

SYNERGISTIC DYNAMICS OF SINO-PORTUGUESE PARTNERSHIP POLICIES: IMPLICATIONS FOR ECONOMIC AND CULTURAL COOPERATION

YINKANGNI WANG

yinkangniwang@gmail.com

She is a Ph.D. candidate at the University of Macau (China). Her academic trajectory began with an undergraduate exploration of the geopolitical implications of the Russia-Ukraine war for China, which ignited her interest in global strategic dynamics. During her Master's studies, she delved into the practical aspects of governance through research on e-government in Macau. Situated at the intersection of China and the Lusophone world, Macau served as a bridge, leading her to specialize in Sino-Portuguese relations within the framework of digital geopolitics. Her current research interests lie at the confluence of e-governance, geostrategy, and the unique role of functional powers like Portugal in shaping international cooperation. <https://orcid.org/0009-0000-7194-0022>

FRANCISCO JOSÉ B. S. LEANDRO

fleandro@um.edu.mo

He received his Ph.D. in Political Science and International Relations from the Catholic University of Portugal in 2010. From 2014 to 2018, he served as the Program Coordinator at the Institute of Social and Legal Studies, Faculty of Humanities, University of Saint Joseph in Macau, China. From 2018 to 2023, he was the Associate Dean of the Institute for Research on Portuguese-Speaking Countries at the City University of Macau, China. Currently, he is an Associate Professor with Habilitation in International Relations at the Faculty of Social Sciences, University of Macau, and Deputy Director of the Institute for Global and Public Affairs. His recent publications include: *Is China a Global Power?* (2025), Palgrave Macmillan and *The Palgrave Handbook on Geopolitics of Brazil and South Atlantic* (2025), Palgrave Macmillan. Francisco Leandro is a member of OBSERVARE (Observatory of Foreign Relations), established in 1996 as a centre for studies on International Relations at the Autonomous University of Lisbon, Portugal. <https://orcid.org/0000-0002-1443-5828>

Abstract

This study examines the synergistic effects of Sino-Portuguese economic cooperation and cultural engagement from 2003 to 2024, with particular attention to the role of “guanxi” as a relational framework. Drawing on qualitative analysis, the study explores how state-level diplomacy and people-to-people exchanges have jointly fostered trust, reciprocity, and long-term commitment. Evidence from state visits, cultural diplomacy programs, and educational exchanges demonstrates how economic cooperation provides material foundations for cultural engagement, while cultural exchange reduces communication barriers, fosters loyalty, and enhances resilience in bilateral relations. The findings highlight that economic and cultural cooperation do not operate in isolation but reinforce one another, generating outcomes greater than the sum of their parts. By situating Portugal as a functional power and China as a global actor, this research contributes to theoretical debates on relational international relations and offers practical insights into how cultural capital and economic collaboration can jointly shape sustainable partnerships.

Keywords

Portugal, China, Macao, Guanxi, Synergy Effects, Cultural Diplomacy.



Resumo

Este estudo analisa os efeitos sinérgicos da cooperação económica e do envolvimento cultural sino português entre 2003 e 2024, com particular atenção ao papel do guanxi enquanto enquadramento relacional. Com base numa análise qualitativa, o estudo explora de que forma a diplomacia estatal e as interações interpessoais têm conjuntamente promovido confiança, reciprocidade e compromisso de longo prazo. As evidências recolhidas - incluindo visitas de Estado, programas de diplomacia cultural e intercâmbios educativos - demonstram que a cooperação económica fornece as bases materiais para o envolvimento cultural, enquanto a troca cultural reduz barreiras de comunicação, fomenta lealdade e reforça a resiliência das relações bilaterais. Os resultados mostram que a cooperação económica e a cooperação cultural não operam de forma isolada, mas se reforçam mutuamente, gerando impactos superiores à soma das suas partes. Ao posicionar Portugal como um poder funcional e a China como um ator global, esta investigação contribui para os debates teóricos sobre relações internacionais relacionais e oferece contributos práticos sobre como o capital cultural e a colaboração económica podem, em conjunto, moldar parcerias sustentáveis.

Palavras-chave

Portugal, China, Macau, Guanxi, Efeitos de sinergia, Diplomacia Cultural.

How to cite this article

Wang, Yinkangni & Leandro, Francisco José B. S. (2026). Synergistic Dynamics of Sino-Portuguese Partnership Policies: Implications for Economic and Cultural Cooperation. *Janus.net, e-journal of international relations*. Thematic Dossier - Portugal and China in International Relations: Historical Legacies and Contemporary Dynamics, VOL. 16, Nº. 2, TD2, February 2026, pp. 126-156.

<https://doi.org/10.26619/1647-7251.DT0126.6>

Article submitted on 23rd October 2025 and accepted for publication on 28th January 2026.





SYNERGISTIC DYNAMICS OF SINO-PORTUGUESE PARTNERSHIP POLICIES: IMPLICATIONS FOR ECONOMIC AND CULTURAL COOPERATION¹

YINKANGNI WANG

FRANCISCO JOSÉ B. S. LEANDRO

Introduction

The synergistic effects of Sino-Portuguese economic relations on bilateral trade and cultural cooperation have grown increasingly significant in the context of globalization and international diplomacy. As China exerts its influence through the Belt and Road Initiative (BRI), its relationship with Portugal exemplifies a compelling model of collaboration between a rising economic power and a traditional European partner. The historical ties between these two nations, particularly through Macao, facilitate a unique platform for cultural exchange, where economic interactions enhance cultural understanding and bilateral cooperation.

China's BRI has positioned Portugal as a strategic gateway to Europe, facilitating infrastructure investments and cultural diplomacy initiatives. Leandro (2023) notes that Sino-Portuguese relations have evolved over the last five decades, significantly accelerating following the BRI's introduction in 2013. This relationship is characterized by increased investments in infrastructure and shared cultural projects, fostering a robust dialogue that strengthens ties in various domains, including education and cultural exchanges (Leandro, 2023). Portugal's strategic location in Europe and its membership in the European Union (EU) make it an attractive partner for China, which views Portugal as a gateway to the broader European market (Leandro & Duarte, 2020). Sino-Portuguese relations have deepened significantly since 2013, with Chinese investments in Portuguese energy, finance, and infrastructure sectors exceeding €2.8 billion by 2021 (Ministry of Foreign Affairs of the People's Republic of China, 2022). Concurrently, cultural programs, such as Confucius Institutes in Portugal and Portuguese language centers in China, have fostered people-to-people ties, enhancing mutual trust and institutional collaboration. These dynamics align with Bourdieu's (1986) theory of cultural capital,

¹ Acknowledgement: This project was generously supported by the University of Macau under MYRG-GRG2025-00011-FSS – Social Representations of China in the Lusophone World. The authors also acknowledge the use of Microsoft Copilot and DeepSeek in supporting the preparation of visual data presentations and in enhancing the clarity and academic style of the manuscript; Conflict of Interests: The authors declare that there are no conflicts of interest associated with this study.



which posits that non-financial assets like education and social networks amplify economic productivity. Similarly, Throsby (2001) posits that cultural industries are distinctive in generating both economic value and cultural value, the latter encompassing aspects like intangible heritage preservation.

The topic of the “*guanxi*” in **Sino-Portuguese** cooperation is an important starting point, especially in the context of globalization, the exchange and integration of cultures of different countries are becoming more and more frequent. In cross-cultural negotiations, “*guanxi*” can facilitate smoother interactions by creating a foundation of trust and mutual understanding (Chen & Chen, 2004). Furthermore, in the realm of international relations, the concept of “functional power” has emerged as a significant area of study, examining how power operates in specific functions and issue - areas. Functional power operates through social relations and institutions, enabling actors to shape their circumstances without resorting to force (Barnett & Duvall, 2005). This concept is crucial for understanding how global governance is achieved and how states navigate complex international issues. Portugal has emerged as functional power in international relations by leveraging its historical legacy, cultural influence, and strategic partnerships.

Moreover, the significance of cultural diplomacy as a component of international relations cannot be understated. The Portuguese-speaking community further amplifies these interactions, positioning Portugal as a gateway for China into Europe while enhancing cultural cohesion among Lusophone countries (Johnson, 2020). This multilayered interaction emphasizes the importance of understanding the correlation effects of cultural cooperation on economic ties as both nations navigate an increasingly interconnected global landscape.

The relationship between China and Portugal has evolved significantly over the past decades, with cultural engagement playing a crucial role in shaping economic interactions. The research period from 2003 to 2024 is particularly significant due to China's growing influence in Portuguese-speaking countries and the establishment of strategic partnerships aimed at fostering economic collaboration (Leandro, 2025).

Methodologically, this study adopts a qualitative approach, building on frameworks from “*guanxi*” theory, this research contributes to both theoretical and practical understandings of international cooperation by addressing the underexplored synergistic effects between cultural exchange and economic collaboration in the Sino-Portuguese context. This study seeks to examine the interplay between economic and cultural factors in the Sino-Portuguese relationship, addressing the following research question: What are the synergistic effects of Sino-Portuguese cooperation on economic and culture in both regions? By analysing existing literature and empirical data like policy documents, this research aims to contribute to a deeper understanding of how “*guanxi*” shapes international relations and how “*guanxi*” create the synergistic effects of economic and cultural dynamics.



2. Literature Review

2.1 Correlation of Economic Cooperation and Cultural Exchange

The correlation between culture and economy is rooted in classical sociological theories. Max Weber (2017) posited those cultural values, such as the Protestant work ethic, catalysed capitalist development by promoting thrift and industriousness. This perspective was later expanded by institutional economists like Douglass North (1990), who argued that informal cultural norms complement formal institutions in shaping economic behaviour. Contemporary studies operationalize culture through dimensions such as trust, individualism, and social capital, which are theorized to influence economic productivity and innovation. The bidirectional relationship between culture and economy complicates causal inference. While trust fosters economic cooperation (Lorenz, 1999), economic stability can also enhance societal trust. Trommsdorff (2009) define culture as intergenerationally transmitted values and beliefs, and this may affect economic decisions, such as investment and entrepreneurship (Guiso et. al, 2006).

Cultural capital, understood as non-financial assets such as education, traditions, and social networks, has been widely recognized as a driver of economic productivity. Throsby (2001) argues that cultural industries, including the arts and heritage tourism, generate significant economic value while simultaneously safeguarding intangible cultural heritage. Empirical evidence supports this claim; for instance, UNESCO's designation of World Heritage Sites often correlates with increased tourism revenue and local employment opportunities (Canale et al., 2019). Similarly, Florida's (2011) "creative class" theory posits that cultural diversity within urban environments fosters economic innovation, suggesting that tolerant and culturally vibrant cities attract talent and stimulate entrepreneurial activity. These perspectives underscore the interdependence between cultural assets and economic development, highlighting the strategic importance of cultural capital in shaping sustainable growth and competitiveness in a globalized economy.

Regional studies within single nations mitigate endogeneity issues prevalent in cross-country analyses. For example, in China, Confucian values emphasizing relational networks (*guanxi*) correlate with enhanced trust in business transactions but also with favouritism that distorts market efficiency (Yang & Wang, 2011). Similarly, Greece's cultural heritage-driven tourism illustrates how localized cultural assets can directly stimulate economic sectors (Kostakis & Lolos, 2024).

Globalization has intensified interactions between economic markets and cultural exchange. Guillén (2001) argues that multinational corporations (MNCs) leverage cultural hybridization, blending local and global practices, to enhance market penetration. For instance, McDonald's adapts menus to regional tastes, merging economic efficiency with cultural sensitivity (Ali & Santos, 2025). Such strategies illustrate "glocalization," where global brands achieve synergies by respecting local norms (Ritzer, 2003). Conversely, Rodrik (2011) warns that rapid economic globalization can destabilize cultural identities, sparking resistance movements (such as anti-WTO protests). These tensions underscore the fragility of economic-cultural linkage when power imbalances persist.



2.2 Functional power

2.2.1 The Evolution of Power Concepts and Functional Power

Traditional power concepts in international relations often revolved around military and economic might, commonly referred to as hard power (Morgenthau, 1948). However, as the international system became more complex, scholars began to investigate other dimensions of power. Functional power is closely associated with functionalism, a theoretical approach that emphasizes cooperation and problem-solving in international relations. David Mitrany (1948), a pioneer of functionalism, argued that international cooperation in technical and non-political areas could foster peace and integration. This idea has evolved into the concept of functional power, which refers to a situational attribute or capability that enables a state to assume a power-related role or influence in international affairs that exceeds expectations based on its conventional capabilities (Leandro, 2025). Unlike traditional classifications of comparative power status - such as measuring military or economic might - functional power is not a hierarchical ranking of sovereign actors. Instead, it describes a context-dependent capacity, often associated with smaller states, to shape or disrupt international systems through strategic partnerships with major powers or other actors (Leandro, 2025). It operates by shaping the capacities of actors to address shared challenges, often through technical, economic, or social collaboration rather than direct political or military force (Imber, 2020).

2.2.2 Portugal as a Functional Actor in International Relations

Portugal's deep historical and linguistic ties with Lusophone countries in Africa, Asia, and South America have positioned it as a mediator and advocate for these regions in international forums. This role has been institutionalized through the creation of the Community of Portuguese Language Countries (CPLP) in 1996, which Portugal helped establish to strengthen cooperation among Lusophone nations. By leveraging its EU membership and cultural capital, Portugal has consistently promoted the interests of Lusophone partners in multilateral settings such as the United Nations, the European Union, and Ibero-American Summits (Duarte et al., 2023; Mormul, 2020). These relationships have allowed Portugal to act as a mediator between Europe and the Global South, leveraging its historical ties to promote development and cooperation.

Portugal's rich history and cultural heritage have served as a foundation for its cultural power. Portuguese language and culture have spread globally, particularly in Portuguese-speaking countries. In the economic realm, Portugal has been actively involved in international trade and economic partnerships. Portugal has a diverse economy with key sectors such as tourism, agriculture, and manufacturing. Its strategic location in the Atlantic has made it an important hub for maritime trade (Medeiros, 2024). Additionally, Portugal's membership in the European Union has provided it with access to a large market and opportunities for economic cooperation. Portugal's role in regional and global initiatives has also been a subject of study. In the context of the Belt and Road Initiative, Leandro & Li (2025) discusses how Portugal has engaged with China's BRI, particularly in areas such as infrastructure development and port cooperation. This cooperation has



not only brought economic benefits but has also increased Portugal's geopolitical significance. Moreover, Portugal's participation in international organizations like the United Nations has allowed it to contribute to global discussions on issues such as climate change and sustainable development.

Portugal has emerged as a functional power in international relations by leveraging its historical legacy, cultural influence, and strategic partnerships. In contemporary times, Portugal's membership in the European Union (EU) and NATO has further enhanced its role in shaping international policies, particularly in areas such as maritime security, transatlantic relations, and development cooperation. As a member of the European Union (EU) and the Community of Portuguese Language Countries (CPLP), Portugal plays a significant role in promoting regional cooperation and cultural diplomacy. The CPLP has been an important platform for promoting cultural cooperation and enhancing Portugal's influence in regions such as Africa, Latin America, and Asia. Beyond that, its commitment to multilateralism and participation in international organizations, such as the United Nations and NATO, underscores its influence in global governance. By fostering economic ties and advocating for sustainable development, Portugal enhances its soft power and contributes to global stability.

2.3 "Guanxi"

2.3.1 Definition of "Guanxi"

Interpersonal relationship (guanxi) is one of the major dynamics of Chinese society. Guanxi is a Chinese word that can be translated as "relationship" or "connection", and it plays an important role in Chinese society, economy and culture. Guanxi is often defined as a system of social networks and relationships that facilitate mutual benefits and obligations (Chen & Chen, 2004). It is characterized by trust, reciprocity, and long-term commitment. According to Park and Luo (2001), guanxi operates on both personal and organizational levels, influencing decision-making processes and resource allocation in Chinese businesses, emphasizing that guanxi is not merely a transactional relationship but a deeply rooted cultural practice that fosters loyalty and cooperation. The Guanxi network is characterized by iterative obligations that structure social and professional relationships, rather than serving as channels through which influence flows directly (Qin, 2009). Historically, Guanxi has demonstrated remarkable adaptability, evolving from its roots in imperial China to its contemporary relevance in the era of market reforms. In the present context, relational logic continues to shape patterns of action, influencing how individuals and organizations pursue their objectives. To achieve these goals effectively, actors must engage in global affairs proactively, decisively, and responsibly. Such engagement, however, should not be undertaken blindly; it requires careful consideration of the broader macro-level dynamics of international interaction. Whether in bilateral or multilateral settings, the specific circumstances and interests of all parties involved must be considered to ensure constructive and sustainable outcomes.



2.3.2 “Guanxi” in China

Guanxi (关系), a foundational concept in Chinese social and business interactions, is characterized by reciprocal obligations (*bao*), relational trust (*xinyong*), and the preservation of social dignity (*mianzi*). China's "guanxi" culture is embodied in various social and business activities, such as entrepreneurs' private social capital, academic network, workplace relationship circle, e-buying and sales relationship, gift exchange relationship, innovation and export ability of enterprises, and voting behaviour. It is in this setting that *xinyong* (trustworthiness) - the reputation for meeting one's obligations to others gains its significance as "the most valuable asset" in the transactional web of *guanxi*. The heuristics of *guanxi* suggests that changes in material capabilities themselves reveal patterns in world affairs only when assessed in the context of interactions. However, the ethical implications of *guanxi* have also been debated, as it can sometimes lead to favouritism or corruption (Luo, 2008). Barbalet (2017) examined "guanxi" in China as a form of gift exchange from the perspective of social exchange theory and explored the key role of social emotions in exchange, and how informal relations in China can be understood as "guanxi" as an information institution, thereby expanding the scope of the concept of informal institutions and enriching our understanding of relationships. Collectively, the Chinese "guanxi" culture and its nuanced manifestations in various social and business activities is enhancing the understanding of this unique social and cultural fabric of China (Bian, 2018).

2.3.3 The Role of “Guanxi” in People-to-people Exchange

Social rules are human constructions, yet these very rules reciprocally shape and constitute human behaviour and identity (Onuf, 1989). This dialectical relationship highlights how everyday interactions, including informal exchanges, construct and reinforce social orders. People to people exchange (P2PE) is broadly defined as "direct interpersonal engagement that transcends formal state-led diplomacy" (Cull, 2008). People-to-people exchange (P2PE), such as educational programs or diaspora networks, function as "rules-generating communities" that transcend state-centric diplomacy. It encompasses activities such as educational exchanges, cultural festivals, tourism, and professional collaborations. P2PE can be situated within the framework of *soft power*, where grassroots interactions can build transnational networks of influence that complement traditional statecraft (Nye, 2004). Bhandari et al. (2011) notes that P2PE like student mobility cultivate global citizenship by exposing participants to diverse perspectives, reducing stereotypes, and fostering intercultural competence. In P2PE diplomacy, *guanxi* enables informal trust-building.

2.3.4 How “Guanxi” Works in International Relations?

In the field of international relations, *guanxi* functions as a culturally embedded framework that shapes the strategic behaviour of Chinese leaders and diplomats in foreign policy-making. Unlike dominant Western paradigms, which tend to emphasize formal institutions, codified norms, and legally binding agreements, *guanxi* prioritizes



informal networks, trust-based interactions, and relational diplomacy as central mechanisms for achieving political objectives (Qin, 2018). This relational approach underscores the significance of personal ties and reciprocal obligations in sustaining long-term cooperation, thereby offering an alternative lens for understanding China's engagement in global governance and bilateral negotiations. The application of *guanxi* in diplomacy has been particularly evident in China's foreign policy. For instance, China's engagement with African nations has often relied on building strong personal relationships with local leaders, fostering trust and cooperation (Brautigam, 2009). Similarly, "guanxi" has played a role in China's bilateral relations with neighbouring countries, such as Vietnam and South Korea, where historical and cultural ties are leveraged to strengthen political and economic partnerships (Womack, 2006). These practices highlight how "guanxi" serves as a tool for soft power and influence in international relations. While *guanxi* offers strategic advantages, it also presents challenges in the context of international relations. Critics argue that reliance on informal networks can undermine transparency and accountability, potentially leading to corruption or favoritism (Su & Littlefield, 2001). Additionally, the cultural specificity of "guanxi" may limit its applicability in global settings, where diverse norms and practices coexist (Fan, 2002). These challenges underscore the need for a nuanced understanding of "guanxi" in international relations.

2.4 Multiculturalism

Multiculturalism, as both a policy framework and sociocultural reality, has been extensively debated across disciplines. It broadly refers to the recognition and accommodation of cultural diversity within a society. Multicultural citizenship supports minority rights, enabling cultural preservation and exchange within liberal democracies (Kymlicka, 2012). It fosters intercultural dialogue, which is essential for meaningful cultural exchange. Modood (2017) highlights how multicultural policies legitimize cultural pluralism, creating spaces for communities to share traditions and values. Vertovec (2007) introduces the concept of "super-diversity," noting that complex migration patterns enrich cultural landscapes and stimulate exchange. Also, multicultural policies can enhance civic engagement and intercultural interaction, particularly when supported by inclusive institutions (Ramakrishnan & Bloemraad, 2008).

Recent studies underscore the practical impact of multiculturalism on cultural exchange. In contemporary settings, multiculturalism continues to serve as a catalyst for cultural exchange, particularly in educational and international contexts (Zalli, 2024). Zapata-Barrero (2017) argues that interculturalism, as an evolution of multiculturalism, emphasizes proactive engagement and reciprocal learning. Together, these perspectives reveal that multiculturalism not only accommodates diversity but actively cultivates cultural exchange. By legitimizing diverse identities and encouraging interaction, multicultural frameworks contribute to global empathy, innovation, and cooperation.



Table 1. What is “Guanxi”?

| Table 1. What is “Guanxi”? | |
|-----------------------------------|---|
| Term | Guanxi |
| Short definition | A network of long-term, reciprocal, trust-based social relations |
| Core elements | Trust; reciprocity; mianzi (face); long-term commitment |
| Mechanisms | Gift exchange; mutual aid; information sharing; repeated interaction |
| Levels | Individual; organizational; state |
| Economic functions | Reduces information asymmetry; lowers transaction costs |
| Diplomatic functions | Builds interpersonal trust; facilitates institutional platforms |
| Observable indicators | Number of high-level visits; cultural projects; investment flows |
| Research measures | Survey trust scores; counts of exchanges; process-tracing of events |
| Risks | Favouritism; reduced transparency; corruption vulnerability |
| Policy implication | Institutionalize exchanges; increase transparency; strengthen oversight |
| Practical example | Macau as a cultural and commercial bridge between China and Portugal |
| Source: Authors | |

3. Methodology

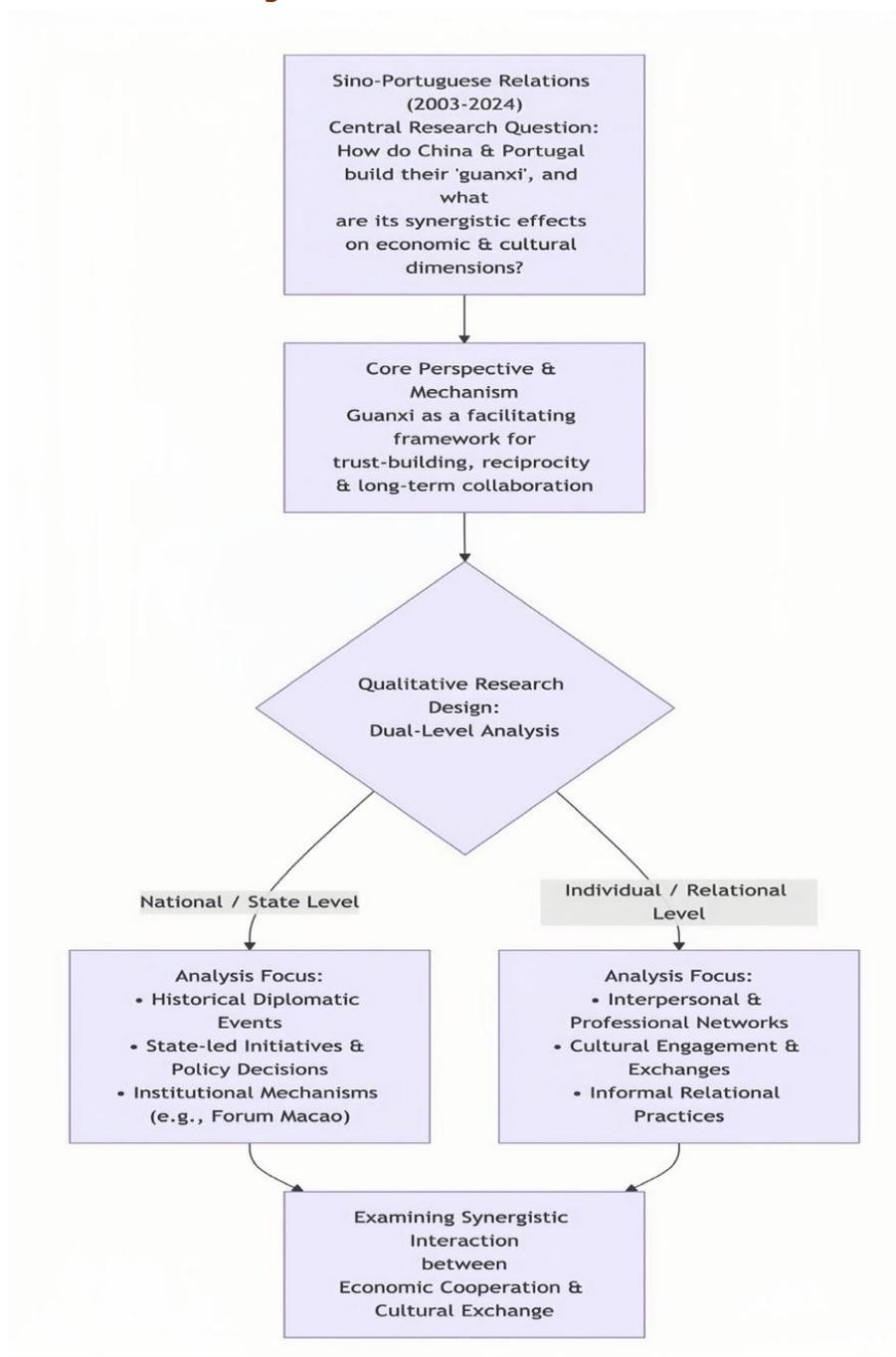
This study examines the interplay between cultural engagement and economic cooperation in Sino-Portuguese relations, guided by the central research question: How do China and Portugal build their “guanxi,” and under a guanxi-based perspective, what are the synergistic effects of this relationship on economic and cultural dimensions? Employing a qualitative research design, the study examines how relational practices influence bilateral cooperation, focusing on the period from 2003 to 2024. By analysing cultural dynamics alongside economic initiatives, the research seeks to uncover the extent to which guanxi operates as a facilitating mechanism for trust-building, reciprocity, and long-term collaboration. Empirical evidence is drawn from two interlocking data streams. First, official policy documents of understanding and strategic plans published by Chinese and Portuguese authorities, Forum Macao, and CPLP provide the institutional record and formal commitments that structure bilateral interaction. Second, annual trade and economic statistics compiled from international trade databases and national statistical releases are used descriptively to situate qualitative inferences within a time-series of bilateral flows and to identify temporal inflection points for further investigation. This approach provides a nuanced understanding of how informal relational frameworks complement formal agreements, shaping the trajectory of Sino-Portuguese engagement in both economic and cultural spheres.

The research framework for this study is illustrated in Figure 1. Adopting a dual-level perspective - national and individual - this study investigates how historical diplomatic events and policy decisions have shaped the development of guanxi between China and Portugal. It further examines how this long-term relational framework influences the synergistic interaction between economic cooperation and cultural exchange. At the national level, the analysis focuses on state-led initiatives, bilateral agreements, and



institutional mechanisms that foster trust and reciprocity. At the individual level, attention is given to interpersonal networks, professional ties, and cultural engagements that sustain and deepen bilateral relations. This integrated approach provides a comprehensive understanding of how guanxi operates as both a structural and relational force, shaping the dynamics of Sino-Portuguese collaboration across economic and cultural domains.

Figure 1. Theoretical Framework



Source: Authors



The study acknowledges limitations inherent to qualitative, case-based research, including constraints on generalizability, potential reporting asymmetries in official statistics, and limited access to confidential commercial decision records; these limitations are addressed by explicitly delimiting inference boundaries, using process tracing to strengthen correlational claims, and recommending future quantitative tests to assess the generalizability of the mechanisms identified.

4. The Synergistic Effects of Economy and Culture and the "Guanxi" Theory

4.1 Building "Guanxi" from State-to-state Level

The Sino-Portuguese state visits from 2005 to 2024 (Table 1) reflects a deliberate and sustained cultivation of guanxi. Each visit served not only as a formal engagement but also as a symbolic reaffirmation of mutual respect, continuity, and emotional resonance (qing) between the two nations. Portuguese President Jorge Sampaio's 2005 visit to China laid the groundwork for deeper political trust, while President Hu Jintao's 2010 visit to Portugal demonstrated China's support during the European debt crisis, embodying the principle of reciprocity (bao). The 2014 visit by President Cavaco Silva to China reinforced cultural and educational ties, expanding the interpersonal networks essential to guanxi. President Xi Jinping's 2018 visit to Portugal marked a strategic milestone, with the signing of the Belt and Road Initiative memorandum - Portugal becoming the first Western European country to do so - signalling long-term commitment and shared vision. In 2019, President Marcelo Rebelo de Sousa's visit to China further deepened relational trust through cultural diplomacy and economic cooperation. Most recently, the 2024 meeting in Lisbon between the Chairman of China's National People's Congress Standing Committee and President Rebelo de Sousa reaffirmed institutional alignment and legislative dialogue, extending guanxi beyond executive diplomacy into parliamentary channels. Collectively, these visits illustrate how guanxi is built through repeated, high-level interactions that blend formal agreements with symbolic gestures, fostering a resilient and multidimensional Sino-Portuguese partnership.

Table 2. Key Sino-Portuguese State Visits

| Year | Event |
|------|--|
| 2005 | Portuguese President Jorge Sampaio visits China |
| 2010 | Chinese President Hu Jintao visits Portugal |
| 2014 | Portuguese President Aníbal Cavaco Silva visits China |
| 2018 | Chinese President Xi Jinping visits Portugal |
| 2019 | Portuguese President Marcelo Rebelo de Sousa visits China |
| 2024 | Chairman of China's National People's Congress Standing Committee, meets with Portuguese President Marcelo Rebelo de Sousa in Lisbon, Portugal |

Source: Authors

The evolution of Sino-Portugal relations from 2003 to 2024 demonstrates a sophisticated cultivation of "guanxi" that transcends mere diplomatic formalism (Table 2), building instead a multi-level relational architecture anchored by Macao's unique role as a



sanctioned platform for trilateral engagement. This process was initiated with the strategic establishment of the Forum for Economic and Trade Cooperation between China and Portuguese-Speaking Countries (Forum Macao) in 2003, which institutionalized a permanent channel for interaction that blends state and non-state actors. The relationship was subsequently elevated to a Comprehensive Strategic Partnership in 2005, a move that signalled deep political trust (*xinren*) and created a framework for sustained high-level engagement, which was critically reinforced by Portugal's pivotal decision to become the first Western European nation to sign a Belt and Road Initiative Memorandum of Understanding in 2018. Through a series of deliberate state visits and the fostering of sub-national diplomacy, particularly leveraging Macao's historical and cultural capital as a bridge, the two states have effectively constructed a resilient network that facilitates not only economic and political cooperation but also deep people-to-people exchanges, thereby transforming a historical bilateral connection into a dynamic and multifaceted partnership capable of navigating the complexities of contemporary geopolitics.

Table 3. Key Sino-Portuguese Diplomatic Policy and Major Events

| Year | Event |
|------|--|
| 2003 | Establishment of The Forum for Economic and Trade Co-operation between China and Portuguese-speaking Countries (Macao) |
| 2005 | Comprehensive Strategic Partnership |
| 2016 | Macao serves as the "one base, one platform, and one centre" |
| 2017 | Portugal and China have maintained a "blue partnership" aimed at reinforcing collaboration in maritime and commercial projects |
| 2018 | Portugal formally joined China's Belt and Road Initiative |
| 2024 | Strategic Plan for Economic and Trade Cooperation (2024-2027) |
| 2024 | China-Portuguese Speaking Countries Economic and Trade Expo (Macao) |

Source: Authors

As an international cooperation mechanism, the establishment of The Forum for Economic and Trade Cooperation between China and Portuguese-speaking Countries (Macao) (Forum Macao) was originally intended to promote institutionalized cooperation between China and Portuguese-speaking countries in economic, trade, and investment fields, providing valuable experience and ideas for the institutionalization of the "Belt and Road Initiative". The construction of the Forum Macao was a successful example of the "far distant and close integration" strategy of the Macao Special Administrative Region, which not only supported the moderate diversification of Macao's economy but also made it an important component of the platform for economic cooperation between China and Portuguese-speaking countries, promoting equal and mutually beneficial economic exchanges and cooperation.

During this period, the operational mechanism of the Forum Macao gradually improved. Through regular ministerial meetings, entrepreneur conferences, and professional training activities, it provided a platform for exchanges and dialogues among government officials, business leaders, and experts from various countries. The core of these early policies and events was to build a multilateral cooperation framework, with Macao as the pivot, radiating throughout the Portuguese-speaking community, thereby injecting new



vitality into the bilateral cooperation between China and Portugal. The establishment of the Forum Macao itself reflected China's policy intention to establish a long-term and stable partnership with Portuguese-speaking countries, especially Portugal. This institutionalized cooperation mechanism laid the foundation for deeper economic and cultural interactions and began to cultivate a "guanxi" network based on a common platform and common interests. Especially the cooperation in response to the COVID-19 pandemic, further demonstrated the resilience and value of this "relationship" in times of crisis, through joint responses to challenges, further consolidating mutual trust and cooperation intentions (Verly-Miguel, 2024). The proposal of the BRI in 2013 brought unprecedented development opportunities for the China-Portuguese partnership, marking the entry of the bilateral cooperation into a new strategic stage. Portugal, as an important gateway connecting the Atlantic and Africa, its strategic geographical location makes it a key node of the 21st Century Maritime Silk Road (Leandro, 2023). Portugal views the "Belt and Road Initiative" as an important opportunity to enhance its diplomatic relations and its economic position within the European Union.

Under the framework of the "Belt and Road Initiative", the economic cooperation between China and Portugal has shown a significant growth trend. Chinese investment in key sectors of Portugal has increased significantly, covering energy, finance, infrastructure, and other fields. China seeks economic benefits and builds organized global geopolitical influence through providing global public goods and stable bilateral relations. This indicates that China's investment in Portugal is not merely a commercial act, but has deeper strategic considerations, aiming to build a more stable bilateral "relationship" through economic cooperation.

Table 4. Major Events and its Impact

| Events | Objective | The "Guanxi" Strategy | Results |
|---|--|---|---|
| Forum Macao (Since 2003) | Promote economic and trade cooperation between China and Portuguese-speaking countries | Institutionalized dialogue, multilateral platforms, common interests | Trade and investment facilitation, strengthened role of the Macao as platform, and crisis cooperation |
| The Belt and Road Initiative (Since 2013) | Global interconnection, infrastructure construction, and strategic cooperation | Long-term investment, strategic partnership, and geopolitical influence | Energy financial investment, expansion of the digital economy, and deepening of strategic mutual trust |
| The Macao One Platform Strategy | Connecting China with Portuguese-speaking countries and promoting economic diversification | Cultural affinity, historical ties, and central government support | Cultural exchange hub, tourism and leisure centre, and regional economic pivot |
| The Guangdong-Hong Kong-Macao Greater Bay Area (GBA) Policy | Regional integration and innovative development | Regional institutional cooperation, resource sharing, and coordinated development | The international influence of Macao has increased, its economy has become more diversified, and the innovation ecosystem has been optimized. |

Source: Authors



During this period, the strengthening of the platform role of Macao, the emergence of digital economy cooperation, the deepening of cultural and educational cooperation, and the integrated development of the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) collectively formed the multi-dimensional paths for the deepening of the "relationship" between China and Portugal. In terms of culture and education, the "Third Forum of the World Sinology Research Society" held by the University of Macao and the Portuguese language cultural policies all highlighted the importance of cultural exchange in the construction of the "relationship" (Feng & Ye, 2020). Moreover, the integrated development of the GBA enhanced Macao's regional status and international influence, enabling it to play a more significant role in building a broader "guanxi" network (Tang et al., 2024).

However, the economic and cultural cooperation promoted by the China-Portugal partnership policy is not developed in isolation; instead, it presents a complex interaction mechanism that jointly constitutes a profound synergy effect (Table 3). This synergy effect enables the overall benefits of the bilateral relationship to exceed the sum of the benefits of each part, embodying the core idea of the "guanxi", that is, through interaction and coordination among the components, an overall effect beyond the simple addition of individual parts can be generated.

4.2 Building "Guanxi" from People-to-people Level

China and Portugal have systematically built people-to-people "guanxi" through targeted educational and cultural exchanges that leverage historical ties and create lasting interpersonal connections (Table 4). Multiculturalism converts discrete people-to-people activities into a durable mechanism for building guanxi by legitimizing plural identities, structuring repeated intercultural contact, and institutionalizing reciprocity. By hosting large-scale cultural and festival events, including traditional music and dance performances, film festivals and art exhibitions, Macao has been transformed into a vibrant living room for cultural exchanges between China and Portugal. Since 2018, the Macao Special Administrative Region Government has successfully held the "Meet in Macao - China-Portugal Cultural and Art Festival" consecutively². Beyond Macao, these exchanges extend to mainland Portugal through events like the "Cultural Market in the Candlelight", which featured Chinese calligraphy and dragon dances, and the "China Day" at the Lisbon International Handicraft Fair, making Chinese culture increasingly accessible to the Portuguese public³. The educational bridge is fortified by Portugal's active recruitment of Chinese students, with five major Portuguese universities presenting their programs at the China Education Expo to establish formal academic

² Liu, Z. Y. (2025, May). 中国式现代化与澳门经济发展—澳门在国家新发展格局中的战略定位与发展策略 [Chinese-style modernization and Macao's economic development— Strategic positioning and development strategies in the national new development pattern]. 澳門經濟學會. Retrieved from <https://www.macaueconomy.org/downloads/research/%E3%80%8A%E4%B8%AD%E5%9C%8B%E5%BC%8F%E7%8F%BE%E4%BB%A3%E5%8C%96%E8%88%87%E6%BE%B3%E9%96%80%E7%B6%93%E6%BF%9F%E7%99%BC%E5%B1%95%E3%80%8B.pdf>

³ Xinhua. (2017, July 11). Xi calls for building strong army through reform. Xinhua News Agency. Retrieved from http://www.xinhuanet.com/english/2017-07/11/c_136433308.htm



protocols, complementing the network of Confucius Institutes in Portugal that popularize Chinese language studies⁴. Similarly, the Confucius Institute at the University of Porto - established in partnership with Guangdong University of Foreign Studies - serves as a key platform for promoting linguistic and cultural exchange through Chinese language instruction and cultural workshops, thereby reinforcing an educational bridge between the two countries. Complementing these efforts are targeted student mobility programs designed for Chinese undergraduates specializing in Portuguese studies.

| Table 5. People-to-people Exchange | |
|---|--|
| Mechanism | Event |
| Educational & Language Institutions | Five Confucius Institutes in Portugal (such as the University of Lisbon, University of Coimbra); Portuguese language programs in mainland Chinese universities. |
| Immersive Cultural Programs | Summer camps in China for Portuguese youth (such as the Instituto Confúcio at the University of Porto); programs include language practice, calligraphy, and visits to historical sites. |
| Historical & Social Integration | Centuries of Sino-Portuguese intermarriage and cultural blending in Macao, creating a distinct Macanese community and shared cultural relics |
| Cultural festivals | "Encounter in Macao" festival, Macao Arts Festival, Festival do Oriente (Lisbon). |

Source: Authors

Concurrently, tourism initiatives such as Portugal's pavilion at the ITB China fair, supported by high-level diplomatic engagement, aim to stimulate human mobility, with an ambitious target of attracting 500,000 Chinese tourists annually by 2026⁵. Between the mid-2010s and 2019, Portugal experienced steady growth in international visitors and a notable increase in Chinese tourists. Official reporting cited a 16% rise in Chinese guests in 2019, at a time when Portugal recorded a record 27 million total visitors that year, signalling China's emergence as an important source market (FM, 2020).

The pandemic produced the expected collapse in cross-border travel in 2020, but the recovery trajectory since 2022 has been strong globally and especially pronounced for China after the lifting of strict travel restrictions: Chinese outbound departures surged in 2023, with government figures showing tens of millions of departures in the first half of that year alone (Irwin-Hunt, 2023), reflecting a rapid normalization of outbound demand. Portugal's tourism statistics reflect an increasingly ambitious strategy to leverage the sector's post-pandemic recovery. In the first quarter of 2024 alone, the country recorded 57,740 visitors from China, and authorities have since articulated targets of attracting 500,000 Chinese tourists and generating one million overnight stays by 2026 - demonstrating a concerted policy effort to strengthen bilateral tourism flows (Portugal Global, 2024).

⁴ Embassy of Portugal in Beijing. (2025). China Education Expo 2025. Retrieved from <https://pequim.embaixadaportugal.mne.gov.pt/en/the-embassy/news/china-education-expo-2025>

⁵ Jing Daily. (2024, October 18). From heritage to luxury: Porto's bid for Chinese tourism. Retrieved from <https://jingdaily.com/posts/from-heritage-to-luxury-porto-s-bid-for-chinese-tourism>



The tourism rebound both reflects and reinforces closer Sino-Portuguese relations because sustained people-to-people exchange builds familiarity, business networks, and cultural ties that lower transaction costs for trade and investment and create constituencies in both countries that favour deeper cooperation. In short, the tourism statistics and official ambitions from 2015 through 2024 provide empirical evidence that interpersonal connectivity is recovering and expanding, and that tourism is an active channel through which Sino-Portuguese relations are becoming more tightly integrated.

In addition, student mobility is not merely a flow of people; it is a mechanism for building interpersonal networks that underpin *guanxi* when framed by multiculturalist institutional practices. Chinese student presence in Portugal grew substantially in the 2010s, rising from about 1,839 Chinese students in 2010/2011 to 4,053 in 2018/2019 (a +54.4% increase), with notable growth in higher-education and postgraduate enrolments (Ni Hao Portugal, 2019); these mobility flows create repeated, institutionalized contacts that multicultural policies can convert into durable *guanxi*.

In the Sino-Portuguese case, cultural diplomacy instruments exemplify how multiculturalist practices institutionalize respect for difference and thereby amplify the trust-building function of *guanxi*. Consequently, people-to-people *guanxi* in this bilateral relationship is not only a product of informal reciprocity but is actively shaped and sustained by multiculturalist institutions that translate cultural capital into predictable, institutionalized channels for economic and diplomatic cooperation. Together, these multifaceted and sustained interactions across culture, education, and travel create a robust foundation of shared experiences and mutual appreciation, effectively cultivating the deep social and relational capital that characterizes strong people-to-people "*guanxi*."

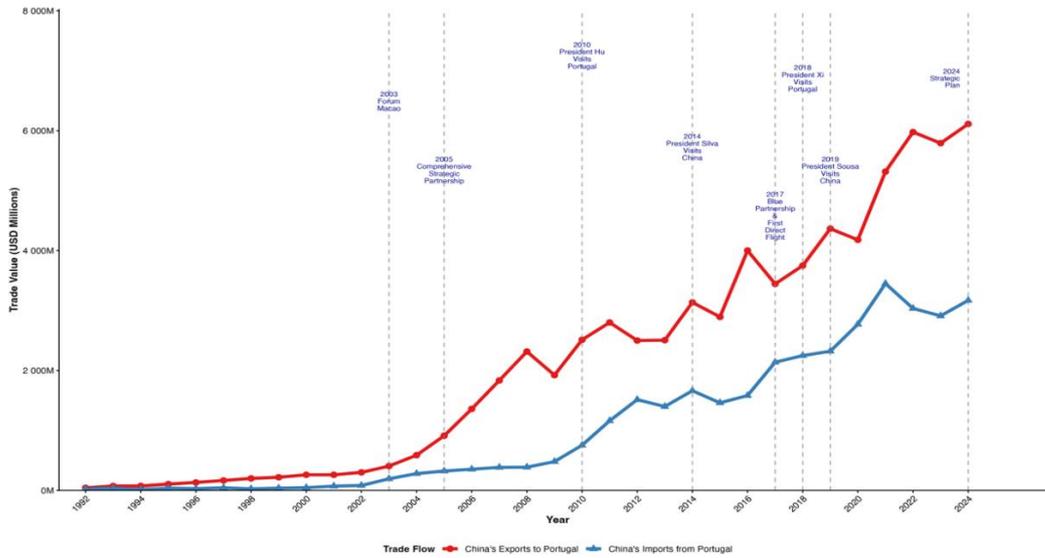
4.3 The Synergistic Effects

4.3.1 The Economic Cooperation Based on Building "Guanxi"

Figures 2 & 3 show the bilateral trade data between China and Portugal from 1992 to 2024, revealing a demonstrable synergy between the establishment of high-level diplomatic frameworks and the acceleration of economic exchange. The foundational period (1992-2002) shows modest but stable growth (Figure 2), with total trade increasing from approximately \$44.0 million in 1992 to \$307.8 million in 2002. This phase established the basic commercial corridor between the two nations. A significant structural shift occurred post-2003, coinciding with the establishment of the Forum Macao. This institutional innovation provided a dedicated mechanism for engagement, correlating with a notable surge: bilateral trade grew by 99% from \$406.3 million in 2003 to \$911.95 million in 2005.

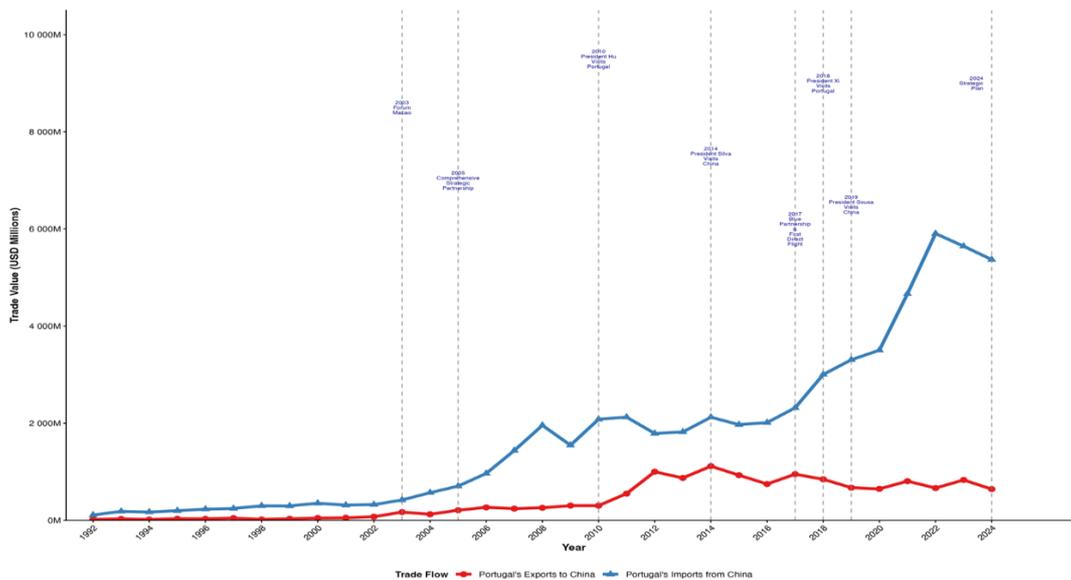


Figure 2. China-Portugal Bilateral Trade and Key Events (1992-2024)



Source: Authors based on UN Comtrade database using R Programming Language.

Figure 3. Portugal-China Bilateral Trade and Key Events (1992-2024)



Source: Authors based on UN Comtrade database using R Programming Language.

<https://comtradeplus.un.org/TradeFlow?Frequency=A&Flows=X&CommodityCodes=TOTAL&Partners=0&Reporters=all&period=2024&AggregateBy=none&BreakdownMode=plus>



The formal elevation of relations to a Comprehensive Strategic Partnership in 2005 marked a critical inflection point, embedding economic objectives within a broader framework of political and strategic trust. The data indicates this commitment acted as a powerful catalyst for exponential growth. In the three years following this agreement (2005-2008), total trade volume nearly tripled, soaring from \$911.95 million to an unprecedented \$2.31 billion. This period of rapid expansion underscores how a deepened political commitment directly facilitated a more ambitious scale of commercial interaction, building resilience that helped trade weather the global financial crisis, with volumes recovering to \$2.51 billion by 2010.

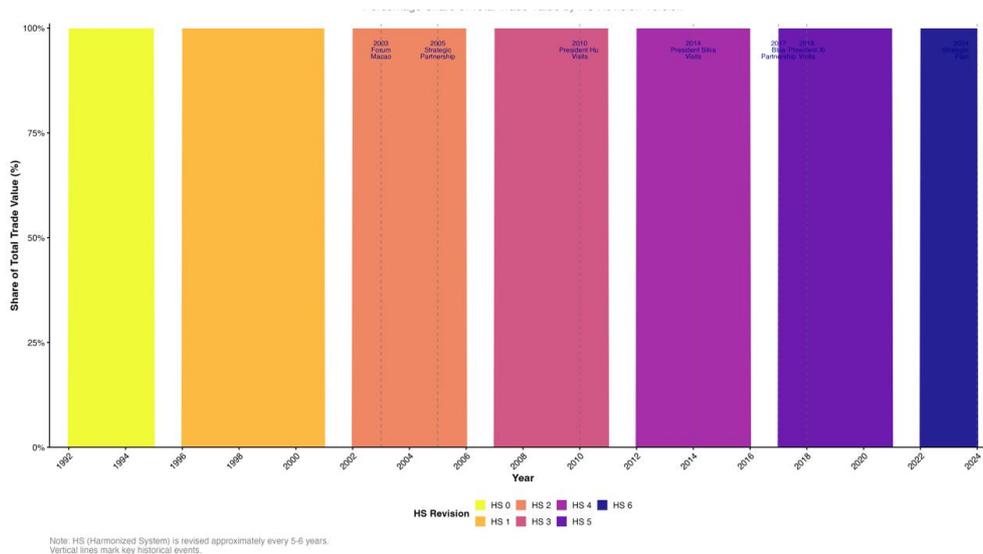
The most dramatic growth phase commenced in the 2010s, powered by a series of targeted and complementary cooperative initiatives. The strategic enhancement of Macao's role as a "One based, one centre, one platform" from 2016 and the launch of the Blue Partnership in 2017 created specialized channels for maritime and commercial collaboration. These were synergistically amplified by Portugal's formal participation in China's Belt and Road Initiative in 2018. The integration into this vast connectivity agenda is starkly reflected in the trade figures: from \$5.99 billion in 2018, bilateral trade climbed to a historic peak of \$9.01 billion in 2022, representing a remarkable 50% increase in just four years. This trajectory highlights how aligning bilateral economic interests with a mega-strategic vision can unlock unprecedented growth.

The robustness and maturity of the trade relationship are further evidenced by its performance through recent global challenges. Despite worldwide pandemic disruptions and economic volatility from 2020 onward, Sino-Portuguese trade not only remained stable but continued to scale new heights, demonstrating significant resilience. This stability provides a strong foundation for the next phase of cooperation, as formalized by the Strategic Plan for Economic and Trade Cooperation (2024–2027) and the 2024 China-Portuguese Speaking Countries Economic and Trade Expo in Macao. These new institutional tools are proactively designed to guide future growth, moving the relationship from a pattern of reactive growth following diplomacy to one of proactively managed co-development.

The empirical evidence from 1992 to 2024 supports the thesis of a strong positive correlation between diplomatic deepening and trade expansion. Each major diplomatic event corresponds to a clear, measurable acceleration in the growth rate of bilateral trade volumes. The "guanxi" has evolved from a simple, low-volume exchange into a complex, high-value partnership where political frameworks actively shape and secure economic outcomes. The consistently high trade levels maintained through recent turbulence and the forward-looking nature of the 2024 Strategic Plan confirm that this synergy is now a durable, institutionalized feature of Sino-Portuguese relations, ensuring that shared diplomatic ambition will continue to be the primary engine for shared economic prosperity.

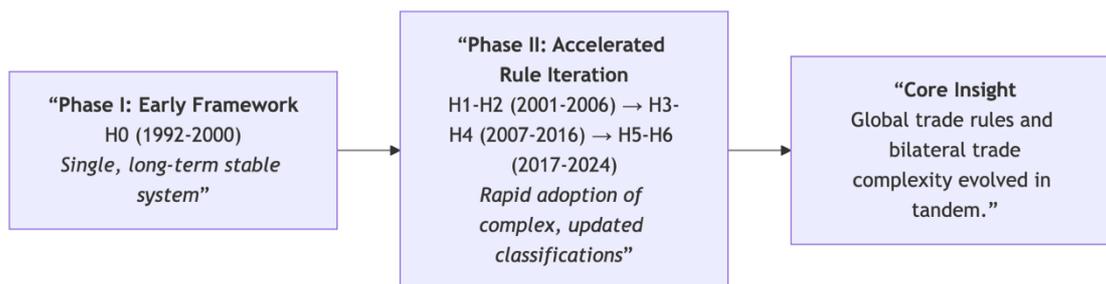


Figure 4. Evolution of HS Classification in China-Portugal Trade (1992-2025) (percentage share of total value by HS)



Source: Authors based on UN Comtrade database using R Programming Language.

Figure 4A. Evolution of HS Classification in China-Portugal Trade (1992-2025)



Source: Authors based on DeepSeek AI to create visuals

The analysis of the Harmonized System (HS) classification revision evolution (Figure 4) reveals that the statistical framework for China-Portugal trade has undergone seven iterations since 1992, closely synchronizing with international revision cycles. The shift from a period of long-term stability (H0) to one of accelerated iteration (H1-H6) visually underscores the increasing complexity and formalization of bilateral trade. The rapid adoption of HS 2017 (H5) around 2017, coinciding with the deepening of bilateral economic relations under the Belt and Road Initiative, demonstrates how modernized rules infrastructure enabled the capture of more sophisticated trade flows. This provides



a methodological lens through which the qualitative transformation of the economic partnership can be understood.

Key diplomatic events correlate with noticeable trade accelerations (Figure 5). The 2005 "Strategic Partnership" announcement preceded significant trade expansion, while President Hu Jintao's 2010 visit to Portugal coincided with trade surpassing \$2.8 billion. The 2017 "Blue Partnership" initiative on ocean cooperation was launched during a period of robust trade growth. These patterns suggest that political relations significantly influence economic outcomes in this bilateral relationship.

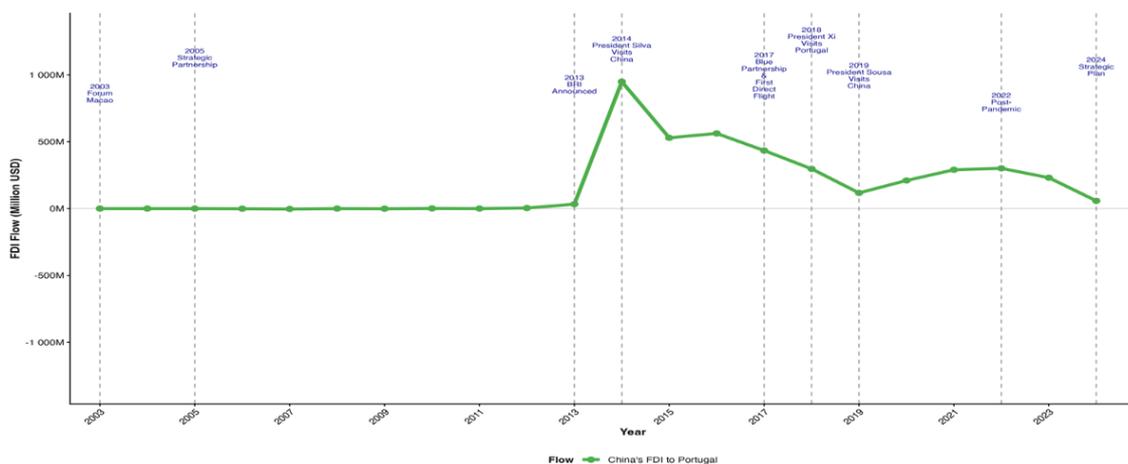
China's Foreign Direct Investment (FDI) into Portugal has evolved in close connection with key diplomatic milestones between the two countries (Figure 6), illustrating how strengthened political relations can enhance economic cooperation. In the early 2000s, FDI flows were minimal, often recorded at zero, despite the establishment of the Forum Macao in 2003 and the elevation of ties to a Comprehensive Strategic Partnership in 2005. These foundational diplomatic steps laid the groundwork for future engagement but did not immediately translate into significant investment, suggesting that institutional frameworks require time to foster tangible economic outcomes.

Figure 5. HS Classification and Total China-Portugal Trade Value (1992-2024) in millions USD





Figure 6. China's FDI Flows to Portugal (2003-2024)
(Annual inward FDI from China to Portugal in millions USD)



Source: Authors based on OECD database using R Programming Language. Retrieved from <https://www.oecd.org/en/data/indicators/inward-fdi-flows-by-partner-country.html?oeecdcontrol-chart-control-3cc634ae0b-var3=2023&oeecdcontrol-chart-control-aa4877b865-var6=CHN&oeecdcontrol-chart-control-9813c4b8ed-var1=PRT>

A noticeable shift began around 2012, when FDI started to increase gradually, culminating in a remarkable peak of USD 949 million in 2014. This surge coincided with the state visit of Portuguese President Aníbal Cavaco Silva to China in the same year, which reinforced bilateral trust and likely encouraged major Chinese investments in Portugal's energy, finance, and infrastructure sectors. The high-level engagement appeared to serve as a catalyst, boosting investor confidence and accelerating capital inflows.

Subsequent years saw sustained investment levels, supported by further diplomatic and logistical advancements. In 2017, the launch of the Blue Partnership and the inauguration of the first direct flight between China and Portugal enhanced maritime cooperation and connectivity, facilitating trade and people-to-people exchanges. FDI remained substantial during this period, reflecting how diversified forms of collaboration help maintain economic momentum. President Marcelo Rebelo de Sousa's visit to China in 2019 further solidified political ties, contributing to continued economic interaction despite global uncertainties.

Looking ahead, the announcement of a new Strategic Plan in 2024 signals a shared intention to deepen long-term cooperation. While recent FDI figures show some fluctuation, the consistent pattern suggests that diplomatic engagement often precedes or accompanies shifts in economic flows. This demonstrates that strengthened diplomatic relations not only foster political trust but also create an enabling environment for cross-border investment, thereby supporting the broader argument that diplomacy and economic development are mutually reinforcing.



4.3.2 The Promoting Effect of Economic Cooperation on Cultural Exchanges

The deepening of economic cooperation has established a solid material foundation and an expansive institutional platform for cultural exchange. The expansion of trade and investment flows has directly facilitated increased cross-border mobility, including business travel, technical cooperation, and labour mobility. These forms of interaction themselves constitute important channels of cultural exchange, contributing to the dissemination, interaction, and mutual adaptation of cultural practices. Chinese investment in Portugal not only introduces capital and technology, but also transfers managerial practices and corporate cultures associated with Chinese enterprises. Conversely, Portugal provides an entry point through which Chinese firms and their organizational cultures engage with European markets and societal contexts.

Economic growth further enables cultural exchange by generating financial resources that can be reinvested in cultural initiatives, such as heritage preservation, art and cultural festivals, and educational exchange programs. In this regard, the Forum for Economic and Trade Cooperation between China and Portuguese-Speaking Countries (Forum Macao) plays a significant facilitating role. While its primary mandate is to promote economic cooperation, Forum Macao also offers financial support and institutional platforms for cultural exchange initiatives. Moreover, its engagement in global health cooperation, including the international promotion of traditional Chinese medicine, underscores the extent to which such cultural initiatives are underpinned by sustained economic collaboration.

Beyond material support, institutionalized mechanisms of economic cooperation also enhance the infrastructural conditions for cultural exchange. As an economic cooperation platform within the China-Portugal framework, conferences, exhibitions, and exchange programs organized under the auspices of Forum Macao frequently incorporate cultural components, thereby integrating economic objectives with cultural engagement. Macao's role as a commercial and diplomatic intermediary between China and Portuguese-speaking countries is further reinforced by its moderately diversified economy, particularly the vitality of its tourism and leisure industries, which provide important conduits for cross-cultural interaction. Similarly, external policy frameworks and regional integration constitute core drivers of Macao's tourism symbiosis, demonstrating how economic policies and regional connectivity directly support the development of cultural tourism and, in turn, reinforce cultural exchange (Li et al., 2024).

4.3.2 The Enabling Role of Cultural Exchange in Economic Cooperation

Cultural exchange plays an indispensable enabling role in economic cooperation. It creates a more favourable social environment for economic cooperation by enhancing mutual understanding, building trust, and reducing communication costs. Firstly, cultural understanding can effectively reduce "cultural discounts" and communication barriers in economic cooperation, and reducing cultural discounts requires attention to information dissemination, decoding, and identification. Through cultural exchange, people of the two



countries can better understand each other's ways of thinking, values, and behavioural norms, thereby reducing misunderstandings and frictions in business negotiations, project management, and daily communication. When people of the two countries establish emotional connections and mutual respect through cultural exchange, this trust will naturally extend to the economic field. From the perspective of the "guanxi" theory, this trust is beyond legal contracts and can effectively reduce transaction risks and promote long-term cooperation. China builds its geopolitical influence by providing global public goods and stable bilateral relations. The construction of "stable bilateral relations", to a large extent, relies on the mutual understanding and trust brought about by cultural exchange, which also indirectly confirms the driving effect of political and cultural "guanxi" on economic cooperation.

Secondly, cultural exchanges serve as catalysts for new growth opportunities and creative drivers of economic cooperation. Interactions between China and Portugal in domains such as traditional arts, gastronomy, and design have the potential to generate collaborative projects within cultural and creative industries. Macao exemplifies this dynamic as a model of Sino-Portuguese cultural integration, where its distinctive cultural hybridity functions as an economic asset capable of attracting tourism investment and stimulating cultural industry development. Macao's cultural policies, which emphasize the preservation and promotion of Portuguese heritage, represent not only a commitment to cultural safeguarding but also a strategic approach to leveraging cultural assets for economic vitality. Furthermore, educational cooperation fosters language acquisition and expands transnational networks, cultivating a pool of talent with cross-cultural competencies. These individuals act as bridges in economic partnerships, facilitating innovation, knowledge transfer, and the creation of sustainable collaborative frameworks.

Table 6. The Synergistic Effects of the China-Portugal Partnership Policy on Economic and Cultural Cooperation.

| Dimensions | Economic Cooperation | Cultural Engagements | Synergistic Effects |
|------------------------|--|---|---|
| The "Guanxi" mechanism | Interests linkage, long-term investment, institutionalized platform | Emotional connection, mutual understanding, shared values | Economic cooperation provides the "foundation" for the "relationship", while cultural exchange deepens the "content" of the "relationship". |
| Major drivers | Market demand and policy guidance (BRI, China-Portugal Forum) | Cultural diplomacy, historical heritage, educational promotion | The policy integrates economy and culture, jointly driving the development of "relationships". |
| Impact on each other | Provide material support, enhance personnel exchanges, and create a cooperation platform | Reduce "cultural barriers", build trust, and provide creative sources | Economy provides resources for culture, while culture creates an environment for the economy. |
| Macao's role | Business cooperation service platform, regional economic hub | Cultural Integration Center, Promoter of Portuguese Culture | Macao is an amplifier and core hub for the synergy between economy and culture. |

Source: Authors



The interaction between economic and cultural cooperation has generated a profound synergistic effect, enabling the China-Portugal partnership to exhibit a comprehensive and sustainable trajectory of development. This synergy manifests in several dimensions (Table 5). Economic cooperation, facilitated through personnel exchanges and shared interests, continuously expands and deepens the relational network between the two countries. Concurrently, cultural exchanges foster mutual understanding and trust, thereby enhancing the quality and resilience of these relationships. This mutually reinforcing cycle creates a cumulative process of "relationship capital," producing a virtuous spiral of upward development. At the macro level, initiatives such as the Forum for Economic and Trade Cooperation between China and Portuguese-speaking Countries and the Belt and Road Initiative exemplify this synergy. These frameworks not only stimulate economic growth but also provide institutional guarantees and practical platforms for cultural interaction, reinforcing the interdependence of economic and cultural dimensions in bilateral cooperation. Macao's unique position within the China-Portugal partnership makes it an amplifier of economic and cultural synergy. Macao is not only an important platform for economic and trade exchanges between China and Portugal, but also a living museum of cultural integration between the two countries. Its positioning as a "World Tourism and Leisure Centre" and a "Platform for Business Cooperation between China and Portuguese-speaking Countries" enables it to integrate economic functions with cultural functions. For instance, by holding international cultural and artistic festivals, attracting tourists and artists from Portuguese-speaking countries, it not only promotes cultural exchanges but also boosts the tourism economy. At the same time, the Portuguese language education and promotion in Macao also provide talent and cultural support for Chinese enterprises to enter the markets of Portuguese-speaking countries. Macao should seize the opportunity of the Deep Integration Zone and ride on the fast train of national development. This is precisely the hope that Macao can better play its unique role in the coordinated development of economy and culture.

The success of the China-Portugal partnership policy lies in its comprehensive consideration of the economic and cultural aspects. For instance, under the "Belt and Road" initiative, not only are there infrastructure investments and trade exchanges, but also emphasis is placed on cultural exchanges and the fostering of mutual understanding among the people. This policy design aims to drive cultural exchanges through economic cooperation, and then use cultural exchanges to nourish economic cooperation, thereby achieving comprehensive and balanced development. The experience of regional government cooperation also indicates that establishing a favourable institutional environment, reasonable organizational arrangements, and regional cooperation rules is a rational choice for achieving integration. The China-Portugal partnership has achieved deep synergy in the economic and cultural fields through this institutionalized cooperation. When economic and cultural factors achieve a deep synergy, the relationship between the two countries will demonstrate greater resilience when facing external challenges. Even when there are frictions in certain economic fields or global geopolitical tensions intensify, the profound cultural understanding and trust foundation can play a buffering role, preventing the relationship from deteriorating completely. The perception of security threats can affect economic cooperation preferences, but the trust established



through cultural exchanges between China and Portugal can, to a certain extent, counteract this negative impact and maintain the stability of cooperation.

In general, the policy of the China-Portugal partnership has established a dynamic and mutually reinforcing mechanism between economic and cultural cooperation, resulting in a significant deep synergy effect. Economic cooperation provides a material foundation and platform, facilitating personnel mobility and cultural exchange; while cultural exchange enhances understanding, builds trust, and reduces communication costs, providing strong social capital and favorable conditions for economic cooperation. Macao, as the core hub of this collaborative process, further amplifies this effect. This deep synergy of economic and cultural interaction not only improves the overall quality of the China-Portugal relationship but also lays a solid foundation for the two countries to jointly address global challenges and achieve common development in the future.

5. Conclusion

This study has conducted an examination of Sino-Portuguese policies and diplomatic engagement from 2003 to 2024, assessing how these mechanisms collectively shape the evolving nexus between economic cooperation and cultural exchange. Grounded in a relational analytical framework, the findings demonstrate that accumulated trust, reciprocity, and sustained commitment constitute a form of *guanxi* capital. This capital functions alongside formal institutional arrangements to reduce transaction costs, facilitate information flows, and stabilize mutual expectations. Although the study does not establish a direct causal relationship, the analysis reveals a noteworthy correlation between the growth of *guanxi* capital and the intensification of bilateral economic and commercial activity, suggesting that relational dynamics and economic interactions have evolved in mutually reinforcing ways over time. Within this perspective, the synergistic effects of cooperation are observable across both national contexts. Returning to the central research question - How do China and Portugal construct *guanxi*, and what synergistic effects does Sino-Portuguese cooperation generate across the economic and cultural spheres in both regions? - the study advances three principal conclusions.

First, at the economic level, diplomatic events and bilateral mechanisms have institutionalized opportunities for trade, investment, and infrastructure development. These platforms and the “*guanxi*” built expand personnel exchanges, diversify sectoral linkages, and deepen network density, thereby strengthening the relational architecture that underpins cross-border commerce.

Second, at the cultural level, sustained exchanges cultivate mutual intelligibility and trust, enhancing resilience within the bilateral relationship. Macao’s unique position, as a locus of Sino-Portuguese cultural hybridity and a policy emphasis on Portuguese heritage, illustrates how symbolic assets and cultural policies function as economic resources, attracting tourism and catalysing cultural-industry development. Importantly, multiculturalist activities and practices do not merely accompany cultural exchange, they actively shape the conditions under which *guanxi* can be institutionalized and scaled. By legitimizing plural identities, creating institutional venues for intercultural encounter, and embedding cultural exchange within informal cooperation agendas, multiculturalism



increases the salience and durability of relational capital, thereby making economic cooperation more resilient to adversity and more amenable to long-term commitments.

Third, the synergy across economy and culture operates as a virtuous cycle: economic cooperation finances and platforms cultural engagement, while cultural engagement reduces communication costs, mitigates “cultural discount,” and widens the social base for joint ventures. In both regions, this mutual reinforcement translates into higher-quality partnerships, enhanced adaptability to uncertainty, and more sustainable development trajectories.

Looking ahead, future research should employ longitudinal mixed methods to trace the quantitative and qualitative evolution of guanxi capital, examining how trust generated by cultural interactions translates into measurable reductions in contractual and coordination costs. Further inquiry might also examine sectoral pathways, such as renewable energy, fintech, and creative industries, through which economic collaborations produce new cultural content and exchanges, thereby renewing the stock of guanxi and consolidating the cooperative ecosystem over time.

References

- Ali, U. F., & Santos, V. (2025). Glocalization Strategies in the Food Industry: Adapting to Local Needs and Demands. In *Evolving Strategies for Organizational Management and Performance Evaluation* (pp. 237-262). IGI Global Scientific Publishing.
- Barnett, M., & Duvall, R. (2005). Power in International Politics. *International Organization*, 59(1), 39–75. doi:10.1017/S0020818305050010
- Bhandari, R., Belyavina, R., & Gutierrez, R. (Eds.). (2011). *Student mobility and the internationalization of higher education: National policies and strategies from six world regions*. New York: Institute of International Education.
- Bian, Y. (2018). The prevalence and the increasing significance of guanxi. *The China Quarterly*, 235, 597-621.
- Bourdieu, P. (1986). The forms of capital. In J. G. Richardson (Ed.), *Handbook of theory and research for the sociology of education* (pp. 241–258). Greenwood Press.
- Brautigam, D. (2009). *The Dragon's Gift: The Real Story of China in Africa*. Oxford University Press.
- Canale, R. R., De Simone, E., Di Maio, A., & Parenti, B. (2019). UNESCO World Heritage sites and tourism attractiveness: The case of Italian provinces. *Land use policy*, 85, 114-120.
- Chen, X.-P., & Chen, C. C. (2004). On the intricacies of the Chinese guanxi: A process model of guanxi development. *Asia Pacific Journal of Management*, 21(3), 305-324. <https://doi.org/10.1023/B:APJM.0000036465.19102.d5>
- Cull, N. J. (2008). Public diplomacy: Taxonomies and histories. *The Annals of the American Academy of Political and Social Science*, 616(1), 31–54. <https://doi.org/10.1177/0002716207311952>



Duarte, P. A. B., Albuquerque, R., & Tavares, A. M. L. (Eds.). (2023). *Portugal and the Lusophone world: Law, geopolitics and institutional cooperation*. Singapore: Springer. <https://doi.org/10.1007/978-981-99-0455-6>

Fan, Y. (2002). Questioning guanxi: definition, classification and implications. *International business review*, 11(5), 543-561.

Feng, Q., & Ye, L. (2020). 世界汉学研究会(澳门)第三届论坛召开 [The third forum of the World Chinese Studies Association (Macao) was held]. *中国比较文学* [Comparative Literature in China], 2020 (01), 58. <https://doi.org/10.16234/j.cnki.cn31-1694/i.2020.01.007>

Florida, R. (2011). "The Creative Class": from The Rise of the Creative Class: And How It's Transforming Work, Leisure, Community and Everyday Life (2002). In *The City Reader* (pp. 175-181). Routledge.

Forum for Economic and Trade Cooperation between China and Portuguese-speaking Countries (FM) (2020). Number of Chinese visitors to Portugal rises 16 pct in 2019. Retrieved from https://www.forumchinapl.org.mo/en/economic_trade/view/5620

Guillén, M. F. (2001). Is globalization civilizing, destructive or feeble? A critique of five key debates in the social science literature. *Annual Review of Sociology*, 27(1), 235-260. <https://doi.org/10.1146/annurev.soc.27.1.235>

Guiso, L., Sapienza, P., & Zingales, L. (2006). Does culture affect economic outcomes? *Journal of Economic perspectives*, 20(2), 23-48.

Imber, M. F. (2020). *Functionalism*. *Encyclopedia Britannica*. <https://www.britannica.com/topic/functionalism-international-organizations>

Irwin-Hunt, Alex (2023). *Chinese tourists are back, but for now they stay local*. FDI Intelligence. <https://www.fdiintelligence.com/content/563aba9a-b55a-55b7-9327-48fc3b92d901>

Kostakis, I., & Lolos, S. (2024). Uncovering the impact of cultural heritage on economic growth: empirical evidence from Greek regions, 2000-2019. *The Annals of Regional Science*, 73(3), 1209-1239.

Kymlicka, W. (2012). Multiculturalism: Success, failure, and the future. *Rethinking national identity in the age of migration*, 33-78.

Johnson, K. H. (2020). *Diaspora and Identity in the Portuguese-Speaking Community in Macao* (Doctoral dissertation, University of Macao).

Leandro, F. J. (2023). The Last Five Decades of Sino-Portuguese Relations: The Quest for the Belt and Road Initiative. *Daxiyangguo: Portuguese Journal of Asian Studies*, 30, 13-79.

Leandro, F. J. (2025). *Is China a Global Power?* Springer Nature.

Leandro, F. J. B. S., & Duarte, P. (2020). *The Belt and Road Initiative: An old archetype of a new development model*. Palgrave Macmillan.



Leandro, F. J. B. S., & Li, Y. (2025). Global partners not contiguous neighbors: The potential of Sino-Portuguese cooperation. In Y. Li et al. (Eds.), *The Palgrave handbook on China-Europe-Africa relations*. Springer.

Li, X., Lam, J. F. I., Lin, Z., & Li, C. (2024). Development Path of Macao Tourism Symbiosis Integration from the Configuration Perspective. *Sustainability*, 16(19), 8505.

Lorenz, E. (1999). Trust, contract and economic cooperation. *Cambridge journal of economics*, 23(3), 301-315.

Luo, Y. (2008). The changing Chinese culture and business behaviour: The perspective of intertwinement between guanxi and corruption. *International Business Review*, 17(2), 188-193.

Medeiros, S. E. (2024). Portugal as an Atlantic Cooperation Hub to Foster European Union Security| Portugal como Pólo de Cooperação Atlântica para a Promoção da Segurança da União Europeia. Political Observer| Revista Portuguesa de Ciência Política (Portuguese Journal of Political Science), (21), 53-70.

Ministry of Foreign Affairs of the People's Republic of China. (2022, February). Portugal (Portuguese Republic). Retrieved from https://www.fmprc.gov.cn/web//qjhdq_676201/qj_676203/oz_678770/1206_679570/1206x2_679590/202202/t20220208_10639940.shtml

Mitrany, D. (1948). The Functional Approach to World Organization. *International Affairs* (Royal Institute of International Affairs 1944-), 24(3), 350-363. <https://doi.org/10.2307/3018652>

Modood, T. (2017). Must interculturalists misrepresent multiculturalism? *Comparative Migration Studies*, 5(1), 1-17. <https://doi.org/10.1186/s40878-017-0058-y>

Morgenthau, H. J. (1948). Politics among Nations: The Struggle for Power and Peace. *Political Science Quarterly*, 64(2). <https://doi.org/10.2307/2144235>

Mormul, J. (2020). The community of Portuguese language countries (CPLP) and the Luso-African identity. *Politeja-Pismo Wydziału Studiów Międzynarodowych i Politycznych Uniwersytetu Jagiellońskiego*, 17(68), 191-213.

Ni Hao Portugal. (2019, December 23). *Nacionalidade chinesa cresce nas instituições de ensino portuguesas* [Chinese nationality increases in portuguese educational institutions]. <https://nihaoportugal.pt/2019/12/23/nacionalidade-chinesa-cresce-nas-instituicoes-de-ensino-portuguesas/>

North, D. C. (1990). *Institutions, institutional change and economic performance*. Cambridge university press.

Nye, J. S. (2004). *Soft power: The means to success in world politics*. Public affairs.

Onuf, N. (1989). *World of our making: Rules and rule in social theory and international relations*. University of South Carolina Press.



Park, S. H., & Luo, Y. (2001). Guanxi and organizational dynamics: Organizational networking in Chinese firms. *Strategic Management Journal*, 22(5), 455–477. <https://doi.org/10.1002/smj.167>

Portugal Global. (2024, June 5). *Goal to reach 500,000 Chinese tourists* [Goal to reach 500,000 Chinese tourists]. <https://www.portugalglobal.pt/en/news/2024/june/goal-to-reach-500-000-chinese-tourists/>

Qin, Y. (2009). 关系本位与过程建构：将中国理念植入国际关系理论 [Relationality and processual construction: bringing Chinese ideas into International Relations theory]. *Social Sciences in China*, 30(4), 5–20. <https://doi.org/10.1080/02529200903342560>

Qin, Y. (2018). A relational theory of world politics. *International Studies Review*, 20(1), 33–47.

Ramakrishnan, S. K., & Bloemraad, I. (Eds.). (2008). *Civic hopes and political realities: Immigrants, community organizations, and political engagement*. Russell Sage Foundation.

Ritzer, G. (2003). Rethinking globalization: Glocalization/globalization and something/nothing. *Sociological Theory*, 21(3), 193–209. <https://doi.org/10.1111/1467-9558.00185>

Rodrik, D. (2011). The globalization paradox: democracy and the future of the world economy. *World Trade Review*, 10(1), 409–417.

Su, C., & Littlefield, J. E. (2001). Entering guanxi: a business ethical dilemma in mainland China? *Journal of business ethics*, 33(3), 199–210.

Tang, C., Zhang, X., & Cheung, D. M. W. (2024). Nuancing regional geography: an analysis of the evolution and mechanism of intercity cooperation network in the Guangdong-Hong Kong-Macao greater Bay area. *Tijdschrift voor economische en sociale geografie*, 115(5), 674–690.

Throsby, C. D. (2001). *Economics and culture*. Cambridge University Press.

Trommsdorff, G. (2009). *Intergenerational relations and cultural transmission*. Bibliothek der Universität Konstanz.

Verly-Miguel, M. (2024). Participation of the Permanent Secretariat of Forum Macao in Global Health initiatives between 2015 and 2022. *Physis: Revista de Saúde Coletiva*, 34. <https://doi.org/10.1590/s0103-7331202434047en>

Vertovec, S. (2007). Super-diversity and its implications. *Ethnic and Racial Studies*, 30(6), 1024–1054. <https://doi.org/10.1080/01419870701599465>

Weber, M. (2017). *Max Weber: a biography*. Routledge.

Womack, B. (2006). *China and Vietnam: The politics of asymmetry*. Cambridge University Press.



Yang, Z., & Wang, C. L. (2011). Guanxi as a governance mechanism in business markets: Its characteristics, relevant theories, and future research directions. *Industrial Marketing Management*, 40(4), 492-495.

Zalli, E. (2024). Globalization and education: exploring the exchange of ideas, values, and traditions in promoting cultural understanding and global citizenship. *Interdisciplinary Journal of Research and Development*, 11(1 S1), 55-55.

Zapata-Barrero, R. (2017). Interculturalism in the post-multicultural debate: a defense. *Comparative migration studies*, 5, 1-23.