

Macau's role in the China-Lusophone platform: A Mechanism to Advance Security and Defence Interests

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King's Policy Journal

KCL Policy Research Centre

Centre for Security & Defence

Word Count: 2470

January 2026

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Macau's economic success since the 20th century has allowed it to be a key player in Chinese strategic foreign policy goals. Its Portuguese colonial roots and current status as a Special Administrative Region of China create a fascinating economic and political case. Moreover, it allows Macau to act as a unique bridge in the China-Lusophone world. Beijing's grip on Macau's government allows them to use the region as an apparatus for Chinese security and defence interests outside Asia and specifically into Portuguese-speaking countries. In their efforts to challenge American hegemony, China's use of Macau has massive implications for the global political order and is a defining feature of the future of international relations.

Context

Macau's Colonial History

The first significant settlement in the region known today as Macau comes from refugees from Mongolia who settled in the coastal area. The name Macau derives from A-Ma-Gao (or Bay of A-Ma), named after the A-Ma Temple built by the fishermen settlers to honour the sea goddess Mazu. Colonial history first began in the early 1500s, when Portuguese explorer Alvares reached by the sea. After the Ming dynasty consented, the Portuguese set up a trading base. The base primarily acted as an exchange of Chinese silk and Japanese silver, which heavily financed the Portuguese colonial government. However, following the Opium Wars, the British acquisition of Hong Kong led to the decline of the commercial activity in Macau's ports. Across the Pearl River estuary, Hong Kong housed a superior deep-water port which became essential for the steamboats used to trade in the 19th century. In order to compensate for the financial losses, the Portuguese government used Macau for the Opium and Coolie trade ('coolies' being forced labourers primarily from China and India). These sources of income eventually dried up, and the Portuguese government resorted to gambling, profiting from the licensing of gambling houses which now forms the majority of Macau's economy today. By the 20th century, internal domestic disputes and shifts away from imperialism tendencies formed the pathway to handover. By 1979, China and Portugal had established diplomatic relations for Macau to become a 'Chinese territory under Portuguese administration'. In 1999, Macau was transferred to the Chinese government as a Special Administrative Region (SAR), under the "One Country, Two Systems" principle, granting the region high domestic autonomy outside of foreign and defence affairs.

Present Day

Resulting from its unique history, present day Macau has distinctive logistical, political, and financial characteristics which can be leveraged by Beijing. Firstly, Macau has a unique domestic governmental system. It retains a Continental European law system that is based on Portuguese legal tradition. Portuguese remains as one of the official languages alongside Cantonese, providing a unique linguistic gateway. Under the "One Country, Two Systems" principle, Macau enjoys retains much autonomy over its internal affairs (Chiba, Jeong, and Jiang, 2025), with Beijing only responsible for foreign affairs and defence. The region has its own currency (Macanese Pataca), customs territory, immigration policies, and public finance system. It also operates independently in their economic and cultural relations, operating with foreign states and international organizations under the name 'Macau, China'. Furthermore, Macau remains largely loyal to Beijing, holding strong patriotic values. Many citizens identify as much with the mainland as their Macanese heritage. Compared to Hong Kong, which has a history of resisting Mainland influence, Macau has seen an economic boom and relies largely on the central government for success (des Garets Geddes 2020). Demographically, Macau faces 'mainlandisation'. In 2016, almost half (43.6%) of its citizens were born in mainland China, surpassing those born in Macau itself (40.7%) (des Garets Geddes, 2020).

Forum Macao

In 2003, the Ministry of Commerce of the Chinese Central Government established the Forum for Economic Trade Co-operation between China and Portuguese-speaking Countries (FORUM Macau). It is described as

a multilateral, intergovernmental co-operation mechanism aimed at promoting economic and trade exchanges between China and Portuguese-speaking Countries, by using Macao as a connecting platform between those places. (FORUM MACAO, n.d.)

The Lusophone (Portuguese-speaking) countries involved include: Brazil, Angola, Cabo Verde, Guinea-Bissau, Equatorial Guinea, Mozambique, Portugal, Sao Tome and Principe, and Timor-Leste. The officially stated objectives revolve around trade, infrastructure development, cultural and human resource exchange, and financial services (FORUM MACAO, n.d.)

In this report, I aim to explore the extent in which Macau's role as the bridge in the China-Lusophone platform is being leveraged by Beijing to fulfil publicly stated cultural and economic goals, or as a mechanism to advance specific security and defence interests.

Conceptual Framework

In the 1980s, Political Scientist Joseph Nye Jr. developed the ideas of soft and hard power in international relations. Soft power describes the ability to influence others and achieve outcomes through persuasion rather than coercion (Diplo Foundation, n.d.). It derives from a country's cultural appeal, perceived legitimacy, and moral authority of its foreign policy (Diplo Foundation, n.d.). On the other hand, hard power describes a country's ability to use coercion or force to make other nations comply against their will (Kivak, n.d.). This primarily involves military action or economic pressure.

However, the discipline of international relations experienced the emergence of new concepts in response to what some view as outdated 'conceptual vocabulary that has been used since the Cold War's end' (NED Communications Staff, 2017). The concept of sharp power first appeared in 2017 from an American International relations magazine, expounded from Nye's Hard and Soft Power concepts (Walker and Ludwig, 2017). Sharp power argues that authoritarian states, namely Russia and China, employ techniques that are not considered 'hard' or 'soft', but rather use attraction and persuasion to cause distraction and manipulation (Rasheed, 2018). In particular, sharp power 'helps authoritarian regimes coerce and manipulate opinion abroad' (The Economist, 2017). Yet, there is debate about whether the concept is legitimate or just an effect of 'motivated' Western academia against the rise of authoritarian powers like China and Russia (Rasheed 2018). Nevertheless, it is a valid framework to analyse and understand Chinese Foreign Policy and Macau as a mechanism of such.

Using the concepts of soft and hard power would be inadequate frameworks to investigate China's use of Macau. Soft power relies on the universal appeal of a country's culture and values, something that China consistently undermines globally. The concept does not account for the obvious strategic outcomes of China's actions in Macau. Furthermore, using hard power as a primary framework is inappropriate as China does not act with open hostility in regards to Macau. Sharp power provides the ideal conceptual framework for how China is able leverage a unique entity like Macau to achieve their goals in the Greater World Order.

Macau as a Piercing Tool

Forum Macao is depicted as a platform connected through language and culture, framed as serving to enhance economic relations and trade with Lusophone countries. However, China employs Macau as a piercing tool to achieve grand strategy objectives. Hereby, Macau primarily serves as unique financial tie to economically infiltrate Lusophone countries. Additionally, the cultural exchange platform set up in Macau allows for Chinese intelligence operators and Chinese ventures to learn Portuguese and embed in Lusophone countries.

Forum Macau has allowed for solidified trade, investment, and aid flow, allowing the Chinese government to leverage historical links for economic and diplomatic gain. This is a key aspect of greater Chinese foreign policy goals: shifting influence away from Western actors and challenging American hegemony. One example which showcases this is Moza Banco, a joint venture between Mozambique Capitals and Geocapital, a Macau-based investment company (Roque, 2017, 8). Geocapital acts as an investment vehicle for Lusophone Africa, led by Macau billionaire Stanley Ho. By opening the door for Chinese companies and government initiatives, China holds key power in these local economies and elite networks (Cardoso, n.d.). These initiatives connect China with key players in regional investment, often ones with elite, government influence. These mutual relationships open the doorway for informal lobbying for Chinese officials to sway domestic officials in a subtle and manipulative way, a clear goal of sharp power.

Macau's status as a customs territory provides a key buffer in defence transactions, reducing the international scrutiny which normally comes with Mainland deals. Forum Macau focuses on trade and commercial logistics, aiming to build key infrastructure projects in Lusophone countries like in Angola (the Port of Lobito) and Mozambique (Port of Maputo) (Massango, 2024). However, these ports themselves are dual use, serving both civilian and military objectives.

The People's Liberation Army Navy (PLA-N), the naval branch of China's military forces, has specific goals in Africa as part of China's global strategy (Kenyette, 2024). This includes goals to secure maritime routes and project power in critical regions. PLA-N functions to protect vital shipping lanes through the Indian Ocean and supports energy imports along with Belt and Road Initiative economic interests. The capacity for the Chinese to operate in African waters is key to foreign policy goals in relation to influencing regional politics and counterbalancing foreign natives. Although this evidently displays a mechanism of hard power, the international development justification used by Chinese officials to expand their military capacity is a clear display of sharp power.

In Macau, there is a centred language teaching platform which teaches Portuguese to Chinese officials and vice-versa. This is a highly structured effort which is rooted in higher education along with state institutions. As Macau is framed as a ‘commercial and trade cooperation service platform between China and Portuguese-speaking countries’, the language sharing mechanism is essential in such. For officials, language sharing opens a variety of opportunities and reduces the friction from foreign language barriers and cultural unfamiliarity. At a surface level, these initiatives seem to stimulate diplomatic and economic relationships between China and Lusophone countries (Vogt, 2017). However, the deeper and more important implications of these initiatives are for Chinese sharp power goals. By embedding in cultural institutions, China can insert itself into Lusophone financial, legal and security frameworks in a way that is harder to detect and counter. Macau’s language initiatives provide key access and legitimacy for Chinese infiltration in the Lusophone world (Cardoso, n.d.).

Diplomatic Objectives: Macau as a Bridge

For China, the island Taiwan serves as an integral part of territory, representing a collective national identity and legitimacy. It is widely regarded by Chinese leaders as the ‘lost province’ (Maizland, Glaser, and Vigersky, 2025). The primary goal is to incorporate Taiwan under ‘One China’ without force and has been attempting to cut Taipei’s diplomatic ties worldwide for decades. Taiwan is also closely allied with the United States, serving Western interests in East Asia (Maizland, Glaser, and Vigersky, 2025). This is a massive threat to Chinese regional hegemony and is a key strategic objective for the Chinese government. Beijing equally claims over the small region across from Macau on the Pearl River Estuary, Hong Kong. Like Taiwan, the Chinese government is driven by historical claims and national unity to retrieve the region. The territory is framed as an area that was unjustly taken away from China during the colonial era, representing the aftermath of the ‘centuries of humiliation’ faced by China at the hands of Western influence. In Hong Kong, the main diplomatic goal is to suppress dissidents and anti-mainland sentiment, ensuring that the region serves Chinese interests under the ‘One Country, Two Systems’ model. The Chinese government has called on Hong Kong’s leaders to showcase ‘love for the motherland and for Hong Kong’ (Wong, 2025).

Macau plays a key role in representing the success of Chinese governance. The infiltration of pro-Beijing figures amongst the population and in government has resulted in a region which China can use to their advantage. Beijing envisions a future where Taiwan and Hong Kong serve their interests and unite under a national identity. Firstly, the ‘Macau Model’ is used as a narrative to justify tightened

controls over Hong Kong. By showcasing the success under the 'One Country, Two Systems' model in Macau, Beijing can shift the international narrative and blame local governance and resistance for Hong Kong's turmoil. It sends a strong message to Hong Kong that compliance will bring economic and social prosperity, threatening the region to conformity. For Taiwan, the Chinese government wants to achieve their non-negotiable foreign policy goal, the removal of Taiwan's separate sovereignty. If Taiwan complies politically, it will enjoy stability and economic gain, just like in Macau. Taiwan's National Security Bureau has explicitly warned that the goal is to "Macau-ify Taiwan". This showcases a prime example of sharp power tactics. Macau's success is key to the Chinese government's messages to the world about the success which results from sovereignty under China. The Chinese government is able to use the Macau model to manipulate the narrative about remaining under Beijing's sovereignty and push ideas that peace and economic success come with compliance. It is able to help justify crackdowns of dissidents, like the 2020 National Security Law implemented in Hong Kong, and ensure that Beijing has a basis for their territorial claims.

Equally, the Chinese government harnesses Macau's Lusophone bridge to diplomatically isolate Taiwan. São Tomé and Príncipe, a small island nation off the west coast of Africa, first recognized Taiwan after its independence and established diplomatic relations in 1997 (Public Diplomacy Coordination Council, 2016). Like Macau, São Tomé and Príncipe have a Portuguese colonial history. It remained under colonial rule until 1975 and Portuguese remained the small island's official language. For decades, the small island benefited from Taiwanese investment and projects. Their participation in Forum Macau led to a diplomatic shift in 2016 where São Tomé and Príncipe severed ties with Taiwan, moving to align with China (BBC News, 2016). China then rapidly integrated the island into their development projects, primarily ones built through Macau's Lusophone networks. This showcases a real world example of the Chinese government harnessing Macau's Lusophone history to achieve strategic diplomatic goals.

These direct actions strongly showcase Macau's as a mechanism of Chinese sharp power. Macau-normalized events help erode Taiwan's diplomatic standing and alliances, shifting and manipulating the international view to support Beijing. The Chinese strategy uses deceptive tools rather than transparent diplomacy to fulfil foreign policy goals (Chang and Yang, 2020).

Conclusion

Macau's transformation from a colonial outpost to a Special Administrative Region has provided Beijing with a sophisticated instrument for advancing its security and defence interests. In leveraging the

region's reach into the Lusophone world, Beijing is able to move beyond traditional diplomatic mechanisms and use Macau as a primary vehicle for sharp power. Furthermore, China is able to use Macau to isolate enemies and opposition to their Foreign Policy goals. As China continues to expand into the Greater World Order, it will continue to use Macau's role to expand its global footprint through subtle, yet highly effective, mechanisms of control.

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