Rightful Return
Macao transforms itself since rejoining the motherland 20 years ago
By Ji Jing

When Kou Kam Fai was a university student in Macao, he had to work part-time to pay for his tuition as his family couldn’t afford his education. That was before 1999 when the island in southern China was a Portuguese colony, wrested away in the 16th century. But since the return of Macao to the motherland in 1999 and extensive reforms, a different story has been unfolding.

Today, Macao Special Administrative Region (SAR), a 32.9-square-km island in the Pearl River Delta facing Hong Kong across the sea, has the government shouldering 90 percent of the tuition fees of Macao students. Students need to pay only 25,000 patacas ($3,100) a year. Kou’s status has also changed. Before the return, he was a teacher and the average salary of teachers was about 800-900 a month. Today, it is nearly 5,000. Besides being the principal of a middle school, Kou is also chairman of the Board of Supervisors of the Chinese Educators Association of Macao, which has given him a deep insight into the changes bringing through the education sector.

"When Macao was under Portuguese rule, the Portuguese Government didn’t care about education," he said. "In 2000, the fiscal budget was only 13 billion patacas ($1.61 billion) and this year it’s 103.3 billion patacas ($12.8 billion). Over 30 percent of this year’s fiscal budget is earmarked for social welfare.

From 1999 to 2018, Macao’s GDP increased from over $6 billion to $55 billion. As of the end of 2018, foreign exchange reserves had reached $20 billion, jumping six fold over the 1999 reserves. With the rapid economic growth, social welfare has improved. Before the return, students enjoyed free education for 10 years. In 2007, it was increased to 15 years. Over 90 percent of high school graduates go to university.

Residents get cash bonuses, their share of the city’s development dividend. A Macao resident above 65 years gets more than $765 a month. The improved healthcare system enables pregnant women, children, and seniors above 65 to enjoy free medical services. People diagnosed with major illnesses such as cancer are fully covered by medical insurance.

The unemployment rate has decreased from 6.3 percent in 1999 to 1.8 percent in 2018, while the average income has jumped from nearly $600 per month in 1999 to nearly $2,000 in 2018.

One country, two systems
"This wouldn’t have happened without the ‘one country, two systems’ mechanism, cooperation with the Chinese mainland and regional cooperation," he said.

"One country, two systems" was put forward by the Chinese leadership in the 1980s to address the relationship with Hong Kong and Macao. The principle is that while there is only one China, the SARs will retain their own economic and administrative systems.

Winds of change
Education is a small part of the extensive changes over the past 20 years that have transformed the economy and improved livelihoods. Ho Iau Wah, who was the first chief executive of Macao SAR from 1999 to 2009, recalled the sluggish economic growth prior to the return, aggravated by the 1997 Asian financial crisis, and weak public security.

"My generation has witnessed what Macao was like before the return and what it is like after the return and there’s a sharp contrast," he said. "In 2000, the fiscal budget was only 13 billion patacas ($1.61 billion) and this year it’s 103.3 billion patacas ($12.8 billion). Over 30 percent of this year’s fiscal budget is earmarked for social welfare.

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