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THE EVENTFUL CITY IN A COMPLEX ECONOMIC, SOCIAL AND POLITICAL ENVIRONMENT

The case of Macau

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Introduction

Macao is the first and last European colony in Asia (Cheng 1999). Throughout its 442 years of Portuguese rule, Macao had undergone dramatic changes from a quaint, quiet fishing village to a thriving centre of sea trade and, in the 1990s, from a declining economy in the shadows of Hong Kong’s prosperity to the gaming capital of the world today, with receipts long surpassing that of Las Vegas (Vong 2008). Macao is just under 31 km², with a population increased from 513,400 in 2006 to 644,900 in 2016 (DSEC 2017), thanks to immigrant investor programmes and human resources demand brought forth by the prosperous economy, making Macao the most densely populated in the world. The transformation of Macao following the handover from Portuguese rule to Chinese administration on 20 December 1999 has been unprecedented, all of which is attributed to the deregulation of the gaming licences in 2002, just three years following the handover, in the hope of restoring the economy. The economic issues were caused by the aftermath of the Asian financial crisis in the late 1990s, a negative destination image, the effects of death cases brought by the SARS (Severe Acute Respiratory Syndrome) outbreak in neighbouring cities and a declining economy caused by many factories in the manufacturing industry moving to mainland China, among many other reasons. This transformation has affected Macao in three main aspects: the economy, the political environment and the societal life in general.

As it will be discussed in the following sections, Macao has a complex environment with economic and sociopolitical issues. This chapter problematises the situation of Macao, presents the concept of the eventful city as a potential strategy and discusses how being eventful is vital to not only mitigate the effects resulting from having an economy based on one single sector dependent on a single market, but to boost the positive social goals that festivals and events bring. It contributes to the understanding of festivals and events as a catalyst of change, particularly from a socio-economic perspective. The views expressed in this chapter are relevant to other destinations which are developing the gaming industry, particularly if these destinations are over-reliant on gaming or gaming receipts and are heavily dependent on a single or only a few source markets.
Economic, social and political environment of Macao

Comparing the principal economic indicators during the decade from 2006 to 2016, Gross Domestic Product (GDP) per capita in real terms rose from USD29,755 to USD69,372, the unemployment rate dropped from 3.8% to 1.9% and tourist arrivals rose from just under 22 million to 30.9 million per year. Gaming tax revenues relative to the total tax revenues received by the Macao government have risen from 48.4% in 1999 to 76.4% in 2016. The economic prosperity brought by the gaming industry has obviously created multiple benefits for residents in Macao. For example, the government has introduced policies to alleviate the effects of inflation felt by residents, such as the wealth-partaking scheme, which has run for ten years already, whereby the government gives each Macao resident a one-off cash payment of up to MOP9,000 every year and health coupons that can be used in medical establishments up to a value of MOP600 (USD1 is approximately MOP8). Because of its reliance on the gaming revenues, public spending on destination marketing and organising touristic festivals and events has also been generous. The singular economy and dependency of gaming revenues, which in turn rely on China as the main source market, puts Macao in an unfavourable position.

Although Macao enjoys a high degree of autonomy, its economic survival is largely dependent on the gaming receipts, which are, in turn, heavily reliant on the primary source market of mainland China. When President Xi Jinping came into power, he promised to put an end into China’s long and serious problems in corruption. One of his promises was to stop money laundering and scare high-ranking officials, in particular, in order to discourage corruption. Coupled with unfavourable global financial conditions, this had dramatic effects on Macao’s gaming receipts over recent years, from a 2014 high of MOP353.6 billion to MOP233.0 billion in 2015 – a drop of 34.1% – although the gaming sector is slowly recovering (DSEC 2017). Figures from the tourism sector also show reductions, although they are not as drastic; it is believed, however, the drop in tourist numbers was not due to China’s anti-corruption initiatives, but rather due to Macao and Hong Kong being unstable and unfavourable tourist destinations for mainland Chinese following political incidents in Hong Kong. This was essentially a wake-up call for Macao as the tourism industry, which is largely fuelled by the gaming sector, is extremely sensitive to Beijing policies, global economic environment and regional political situation.

Not only have these incidents had serious implications for Macao’s economy as the previous discussion shows, but the strategic direction of Macao’s economy also takes its toll by having a narrow range of possibilities (Sheng & Zhao 2016). Although Macao has little say in how the long-term economic strategy is laid out due to lack of possibilities and overarching decisions by the central government in Beijing, recent policy directions from Beijing had placed Macao in a very favourable and strategic position. Macao has assumed the role of a ‘one centre, one platform’ in China’s Belt and Road Initiative (Huang 2016). The ‘one centre’ refers to the positioning of Macao as the World Centre of Tourism and Leisure, a strategic direction bestowed during the twelfth five-year plan in 2011 (Vong 2016). The ‘one platform’ is a more recent strategic direction to utilise Macao as a platform between China and Portuguese-speaking countries in commercial and trade cooperation. A very important cornerstone of this positioning is to build Macao into a ‘City of Events’ where the government, through its involvement in different sectors such as sports, culture and tourism, as well as trade and commerce, initiates and supports festivals and events, particularly those which are related to the Portuguese-speaking diasporas.
Macao has a ‘one country, two systems’ legal framework that gives Macao a high degree of autonomy in how the city is run. In fact, the Basic Law of Macao has specific articles that encourage the practice of, and safeguard the freedom of Macao residents to engage in, activities related to religion and culture (República Popular da China 1993). Although there were a number of conflicts between the Portuguese and Chinese during the Portuguese administration (Cheng 1999), the relationship to date has been generally positive (Hao 2011). In his reviews about social problems in Macao, Hao (2005, 2011) notes the Portuguese influence still has a prominent position in society following the handover to Chinese administration but is likely to be neutralised due to younger generations of different ethnicities being acculturated. However, Macao still enjoys its advantageous platform between Chinese and Portuguese-speaking countries in trade and cultural exchange.

Recent research suggests that the solution is for Macao to reinvent itself in order to mitigate problems that arise from having only an economy based on one single sector and overdependence on a single or only a few source markets. Such research was conducted as early as the mid-2000s, shortly following the deregulation of the gaming legislation, when there were recommendations to develop Macao’s gaming industry by incorporating Chinese and/or Portuguese themes in its casino businesses (Gu 2004). Adopting an urban planning perspective, Wan and Pinheiro (2014) recommend a series of solutions to ensure sustainable tourism planning such as diversifying Macao’s tourist offerings, transparent planning missions and involving residents in the planning process. More recently, Sheng and Zhao (2016) recommend that Macao adopts a diversification strategy, such as utilising its United Nations Educational, Scientific and Cultural Organisation (UNESCO) World Heritage properties as well as festivals and events, in order to prepare itself for the economic downturn caused by the eventual saturation in the gaming business.

Greenwood and Dwyer (2017) suggest Macao should adopt a creative city strategy by incorporating essential attributes to mitigate threats to ensure the sustainability of its economy through realising its strategic positioning. They observe that creative cities are competitive, thriving and innovative, liveable, environmentally and socially aware, inclusive, distinctive identity and shared vision of governance. Created in 2004, the UNESCO Creative Cities Network aims to unite the different sectors of the society to commit into sharing best practices and developing partnerships (UNESCO 2015). It has been argued that modern destinations must develop themselves into creative cities that embrace characteristics of today such as technology in order to capitalise and maximise modern consumer behaviour (see Landry 2008). In a recent study conducted in Macao about community support for festivals, and the resulting tourism brought forth by these events, Li and Wan (2017) show that the community is generally positive. However, this is dependent on residents being informed of the wider benefits these festivities bring to the community, festival tourists and residents developing an emotional solidarity, and the community being involved in the festival development. These findings are largely consistent with the current understanding in event studies (Getz & Page 2016).

Macao: an eventful city

Coupled with issues such seasonality and cities failing to create a unique proposition for place branding, as well as the shift of global citizens seeking rich experience, cities often find it difficult to differentiate one from another based on their conventional touristic offerings. Cities turn to their innate resources – festivals and events – by offering a series of festivities all year round, creating a unique, difficult to replicate and culturally rich experience; this is the
eventful city (Richards & Palmer 2010). In a recent study in Romania (Richards & Rotariu 2015), an eventful city strategy created a number of positive impacts, including community pride, cultural enrichment and economic benefits. Premier Asian cities like Seoul, Hong Kong and Singapore have used an eventful city strategy as one of their destination marketing efforts. Cities like Tokyo, with its hosting of the Olympics in 2020, appear to be following suit. In addition, destination marketing efforts by regional cities in Asia seem to be promoting their destinations’ unique event propositions. For example, Lantern Festivals in Taiwan, Boryeong Mud Festival in South Korea, matsuris in Japan, Songkran in Thailand, the Feast of the Black Nazarene in the Philippines, the Bun Festival in Hong Kong and Chinese New Year in China are all common sights on tourism brochures and posters, travel websites and travel fairs.

The Macao tourist board launched its strategic global marketing campaign ‘Experience Macao’ a few years ago, but in recent years further emphasised the initiative with a particular focus on Macao’s festivals and events, branding it ‘Experience Macao Event Style’, showcasing the variety of festivities all year round. Clearly, this shows Macao’s commitment and adoption of a long-term branding strategy that moves Macao away from the gaming-laden destination image by creating an eventful city on offer to tourists and residents. The tourist board also teamed up with the region’s most respected English newspaper, Hong Kong’s South China Morning Post, creating a series of special advertorials to promote Macao’s eventful city elements. In fact, one would immediately notice the marketing efforts on festivals and events when browsing websites on Macao tourism (see, for example, http://whatson.macaotourism.gov.mo, http://en.macaotourism.gov.mo or www.scmp.com/topics/experience-macao).

Destinations are able to adopt an event portfolio approach to realise the eventful city strategy (Getz 2007). An event portfolio is a synergised effort to capitalise the benefits of multiple events, strategically spread across a period of time in a destination, rather than to focus on the outcomes brought by a single event (Ziakas 2014). These benefits include balancing different stakeholder interests, maximising the value of events by leveraging multiple events appealing to various market segments based on specific environmental factors, efficient use of local resources, and building towards a sustainable community led by harnessing the benefits of festivals and events (Ziakas 2010). Chalip (2006) shows that through leveraging sport events, the community is able to build social networks, address social issues and strengthen community involvement in events. Ziakas and Costa (2011a) propose a multidisciplinary research framework to understand further how to make use of event portfolios; specifically, they note that an event portfolio is potentially a flexible multipurpose development tool for a host community. In another study by the same authors (Ziakas & Costa 2011b), they observe that events share similar symbolic meanings; an event portfolio approach creates synergy among different types of events by capitalising on economic, sport, tourism and social development objectives.

The Macao strategic tourism planning – and by extension, the embedded event tourism strategy – is led by the local tourist board. Unfortunately, a detailed plan is not accessible by the general public, but a copy of the presentation slides and press release of the annual presentation by the tourist board is available (Macao Government Tourism Office 2017). According to this, the Macao government will

‘make continuous efforts to develop a diversity of tourism products, organize events and festivals, enhance destination promotion, follow up with law amendments, optimize industry service quality, optimize incentive system, strengthen multipartite cooperation
mechanism and actively engage in international organizations, to enable steady progress in various tasks for the long-term development of Macao’s tourism industry.’

(2017, p. 70)

This shows the government’s commitment to develop Macao into an eventful city, which is further evident by the breakdown of their aims and objectives into major focal points. Table 20.1 shows an excerpt of these objectives which are directly related to creating Macao into an eventful city.

These objectives appear to support the event portfolio approach to adopting an eventful city strategy in Macao. Festival and event participants contribute not only to the ‘event economy’ but also to different sectors, such as retail, lodging and entertainment. Therefore, there are also efforts to strengthen and diversify existing tourism products in order to complement the festival and event calendar and to create synergy among different sectors within the overarching ‘tourism industry’. One of the recent successes is the designation of Macao as a member of the UNESCO Creative Cities Network in the field of gastronomy. It is, however, unclear whether and to what degree events play a role in Macao’s plans to become the World Centre of Tourism and Leisure. Discussions on eventful city strategy call for destinations to adopt a strong and emphasised focus on developing events so as to maximise resources use. The breakdown of tourism budget is unavailable; hence, it is unclear how much the eventful city strategy is costing the taxpayers. Nevertheless, the financial resources and commitment put into tourism must be significant. In Macao, given the substantial tax revenues from gaming receipts, the strong dependency on the tourism economy and also the urgency of diversifying Macao’s tourism, the budget for 2017 is MOP1,443,507,900 (equivalent to USD180.4 million).

From these discussions, it is absolutely essential for Macao to move away from its huge and singular dependency from the gaming industry. Due to land shortage and lack of other natural resources, it is impractical for Macao to explore other industries to sustain Macao’s economy, so it seems that investing in tourism is the only realistic alternative. Under the umbrella term ‘tourism industry’, it appears that adopting a festivals and events strategy is most probable given Macao’s unique cultural heritage and rich variety of associated events.

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<th>Table 20.1 Excerpt of Macao’s Tourism Work Plan 2017 which are directly related to creating Macao into an eventful city</th>
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<td><strong>Focal Point 1:</strong> Develop a diversity of tourism products, evaluate event effectiveness and initiate new projects</td>
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<tr>
<td>• Finalise the Macao Tourism Industry Development Master Plan</td>
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<td>• Research on effectiveness of mega events and tourism products</td>
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<td>• Refurbishment of the Macao Grand Prix Museum</td>
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<td>• Creating Macao into a ‘City of Events’ by organising, supporting and diversifying festivals and events</td>
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<th><strong>Focal Point 3:</strong> Unleash synergistic effects, enhance destination promotion</th>
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<tr>
<td>• Continuous cooperation with other government departments to unleash synergised effects of activities and events</td>
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<tr>
<td>• Continuous development of smart tourism</td>
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<tr>
<td>• New promotional video ‘Experience Macao Your Own Style – Events’ to be released in worldwide marketing efforts</td>
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*Source: Macao Government Tourism Office (2017).*
activities. Adopting an eventful city strategy ensures Macao a unique destination proposition in order to attract the tourist dollar. Ideally, an event portfolio approach is a careful, calculated and managed process. However, the current tourism development efforts by the local tourist board appear to be somewhat uncoordinated. An eventful city strategy will only be successful if different stakeholder needs are managed appropriately along with a coordinated consumption of resources in order to capitalise the positive effects brought by festivals and events.

Although the majority of major events held in Macao are led and organised by the government, it has been undergoing a series of initiatives to synergise festivals and events efforts. First, the government has undergone a major overhaul to better align festivals and events with the appropriate government departments. For instance, the Lusofonia Festival, which celebrates its 20th edition in 2017, used to be organised by the Civic and Municipal Affairs Bureau. It is now organised by the Cultural Affairs Bureau along with other cultural events such as the Macao Arts Festival and the Macao International Music Festival. This involved restructuring the government departments, creating new divisions and mobilising civil servants across major areas of the government. Second, the government has introduced different events, with various degrees of success, in order to diversity Macao’s event offerings such as the Macao Light Festival and Parade for Celebration of the Chinese New Year. Third, the government has also renamed certain events to be more inclusive so as to allow more opportunities for different groups; for example, the carnival-like parade that celebrates Macao’s handover to Chinese sovereign has now been renamed from ‘Parade through Macao, Latin City’ to ‘Macau International Parade’ to welcome different groups to participate instead of only performers of Latin heritage. Fourth, the government has been bundling events to synergise and complement event offerings. The Macau Food Festival was rescheduled a few years ago and prolonged to coincide the period of the Macao Grand Prix. Fifth, the government has been greatly supporting festival and event efforts led by the community, such as diaspora festivals, religious events and folklore festivals, as well as business events led both by the government and by the private sector.

The ‘City of Events’ concept is only viable when the ties and bonds within the society of Macao are strengthened, unified and working together towards the same goal. The next section of the chapter illustrates examples of festivals and events that not only survive but thrive in Macao, under a complex economic, social and political environment. Finally, the chapter concludes by a discussion of essential elements to make these festivals and events thrive in Macao.

**Festivals and events support an inclusive society**

The Lusofonia Festival celebrates the heritage of Portuguese-speaking communities in Macao. Now in its twentieth year, the festival is one of the most anticipated festivals of the year. The festival is similar to a fun fair with stalls managed by different Portuguese-speaking groups showcasing their food, arts and craft as well as music and other aspects of their heritage. There are also traditional Portuguese games, children’s activities, cultural performances and band shows. A smaller version of the festival that celebrates solely the Portuguese heritage in Macao – namely the Portuguese and Eurasians communities – is the Arraial de São João which is smaller in scale as there are only a handful of community groups as opposed to the Lusofonia one which is represented by ten ethnic groups. Although the Lusofonia Festival is organised by the government, the individual performers and ethnic groups are members of the public who participate in the festival upon the organiser’s
invitation. Funding was minimal, and in many cases, they had to meet costs and resources on their own. Both of these festivals attract a huge following by the Portuguese-speaking communities in Macao, their friends and families, as well as members of the general population who are ethnically Chinese.

Unlike some postcolonial destinations whereby the relationship between the colony and the native country can be negative, such resentment is largely absent in Macao. The Portuguese-speaking communities have been embraced by all levels of the society. This might argue for the case of the success and popularity of both Lusofonia and São João festivals. However, another prominent ethnic group in Macao, the Filipinos, also organise their diaspora festivals in Macao, occupying public space and sharing public resources, such as funding and urban space, as well as creating problems, such as crowding and congestion. There seems to be no resentment of any sort from the wider community; this shows that society embraces festivals and events organised by different ethnic groups.

The Sinulog Festival, held on the third Sunday of January, involves a church activity, a procession and dance performances. It is a festival originating from Cebu in the Philippines and celebrating the adoption of Christianity as the nation’s religion. The majority of Filipinos in Macao are labour workers, mostly as frontline staff in the hospitality industry or domestic workers. Like their Portuguese counterparts, this festival is also popular among residents, and when tourists come across these festivals, they are highly attracted too. These events are attractive by nature because of their colour and pageantry, but also symbolically, in terms of the residents’ recognition and respect of the contributions and presence of these ethnic groups in Macao. This is a concerted effort that is successful as a result of the community’s acceptance, the government’s support in resources and private sector’s tolerance for impacts caused to their businesses.

**Festivals and events safeguard intangible cultural heritage**

In Macao, a number of festivals and events have been inscribed onto the Inventory of Intangible Cultural Heritage, a formal recognition of their significance to Macao’s cultural landscape protected by law (Intangible Cultural Heritage 2017). These festivities vary from traditional Chinese festivals to Catholic processions, beliefs and customs of folklore deities to stage performances of Patuá, a nearly extinct creole spoken by Eurasians in Macao.

Festivals and events encompass all domains of the UNESCO Intangible Cultural Heritage (http://ich.unesco.org):

- oral traditions and expressions, including language as a vehicle of the intangible cultural heritage
- performing arts
- social practices, rituals and festive events
- knowledge and practices concerning nature and the universe
- traditional craftsmanship.

The formal inscription of these elements is protected by the law, which not only safeguards their survival but also ensures the education and passing on of the festivals to younger generations. In today’s modern societies when the younger generations are generally less religious and culturally different, thanks to the effects of globalisation, institutionalising traditional festivals means that the obligation of ensuring the continuity of the festivals now falls on the government. Although it is uncertain whether or such continuity will mean the festivals are
still celebrated authentically in the future, this formal recognition should ensure the festivals do not become extinct. Nonetheless, concerted efforts must be made by different stakeholders to ensure that these festivals have the resources to continue, younger generations are educated and the festivals stay within, organised and for the community, as opposed to becoming just another touristic show.

Festivals and events enrich the tourist experience

Similar to major discourses in festivals and events research (Getz & Page 2016; Mair & Whitford 2013), festivals and tourism are inseparable. Tourism brings both positive and negative impacts to festivals and their host communities, and this notion is no different in the context of Macao’s festival scene. Festivals build social capital (Arcodia & Whitford 2006) by encouraging dialogue between members of the community as well as across members of different communities. The Portuguese influence in Macao has been profound, leaving behind a legacy of both built and intangible heritage. Many of these buildings, along with those of Chinese descent to mark Macao’s maritime past, were inscribed on the UNESCO World Heritage List in 2005. Festivals and events complement touristic offering in Macao by offering alternatives and additions to usual attractions as well as livening up built heritage. For instance, the Macao Light Festival is celebrated across many heritage structures and is designed to give life to these otherwise ‘dead’ heritage buildings. Cultural performances like the Drunken Dragon dance ritual and traditional Portuguese folk dances are also often on show at cultural sites to enrich and enliven historical structures.

Festivals like the International Parade bring tourists closer to the community by offering a highly interactive, rich and intensive experience. Catholic processions bring tourists to the medieval past of Macao being the oldest European colony in Asia and a glimpse of ‘western’ religious rituals. Many events are celebrated like a carnival, such as the Macao Grand Prix, which offers an immensely exciting experience related to Macao’s colonial past to tourists rather unique in Asia. Likewise, diaspora festivals such as the Lusofonia Festival, Arraial de São João and Sinulog Festival emphasise Macao’s multiculturalism and offer a rich diversity of unusual touristic offering in Asia. Traditional Chinese community festivals bring tourists closer to community life, particularly ancient times when Macao consisted of many villages, and each of these villages was dedicated to a different Taoist deity. Festivals dedicated to art and music give tourists a flavour of local and international artists and products, and the Food Festival allows tourists to sample different Macanese foods in one place. With Macao’s recent designation as a UNESCO Creative City in the field of gastronomy, the number of festivals and events dedicated to its food will almost certainly increase and further enrich the tourist experience.

Conclusions

Macao has an uncertain future due to its very complex economic, social and political environment. Developing Macao as an eventful city through the event portfolio approach appears to be a reasonable strategy to ensure its high dependency on gaming is mitigated and to rely on its innate diversity of festivals and events. Potentially, Macao could have major social problems brought forth by postcolonial issues and host-guest conflicts. Diaspora festivals and events organised by ethnic groups can sometimes be met with hostility and challenges. Events taking up public space and causing widespread inconveniences such as Catholic processions, Feast of the Drunken Dragon and the Macao International Parade could be met
with opposition. Given the size of Macao and the sheer volume of tourists received annually, the relationship between the host community and tourists could well be negative. However, these are not usually seen in Macao. Instead, the city is harmonious and eventful, with many activities happening all year round.

It is important that the policymakers do not take this peace and tranquillity for granted. It is important to manage stakeholder needs and continuously monitor them along the different stages of stakeholder and event lifecycle (Andersson & Getz 2008). It is important that the government, as it leads tourism development in Macao, must have an institutionalised and transparent tourism master plan. If an eventful city strategy is used, it is imperative to properly assess and manage its viability and its process must be monitored and carefully planned. It should not be a coincidental or initiated in an ad hoc manner. In Macao, the lesson learnt to build towards an eventful city is to have strong commitment of resources by different stakeholders, particularly the necessary finances, strong government leadership, coordination and support, as well as the unreserved support, shared vision and tolerance by the community.

References


Complex economic, social and political environment


