Red Dawn*, pp. 231–233; and *China Quarterly* 151, (September 1997), p. 713.

power succession. With the *de facto* demise of the Communist orthodoxy and economism's problematic appeal, nationalism is the only means to galvanize mass support to buttress the CCP leadership's legitimacy. Hence, dramatic manifestations of Chinese nationalism in Beijing's drive for reunification with HK and Macau were of critical importance in the PRC's political calculus. As such, Beijing could not afford to yield on the high-profiled military presence in its sovereignty actualization over HK and Macau as prime showcase of nationalistic fulfillment under the Jiang leadership.

Hence, the 1998–1999 Sino–Portuguese disagreement on the stationing of PLA troops in the Macau SAR should not be too surprising. This was not simply a PRC decision for military pride and symbolic sovereignty assertion, which were important factors. Rather, it was also an urgent matter of practical necessity. The worsening law and order situation in Macau had alarmed the PRC officials who saw in the drastic decline of Macau's casino-driven tourism, due to street violence and gangland strife, the urgent need to strengthen local public security. As the local police forces had been administratively divided (into a security police and a rival judicial police), corruption-infested and gangland-infiltrated, the presence of PLA troops in the Macau SAR became a much needed and timely deterrent. In fact, Beijing's 18 September 1998 announcement on the PLA presence in the Macau SAR was greeted positively by large segments of the local populace who were terrorized by the crime waves.⁵⁵

In an unexpected twist to the otherwise cordial Sino–Portuguese transition dealings, Lisbon sternly objected to what it perceived to be the PRC's last minute attempt at 're-militarization' of Macau. Despite the similarities between the Joint Declarations on HK and on Macau, as well as the resemblance between their respective Basic Law, the Macau version of both, unlike their HK counterparts, had made no specific reference to nor included any explicit provisions for the post-handover Chinese military presence. However, these two Macau documents do confer on Beijing the responsibility for defense and foreign policy.⁵⁶ Such defense responsibility's implicit requirements for Chinese armed forces in Macau yielded the solid legal ground for Beijing's assertion of its sovereign rights. The PLA deployment could also be justified by the deteriorating public order under Portuguese sunset rule.

The Portuguese arguments, on the easy access by Chinese troops from Zhuhai into Macau which is too small to house a garrison, and the fact that Lisbon had since 1975 demilitarized Macau by withdrawing all Portuguese military forces, did not cut ice with Beijing.⁵⁷ Lisbon was ill-prepared for Beijing's change of mind on

55. *Wen Wei Po*, (19 September, 9 November 1998). *Zijing* 103, (May 1995), pp. 12–13.

56. McGivering, *Macao Remembers*, p. 50 for legislator Ng Kwok-cheong's statement that Beijing did not plan to station troops in Macao when drafting the Basic Law, hence no articles on the PLA despite local pleas. See Chang and Chuang, *The Politics of Hong Kong's Revision to China*, pp. 25–26 for a comparison of the two Joint Declarations on this military issue.

57. See *Zijing* 123, (January 2000), pp. 41–43 for the argument that the 1975 military withdrawal from Macau was more nominal than real. It cites the case of the Security Forces, which was established along military lines with active Portuguese military personnel as commander and officers accountable to the defense chief of staff in Lisbon, even after it became part of Macau's Department of Security in 1991. Also many military officers from Lisbon served in Macau government posts, from functionaries to governors, including the last governor General Rocha Vieira. (For his views, see McGivering, *Macao Remembers*, pp. 53–57.)

this issue only 15 months before the handover, which might also violate a prior understanding of no Chinese troops in the Macau SAR.⁵⁸ Perhaps the Portuguese simply failed to appreciate the HK experience in which the PLA, even in the thickest of Sino–British discord, managed to secure agreements on military facilities and advance teams.

Even after Lisbon finally yielded to Beijing's insistence that the issue should be strictly an internal matter between the PRC central authorities and its Macau SAR, the details of the PLA's deployment in Macau were yet to be finalized less than two months before the 20 December 1999 handover. By playing a reverse game in the Chinese art of 'face diplomacy', President Jiang's 26 October 1999 visit to Lisbon ultimately helped to resolve the matters of military arrangement.⁵⁹ Patterned after the HK law, a Macau SAR Garrison Law was promulgated by Beijing in late June 1999.⁶⁰

Unlike the case of HK where the PLA had to dispatch advance teams to prepare for the takeover of British military sites, the Portuguese no longer had any military installations in Macau where the PLA had to seek new premises to house its garrison. As such, Lisbon flatly refused Beijing's request to send in any soldiers as advance units before the retrocession date. In fact, other than the PLA military band and a few honor guards present at the handover ceremony, the PLA garrison (which numbered less than 1,000) did not enter the Macau SAR until noon, 20 December 1999, almost half a day after Portuguese President Jorge Sampaio's departure following the midnight ceremony.⁶¹ Playing down the stiff Portuguese resistance against 're-militarization' to the very end, some observers argued that unlike the PLA garrison's midnight entry into the HKSAR on 1 July 1997, the PLA's noontime procession into Macau was deliberately designed to highlight the Chinese troops' visible deterrent effects against local criminal elements.⁶²

Popular response

The stark contrast between HK's widespread crisis of confidence toward the 1997 transition and the relative calm and passive acceptance of the 1999 retrocession among Macau's populace was reflected in the massive overseas exodus from colonial HK but much less serious migration outflow from Macau in the last 15 years. Several factors underlined the marked difference in their popular reactions to the prospect of life under Communist Chinese sovereignty. An oversimplified delineation would pinpoint the direct relevance of contemporary politics and collective memories of the recent past. To start with, the people of Macau had already been acclimatized to the PRC's dominant influence ever since the governor's January 1967 capitulation. Public life in the Portuguese enclave had been

58. Edmonds and Yee, 'Macau', p. 808, footnotes 24–25.

59. *Sing Tao Daily*, (16 October 1999); *Zijing* 111, (January 2000), pp. 41–43.

60. *Zijing* 107, (September 1999), pp. 17–19.

61. *The Times* (London), (21 December 1999), reports that only 300 PLA soldiers would be stationed in Macau at any one time, the rest staying behind in Zhuhai. In the dispute over the PLA, Sampaio did threaten to boycott the handover ceremony, see *New York Times*, (19 December 1999).

62. *Zijing* 111, (January 2000), pp. 21–24, 39–44; *Yazhou zhoukan*, (29 December 1999), p. 39.

under Beijing's shadow to such an extent that Macau was sometimes labeled as a 'semi-liberated' area.⁶³ Thus, the 1999 scenario did not usher in in Macau the same intensity of anxiety, uncertainty and lack of confidence in the future SAR as HK's mainstream apprehension of 1997.

While the PRC's Cultural Revolution spilled over into both Macau and HK, the consequences for their local patriotic activists were exactly opposite. The 1967 disturbances were engineered by overly zealous HK leftists who turned industrial disputes into an all out anti-colonial campaign echoing the mainland Red Guards' militancy. However, this leftist radicalism proved to be counterproductive. It severely delegitimized the PRC/CCP among the HK Chinese who broke their long tradition of patriotic support for China's cause in Sino-British conflicts. Instead of supporting the local proxies of Beijing, they stood behind the colonial regime's counter-insurgency measures.⁶⁴ The pro-Beijing camp's sharp decline continued into the 1970s. The costs in alienated HK hearts and minds could not be estimated. For those HK Chinese over age 40 in July 1997, the nightmare memories of summer 1967 cannot be erased easily. The December 1966 incident in Macau was of shorter duration and much less violent than the HK riots. The full victory of the local patriotic elements against Portuguese brutality greatly enhanced not diminished Beijing's influence in Macau.

The 1989 Tiananmen tragedy provoked unprecedented public outbursts in HK and Macau. The million-strong protest march in HK was proportionally much more forceful than Macau's mass demonstration. To many HK Chinese, the 4 June images recalled to mind the deep scars and pained remembrance of 1967. Their increasingly close identification with mainland China since the 1980s, due to the reform induced socio-economic integration with Guangdong and the 1997 retrocession, actually rendered the HK people more profoundly disturbed. The sharp increase in emigration in the early 1990s indicated HK's severely damaged confidence.⁶⁵

The post-1989 Sino-British hostilities deepened HK's crisis of confidence in the uncertain prospect of life under Chinese Communism and in the turbulent transition. The 1984 accord initially aroused hopes in a 'retrocession with democracy'. The bilateral negotiations, subsequent decolonization and Basic Law drafting processes became vivid civic lessons to politicize the HK people. Their collective awakening led to high expectations but soon unfulfilled aspirations resulted in bitter resignation manifested in a 'vote with their feet' exodus. Democracy, not sovereignty, divided many HK Chinese from the political mainland China, despite their growing links with socio-economic China.⁶⁶ In Macau, two decades of massive influx of mainland Chinese immigrants, who now constitute 35% of the local

63. Tam, *Aomen zhuquan wenti shimo*, p. 252.

64. On the 1967 riots, see Cheung Ka-wai, *Xianggang 67 baodong neiqing [Inside Story of the 1967 Riot in Hong Kong]* (Hong Kong: Pacific Century Press, 2000).

65. On HK's migratory exodus under the 1997 impact, see Ron Skelden, ed., *Reluctant Exiles? Migration From Hong Kong and the New Overseas Chinese* (Armonk: M.E. Sharpe, 1994).

66. Ming Chan, 'The politics of Hong Kong's imperfect transition', in Ming Chan, ed., *The Challenges of Hong Kong's Reintegration with China* (Hong Kong: Hong Kong University Press, 1997).

population, has facilitated intimate interface and warm affinity with Beijing to mitigate some of the 1999 blues.⁶⁷

Nearly half a century of regressive Salazarian dictatorship did not yield much of a liberal and democratic Portuguese example to enlighten colonial Macau residents. Their relatively lower level of education and global sensitivity did not promote the same civic culture, social activism and political awareness as their HK neighbors. The 1974 revolution and the subsequent ‘rumors’ about Lisbon’s exit from Macau did create some alarming commotion and mild panic in Macau. These ‘rehearsals’ for Portuguese withdrawal did serve an unintended positive purpose of psychological pre-conditioning that better prepared the Macau people for the real retrocession in 1999.⁶⁸

One can note the much lower level of public satisfaction with the sunset Portuguese regime among the Macau Chinese in comparison with their HK compatriots’ evaluation (in popular approval ratings) of the British colonial regime. In fact, the HK government under Governors Wilson and Patten had always been rated much higher than both the Beijing and London authorities in HK public opinion surveys.⁶⁹

The breakdown in order with runaway gangland violence and crime waves, coupled with corruption and scandals reaching the peak of government, distressed most Macau residents. Seeing the retrocession with SAR autonomy as a true blessing, many Macau Chinese embraced 1999 as an eagerly anticipated deliverance from Portuguese misrule. Macau’s top pro-Beijing leader Ma Man-kee observed that under severe economic difficulties since the 1994 property bust, which was compounded by disorder and the Asian financial crash, the locals welcomed the relief effects of 1999. Macau’s lone pro-democratic legislator agreed that most locals believed no matter what, the SAR would only be an improvement. What a contrast with pre-1997 HK.⁷⁰ The cordial Sino–Portuguese ties also helped absorb or deflect some of the dislocative effects on Macau from the political and institutional sea change as both the 1986–1987 bilateral negotiations and the 1988–1993 Basic Law drafting process were relatively smooth and harmonious. The full Portuguese citizenship right accorded to qualified local Chinese was a major pillar to instill local confidence. On this score, Lisbon had done more for Macau’s people than London did for HK’s people during the transition era. In a sense, HK’s near epidemic crisis of confidence amounted to a popular indictment against London as much as against Beijing.

Ironically, despite its imperfect transition to 1997, HK’s solid performance in the early SAR era, even amidst an Asian economic crisis, has buttressed Macau’s public confidence in the SAR system under PRC sovereignty. The fine record of the PLA garrison in HK also helped to dispel skepticism on its presence in Macau.⁷¹

67. *Yazhou zhoukan*, (29 December 1999), p. 31.

68. Tam, *Aomen zhuquan wenti shimo*, pp. 258–260.

69. Yu Zhen, *Aomen huiqi qianhou di wenti yu duice [Issue and Response in Pre-and Post-Reversion Macau]* (Hong Kong: Minglu chubanshe, 1999), pp. 1–25; Edmonds and Yee, ‘Macau’, pp. 809–810; and *Pop Express* 11, (Hong Kong: University of Hong Kong Public Opinion Program, July 1997).

70. *Yazhou zhoukan*, (29 December 1999), pp. 31–32. Also see Bolong Liu, ‘Hong Kong’s reversion and its impact on Macau’, pp. 293–302 for HK’s example.

71. HK’s PLA approval rate has jumped from 20% to 93% since 1997, see *Sing Tao Daily*, (30 April 2001).

Though only 30 months and 40 miles apart, the birth of China's two SARs projected very different imageries. Some journalists described the Macau handover proceedings as more akin to a joyous carnival very much devoid of HK's mixture of relief and anxiety. After all, unlike the British colonial sunset in HK, the Portuguese departure from Macau was not the reluctant surrender of a prized procession.⁷²

Epilogue: after Hong Kong and Macau, Taiwan?

While the post-retrocession SAR records of HK and Macau have yet to be clearly established to evaluate Beijing's performance according to the 'one country, two systems' formula, London's 1997 exit efforts were mixed and even falling below Lisbon's in some areas. Given the divergent historical circumstances of their colonial experience and transformational paths, and also considering the deep gaps in relative global diplomatic and strategic as well as economic strength of their colonial masters, the fact that HK and Macau have taken different roads to come home to motherland China should not be any real surprise. Their different stories tell as much about Beijing's continued quest for national reunification as about these two South China enclaves' unique features. But the real game a foot would be the contrasting fates of these two SARs in the twenty-first century. As Beijing's 'one country, two systems' formula was first introduced in 1981 for the mainland's hopefully peaceful reunification with Taiwan, the real success or otherwise of the HK and Macau SARs under PRC sovereignty will have direct bearing on cross-strait relations.

From the 1950s until the early 1980s, the PRC's policy dictum on the high priority objective of national unification had been the 'three steps formula' laid down by Zhou Enlai. This formula called for: first, the resolution of the Taiwan problem (involving the legitimacy issue vis-à-vis Taipei's then claim as the sole legitimate national government of all China), second, the end of British rule in Hong Kong, and finally, the recovery of Macau from the Portuguese. With this three-step formula setting the reunification agenda, Beijing in 1974–1975 declined the Portuguese offer to revert Macau to Chinese rule. Now that HK, after more than one and a half centuries of British rule, and Macau, after nearly four and a half centuries of Portuguese occupation, have returned home to China, the remaining yet most significant target of the PRC's reunification drive is Taiwan. The HK and Macau handover has definitely added pressure on and generated fresh momentum for the process toward mainland–Taiwan reintegration.⁷³ Even though the much more complex case of already non-colonial and fast democratizing Taiwan is definitely not the same as the retrocession of the two European enclaves on the South China coast, the HK and Macau experiences could still be relevant as

72. *Yazhou zhoukan*, (29 December 1999), p. 5, Editorial; and *New York Times*, (19 December 1999).

73. Ming Chan, 'Hong Kong's imperfect transition to 1997: implications for Chinese mainland–Taiwan relations', in J.H. Lai and George Yu, eds, *Taiwan on the Move* (Chungli: Institute of History, National Central University, 1998).

reference and reassuring demonstration models for this ultimate step toward cross-strait peace and unity within the Chinese nation.⁷⁴

The relevance of the PLA's HK and Macau experience to the PRC's cherished reunification with Taiwan should not be underestimated as Beijing has consistently refused to rule out the use of force if necessary. Since (after Japan's defeat in 1945) Taiwan is no longer a foreign colony, Beijing has promised not to send over any PLA troops but allow Taipei to maintain its own military forces after reunification. This has been hailed as a major PRC concession in applying the 'one country, two systems' formula to Taiwan which would be far more generous than in the ex-colonial cases of HK and Macau. Yet, the almost last minute decision on the PLA's Macau presence might raise doubts in Taipei on Beijing's change of mind over this very sensitive military issue. Recent reports on the PRC's plan to establishment a 'HK-Macau SARs Military District' directly under central control seem to reaffirm the great significance of the military factor for Chinese sovereignty actualization.⁷⁵

Of course, the firm rejection of reunification with the mainland under any HK or Macau-style 'one country, two systems' formula by all key political leaders and major parties in Taiwan has been an established fact. Even the Hong Kong-born, anti-Taiwan independence, popularly elected Kuomintang mayor of Taipei, Ma Yingjiu, in his official visit to HK in February 2001, publicly stated that while he sincerely wished for the successful implementation of the 'one country, two systems' policy in the HKSAR, this formula could not be applicable to the very different case of Taiwan.⁷⁶ Despite the Taiwan authorities' determination in restricting direct transport, trade, and investment links with the mainland in order to avoid any 1980-1990s style 'Hong Kong-nization' (in becoming a *de facto* economic appendix of the PRC), the cross-strait human and business trafficking has been on the rise since 1997-1999, mainly through the two SARs. The separate but linked WTO membership of both Beijing and Taipei will enhance their functional interactions with each other and also with HK, which is already a full-fledged WTO member. Thus, in any informed articulation of cross-strait relations, the example of Hong Kong under the 'one country, two systems' formula will continue to be 'a ghost hanging over Taipei's mainland policy'.⁷⁷

As such, the HK and Macau retrocession processes might be of realpolitik significance as the paths deliberately not chosen by Taipei in the unfolding locus of cross-strait dynamics. Indeed, if 1997 had closed the dark chapters on a century and half of British imperialist unequal treaties against China while 1999 finally erased the last vestige of five centuries of European colonialism in Asia, then Taiwan should fill the new pages in the twenty-first century book on the Chinese quest for national unity.

74. On HK-Taipei-PRC ties, see C.L. Chiou and Leong Liew, eds, *Uncertain Future: Taiwan-Hong Kong-China Relations after Hong Kong's Return to Chinese Sovereignty* (Aldershot: Ashgate, 2000); Government Information Office, comp., *After Hong Kong: Whither Taiwan? World Press Perspectives on the Republic of China's Future in the Wake of the Hong Kong Transition* (Taipei: 1998).

75. *Sing Tao Daily*, (16 October 1999).

76. On Ma's well-received visit to the HKSAR, see *Yazhou zhoukan*, (19-25 February 2001), pp. 7, 26-27.

77. This quotation is from the talk 'Beijing, Washington, and Taipei: Still the Triangle?' by Steven Goldstein of Smith College, at the Center for East Asian Studies, Stanford University, (23 April 2001).