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Gambling with Development: Casino Capitalism in South Africa and on Indian Lands in California

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Introduction

Casino gambling¹ has traditionally represented a “pariah industry,” outlawed in all but the most distant, sparsely-populated locales and, even then, strictly regulated to prevent growth in both supply and demand (Skolnik 1978). While the rationale behind such prohibition and stigmatization has varied—from religious rejections of the immorality and irrationality of gambling to public concern over the proliferation of organized and street crime around casinos themselves (Reith 1999)—the need for casino operators to justify their existence, activities and operations has remained constant. In the words of Meyer (1977), a gambling industry represents an extreme case of an institutional field which must produce and disseminate myths legitimating its practices.

Despite such stigmatized status, the past decade has witnessed a vast and rapid expansion of the casino industry throughout both the U.S. and world—the number of U.S. states permitting casinos increased from 2 to 27 from 1988 to 1999, while the number of countries increased from 77 to 109 (Nevada Gaming Control Board; Bear Stearns 2000; Eadington 1999; Thompson 1998). Various explanations have been offered for this phenomenon. Popular explanations emphasize a liberalization of public values concerning gambling, or changes in modes of governance from paternalistic prohibition to regulatory liberalism. Such accounts prove inadequate, however, when we attempt to apply them to other activities of “vice” such as drug use, for which increasing public acceptance has been accompanied by increasingly repressive forms of regulation. Most scholarly writings on casino gambling, meanwhile, have explained its spread as the result of the economic desperation of contemporary states (Hunter and Bleinberger 1995; Vogel 1994; Rose 1998). In troubled times, the argument goes, moral and social concerns are set aside by community leaders and publics in order to attract (casino) capital investment to depressed areas. By looking at gambling from the point of view of states in dire financial straits—i.e., as

¹ As with many seemingly objective facets of the contemporary casino industry, the use of the terms “gambling” and “gaming,” while seemingly non-problematic, are political choices. In Nevada, the birth of “gaming” was part of a larger intentional project on the part of casino operators to cleanse from their image the negative associations carried by “gambling.” In this paper, I have decided to embed my discourse within that of my object of study. I thus refer to Indian “gaming,” as tribes themselves do, and South African “gambling,” as state and corporate elites do. But in generic situations such as the one to which this footnote refers, I find myself using “gambling,” probably as a reflection of my own biases and beliefs.

a tool of economic development—we are able to explain broad patterns of casino legalization; in the U.S. we see casino legalization in depressed regions of the South and in Atlantic City, but not in the Sun Belt or New York City.

The “economic desperation” thesis, however, is not entirely satisfactory as an explanation. First, it does not account for variations across space and time. Why have Indian² reservations turned to casino gambling but not black inner cities? Why has Detroit legalized casinos but not Cleveland? And why did numerous attempts to legalize casinos prior to 1989 fail (Dombrink and Thompson 1990), while attempts since have achieved great success? Second, it cannot account for variations in how the industry is structured, and especially the presence of American—primarily Nevadan—casino firms in all these new markets. And third, it provides no framework for theorizing the casinos as physical sites themselves—i.e., as the intersection in real time and space of, on the one hand, casino operators and, on the other, workers, consumers and the state. In sum, the story of the emergence of a global gambling industry is one of a meeting between Western gambling corporations seeking to expand into new markets and local “third world” states seeking outside investment for economic development. Yet, I argue, because of the historical stigmatization of corporate casino gambling, this is a problematic developmental strategy for all parties involved and one requiring considerable “symbolic labor.”

For my dissertation I will study the cultural/symbolic dimension of casino industry legitimization as well as its on-the-ground operations and effects in two contexts: in South Africa and on Indian Lands in California, both of which have legalized gambling within the past five years. Several broad similarities between these two cases immediately arise. In each casino legitimization has been tied to the industry’s capacity to benefit historically oppressed ethnic groups (Africans and Indians, respectively). And each of these emerging industries is characterized by partnerships between large Western gambling firms and local consortiums of these ethnic groups. Yet my research so far has revealed significant and unexpected differences as well. In California, where—as in the U.S. generally—the ideology of the free market is

² I use the term “Indian” rather than “Native American” because it is the term used by most individual tribes as well as organizations representing the industry (such as the National Indian Gaming Association).

doxic,³ casino gambling has been legitimated through its potential for social (political and cultural) development, and operates so as to deny and/or conceal the presence of large gambling corporations.

While in South Africa—whose ruling ANC party has historically advocated a statist, and often even socialist, domestic economic policy—casino gambling has been legitimated primarily through reference to its strictly economic benefits, while the presence and influence of Western gambling corporations is celebrated in all facets of industrial structure and operations.

General theoretical perspective

The State, Capital, and “Vice”

The first step in a properly sociological analysis of gambling is a break with commonsense accounts of this activity as inherently immoral, dangerous, addictive, etc. Rather, we must take such beliefs as themselves “social” or “moral facts” to be explained (Durkheim 1984: xxv). In the words of Goffman (1986), we must examine how both gambling as an individual activity and those institutions in which it occurs are labeled as deviant (stigmatization) or acceptable (normalization). Having exposed the socially constructed nature of such labels, our second step is that of figuring out who the primary agents are in this process—i.e., who is labeling what to whom—and for what purposes. In short, we must construct a “political economy of the symbolic violence” surrounding the stigmatization and legitimation of casino gambling (Bourdieu 1972).

Two distinct theoretical traditions offer initial frameworks for understanding this process. The first is classical Marxism, which assumes the ability of a hegemonic fraction of the capitalist class to influence the state to produce laws and act generally to advance its interests. The regulation of various forms of vice will thus have less to do with public or state values than with the interests of capitalist elites. The social historian Schivelbush (1993: 153) thus argues that the seventeenth century invention of hard liquor “was to drinking what the mechanical weaver’s loom was to weaving”: by destroying traditional ways of life, it created a dependent class of wage laborers. The second is the Foucaultian

³ As the state’s recent deregulation of its public utilities attests.

theory of governmentality (Foucault 1979, Valverde 1998). Here the emergent modern nation-state represents an independent force of domination within society, one which attempts to regulate the physical, mental and moral health of both individuals and the population as a whole in line with scientific notions of health and normality. Laws and state practices related to “vice” represent one aspect of this larger transformation to a disciplinary society.

Despite their obvious differences, both of these perspectives take for granted the ability of one societal group—capitalists for Marxism, the state for Foucault—to construct and enforce norms and regulations serving its interests. While recognizing that in modern societies state and corporate elites are important social actors, I argue that the relation between them, and thus those laws regulating vice, are neither predetermined nor determinant. Rather, turning to both neo-Marxism and the work of Pierre Bourdieu, I conceptualize the modern state as both relatively autonomous vis-à-vis specific agents of capital, and as holding “a monopoly of symbolic violence” in society (Bourdieu 1989: 377)—i.e., as retaining the power to deem as legitimate or illegitimate a wide variety of individuals, activities and institutions. However, we cannot infer from such power a concomitant “will to power”—i.e., that the various subfields of the state and their agents will act at all times to consolidate their control over society. Rather, we must consider not only the structures of and relations between the state and corporate fields, but those of other organized constituencies within a given society’s field of power⁴ as well. We thus may find that corporate, religious or some other sort of groups are able to harness state power—especially the power to confer il/legitimacy—in accord with their own interests. But enough with the academic generalities; on to the casinos.

Gambling and Modernity

Let us begin with the basics. Gambling in its pure form—defined by Goffman as the placing of a bet by two or more parties on an event of an uncertain outcome (1967)—entails no net loss or gain by

⁴ The term “field of power” refers to that region of social space characterized by a high overall volume of economic, cultural and social capital. In addition, it is that part of society characterized by a high degree of institutionalization.

participants in the long run.⁵ Rather, it constitutes a short-term temporal redistribution of income, analyzable in terms of premodern forms of gift exchange (Mauss 1990, Polanyi 1957). Once we introduce the concept of the “House,” though, we discover the source of gambling’s potential (as a large scale industry) and problems (from the point of view of those agents entrusted to “protect society”). The House is a third party which in some manner facilitates the gambling “action,” a service for which it takes a cut of the total amount wagered. The institutional form serving as the House has of course varied immensely, from a local entrepreneur housing weekly poker games to organized crime syndicates running casinos to modern nation-states operating lotteries.

A sociological analysis of gambling should therefore proceed in three steps. First a basic economy of gambling will reveal a net flow of capital “upwards”: various forms and degrees of redistribution of wagers among players, with a steady if small percentage of each wager accruing to the House. The researcher should therefore specify the precise economics of this system—the temporal and quantitative structure of how winnings are distributed among players, how large a cut the House receives, how this cut is taxed or spent, etc.

Next, we move from the material to the symbolic by attempting to specify how this movement of money is euphemized by all participants involved. In brief how is gambling, and in particular the activities and role of the House, legitimated or stigmatized? So rather than defining gambling as a “recreational expense” (in the lingo of economics), a “voluntary contribution to a good cause” (as state rhetoric often does), or a “poor tax” (as the radical holds), we take such labels as themselves data to be analyzed, and in two ways. First, who are the primary agents in this process? Whose interests are served by the establishment and operation of a gambling industry? Who opposes it? And while we can say with certainty that in the current globalization of gambling both the state and (Nevadan) gaming corporations will be prime actors, the presence or absence of other societal actors (such as religious groups or non-

⁵ This statement of course requires some qualifying. It assumes that the event determining outcomes is either random (as in Goffman’s famous example of two boys wagering on a coin toss), or, if a contest of skill, that participants are of roughly equal capabilities.

profits) should be considered as well.⁶ Second, how does legitimization occur? What resources do the agents identified above bring to the table? What sorts of alliances do they establish among themselves? And most importantly, what sort of symbolic strategies of issue “framing” do the various factions engage in (Goffman 1976)? These questions will themselves depend on both the current state of relations within the field of power—especially both the relation between the state/bureaucratic field and the corporate field and, relatedly, the precise legal channels through which prohibition or legalization occur—and its history—especially, for our cases, the history of colonialism, racial oppression, and corporate gambling.

Finally, we must attempt to specify the relation between inter-organizational legitimization strategies and the principles according to which individual casinos themselves operate. First, how do the casinos hire, train, and discipline workers in line with legitimating myths of development and empowerment? Second, how do they market the gambling product to various categories of consumers? Third, how are the physical sites themselves organized (i.e., where located, how designed and themed)? Fourth, what are the ownership and management structures of the casinos (especially in terms of relation between Western casino companies and local ethnic groups)? Regarding these four dimensions of micro-industry structure, we can propose two mutually exclusive hypotheses. On one hand, we would expect actual firm practices to match the legitimating myth characteristic of the industry as a whole. On the other, we could find some degree of “decoupling” between myths and practices.

The globalization of casino gambling throughout South Africa and on Indian Lands in California share two important similarities. First, in each case casinos have been legitimated through reference to their potential for the development of historically oppressed ethnic groups. And second, in each case large Western gambling corporations, partnered with local associations of these ethnic groups, are intimately involved in the set-up and operation of the industry. Yet my initial research has revealed divergent patterns of industry legitimization and structuring. In South Africa political elites (closely allied

⁶ Interestingly, the legitimization of gambling—even those forms such as national lotteries in which the odds of winning are astronomical—to players themselves is rarely an issue. In the language of economics, consumer demand has historically been quite high and appears to be increasing. This research will thus not deal as much with the phenomenology of the gambling experience, though I urge the interested reader to consult Goffman’s seminal essay, “Where the Action Is” for an analysis of this matter (1967, see also Fisher 1993, Reith 1999, McMillen 1996).

with American and European casino companies) have legitimated casinos through reference to the ability of a gambling industry operating in accord with efficient free market principles to “uplift” the black African population economically. Blacks have been constructed as workers and entrepreneurs, and casino corporations as benevolent agents of both economic growth and justice. In contrast, the economic success of an Indian casino industry in California was well established prior to legalization (Bear Stearns 2000—also, California guy’s talk from conference), while political and corporate elites were united in their opposition to tribal gaming (Brosnan 1996; Mason 1998; Lurie 1999). Legitimation has thus occurred through emphasizing to the public casinos’ potential for furthering political and cultural development for Indians. And insofar as the influence of corporations in actual casino operations is perceived as a threat to tribal autonomy, their presence is concealed. I now describe in detail the history of my two cases, my research methods, and specific hypotheses concerning both the discourses surrounding organizational legitimacy and their material “truth effects.”

History (Capitalism, Race and Vice)

Colonialism in South Africa and the United States

Early Dutch colonizers in South Africa during the seventeenth century sought only to establish stopping ports for the long journey around the Cape of Good Hope; the Bantu speaking peoples they encountered there were treated as trade partners, especially for cattle (Frederickson 1981). As the Dutch and later English increasingly established permanent settlements in the country, relations with indigenous people changed dramatically. Of utmost importance were a series of discoveries during the mid and late nineteenth centuries of precious metals—especially gold and diamonds—in the country’s interior. Large industrial conglomerates sought to utilize the indigenous African population as a cheap labor source to maximize profits in these labor intensive mining industries.

While the interests of the South African state (dominated by Afrikaners) and the (English) mining conglomerates never entirely coincided, the ability of industrial elites to influence state policies during the early and middle twentieth century resulted in the creation of the Bantustan system, formalized in the

1913 Natives Land Act and 1951 Bantu Authorities Act (Magubane 1979). The Bantustans both created a stable labor pool from which industrial capital could draw and, by preserving a pre-capitalist system of subsistence agriculture, allowed employers to pay a below-subsistence level wage (Legassick and Wolpe 1977; Burawoy 1976). Three important characteristics of this system must be emphasized. First, connected with the Bantustans was an elaborate legal mechanism—known as Segregation—for controlling black movement throughout the country and especially between the rural Bantustans and urban industrial centers (of which the infamous Pass Laws are the most extreme example). Second, the Bantustan system functioned economically to perpetuate a particular stage of capitalist production. And third they were associated with a vast ideological apparatus which legitimated exploitation through reference to the genetic inferiority of black Africans (Wolpe 1972).

What role did industries and activities of “vice” play in the colonization and exploitation of Africans? Again, we must consider the balance of forces between the economic and corporate fields. While gambling, prostitution and consumption of spirits have been officially prohibited throughout much of South African history, Van Onselen (1982) argues that the actual prevalence of such activities and their associated institutions have reflected the interests of capitalist elites. So while officially illegal in early twentieth century Johannesburg gambling dens, “whorehouses” and taverns were found throughout the city, surreptitiously supported by various representatives of the mining industries. For insofar as workers spent their weekly earnings on booze, betting and brothels rather than savings, these industries perpetuated African poverty and thus Africans as a dependent labor force as well. In sum, the history of vice in South Africa reflected the dominance of economic capital over the state, and served to control Africans as workers.

The early history of Indian-white relations in the U.S. differed in several important ways from the South African case. First, early European colonists were from the beginning settlers and agriculturists, while European-tribal relations were characterized by conflicts over land rather than labor as settlers migrated westward into the continent’s interior (Anderson 1995; Wunder 1994: ch2; Cornell 1988: ch. 3). So while as in South Africa the white government created a reservation system to house indigenous

people, it was here more a tool of exclusion and seclusion than utilization and exploitation (Ross 1981 in Lamar and Thompson; Frederickson 1981). Second, while the initial expropriation of Indians from their lands was supported by an intense ideology of racism (Weyler 1982;), by the late nineteenth and twentieth centuries their numbers had so dwindled relative to whites (due to epidemics, episodes of warfare and genocide) and their sequestering in reservations had been so complete, that the typical white in North America was increasingly unlikely to have actual contact with Indians. “When the Indian ceased to be a military threat...he became an exotic type, no longer likely to be encountered directly” (Frederickson 1981: 39). The image of the Indian as “noble savage” thus came to occupy a prominent role in the American popular consciousness (Berkhofer 1979; Deloria 1998). So unlike South Africa’s system of direct and constant control of indigenous peoples, early U.S. policy was characterized by a policy of sequestering and neglect.

As in South Africa, various forms of “vice” have played a role in American white-native relations. Early colonists gave liquor to Indians as both a form of payment for land and goods, and as a mechanism for encouraging dependence and passivity (Westermeyer 1996). And as government policy towards tribes shifted during the nineteenth and early twentieth centuries from one of neglect to assimilation (codified first in the 1887 Dawes Act and later in the 1947 policy of Termination [Jorgensen 1998, Deloria 1985]), the physical, moral and social “health” of Indians has become the object of governmental attention—for instance, in 1832 Congress prohibited the sale of alcohol to Indians (Beauvais 1998). Though alcoholism, drug use and gambling among Indians have surely represented crucial sites of intervention for government officials engaged in the project of the normalizing and acculturating indigenous peoples, little documentation of this process exists. In sum, Indians in America have never represented a significant source of labor power to capital; government policies of warfare and seclusion in reservations initially served the end of expropriating their land. Subsequent policy towards Indians followed a statist, rather than corporate, logic of acculturation and assimilation (Vinje 1996).

“Self-Determination,” Development and Gambling

During the latter half of the twentieth century, state policy towards indigenous peoples in both countries, though originating from different sources, converged to one of “self-determination.” And in each case gambling emerged as an acceptable tool of native development. In response to a deterioration in the ability of the pre-capitalist social structures in the Bantustans to support a class of wage-laborers, South African racial policy during the mid-twentieth century shifted towards one of separate development (Apartheid) for the reserves.⁷ One of a series of measures passed under the rubric of self-sufficiency and designed to attract capital to the Bantustans was Act 21 of 1971 (the Self Governing Territories Constitution Act), which allowed the homelands to draft and enforce their own laws regarding gambling (gambling in South Africa proper was prohibited in the 1965 Gambling Act [Brand 1999]). The leaders of Transkei, Bophuthatswana, Ciskei and Venda all proceeded to legalize casinos in their territories (Hughey and Mobilia, 1997).

Initially, two firms—Holiday Inn and Southern Sun (a subsidiary of South African Breweries)—competed to negotiate casino contracts with Bantustan governments. In 1983, however, Sol Kerzner, a former 10% shareholder in Southern Sun, founded a new firm, Sun International (Baskin 1983). Through a series of highly informal deals negotiated between Kerzner himself and local leaders, Sun International by the early 1990’s possessed all 18 homeland casino licenses (Lee 2000). By agreeing to a high taxation rate on casino profits, Kerzner not only secured a monopoly for his firm but was allowed to self-regulate operations (homeland governments’ lack of capital to effectively monitor and audit casino operations was obviously a major factor in these arrangements).

The homeland casinos were, overall, successful. The white urban population visited them not only to gamble legally, but to partake in the sex industry operating around them (Crush and Welling 1983). Regarding actual benefits for Africans on the Bantustans, however, the casinos had little effect. The deals brokered between Kerzner and local leaders were often outside the intentions (however

⁷ The reasons for the shift in South African state policy from Segregation to Apartheid are of course varied and subject to much debate (Bonacich [1981], for instance, argues that it was an attempt by the Afrikaner state to protect white workers from wage competition, while Wolpe [1972] points to increasing militancy by black workers in urban centers); at this point I wish merely to acknowledge such debates in order to situate how gambling emerged as one economic development strategy in the homelands.

impractical) of the original Territories Act. Sun imported workers and managers from Europe to staff the casinos, while proceeds were channeled to Bantustan leaders rather than invested in Bantustan infrastructure. And the system of self-auditing was associated with a high degree of fraud, skimming and money laundering within the casinos.⁸

Over the past several decades U.S. federal policy towards Indians, as part of a larger transition towards the logic of state-disinvestment and neo-liberalism, has also shifted towards one of Indian self-determination (Deloria and Lytle 1984; Morris 1992; Wunder 1994).⁹ Tribes in turn have experimented with various economic development schemes to attract capital to reservations (Cornell and Kalt 1993). Yet these tribal—private sector partnerships have been characterized by corruption and the exploitation of tribal and reservation resources by private parties (Gedicks 1993; McCulloch 1994; Anderson 1995). Over the past several decades have experimented with other, ostensibly “non-economic” development schemes. First, tribes have attempted to attract whites to reservations through “cultural tourism.” Craftspeople sell blankets, pottery, and other “cultural goods” to visitors, capitalizing on the ability of these items to signify an idyllic, pre-modern American past (Deloria 1998; Phillips and Steiner 1999). This cottage industry is not entirely unproblematic, however, as many argue it has led to a “bastardization” of Indian culture, providing minimal economic benefits while promoting an idealized/unreal image of Native American life (Graburn 1967). Second, over the past several decades many tribes have operated small-stake bingo parlors. Within a national environment of the prohibition of gambling (prior to the late 1980’s, only Nevada and Atlantic City allowed casino-style gambling), tribes, much like churches, have used their status as non-profit organizations offering bingo to attract whites to the reservations. By charging admission fees and selling concessions, these tribes both achieved modest

⁸ And insofar as one of the purposes of policies encouraging Bantustan investments was the reestablishment of a basis of economic self-sufficiency among the African peasantry in the reserves, the channeling of casino revenues to outside whites and homeland leaders helps explain the past and continuing antagonistic relationship between Kerzner and the South Africa government.

⁹ Again the reasons for this shift in policy is the subject of much debate, which I can here merely acknowledge (E.g, Lane 1995; Morris 1992; Wetzel 2000).

success in raising money while (initially) generating little opposition from the state and large casino companies (Cordiero 1993).

In conclusion, the early encounters of North American Indians and southern Africans with Europeans differed because of the colonizers' need for land versus labor. Superficial similarities between the groups (especially the use of a "reservation" system) belie different control mechanisms in each context—corporate control of Africans as laborers, versus governmental neglect and normalization for Indians. Yet in each case state policy has converged towards one of separate development, while gambling has been used as a developmental tool. And over the past five years, these initial experiments with gambling have exploded into large-scale casino industries. It is to their emergences, along with the relations among "Western" gaming companies, states, and historically oppressed ethnic groups in each context that we now turn.

Legalization (How casinos used development)

For South Africa, the legalization of a casino gambling industry was relatively unproblematic, while in California considerable conflict and struggle was involved. In South Africa the decision was strictly in the hands of political elites, who acted in collaboration with Western casino corporations against the interests of domestic casino capital (Sun International). In California, in contrast, state and corporate interests were united in opposition against Indian casino gaming. Tribes thus engaged in a lengthy public relations battle eventually won through a statewide vote.

South Africa

With the end of apartheid the future of the homeland casinos, and gambling in South Africa generally, was up in the air. The country's first non-racial constitution repealed the 1965 Gambling Act; each province could regulate gambling as it pleased. While the homeland casinos continued operations, gambling legislation was a low priority for the provinces, allowing local entrepreneurs to construct an informal gambling industry throughout South Africa (Fisher and Schreuder 1994). Slot machines and

blackjack tables appeared in bars; card clubs opened in the cities; non-profit organizations offered bingo and scratch cards. Pressure began to build for the state to put forward a unitary national policy¹⁰; the government's hand regarding the legality and morality of gambling, that is, was forced. Two committees—the 1992 Howard Commission and 1995 Weinhard Commission—were appointed to make recommendations concerning, first, whether or not to allow a national gambling industry and, if so, how it should be structured. Both committees consisted of academics and government officials; and proceeded by observing gambling sites throughout South Africa, studying legislation and visiting operations in foreign countries, and holding public hearings in which “all interested parties” could come to offer their views.

Is gambling desirable, the Howard Report (1993: 1) opens by asking, “in view of the prevailing financial, social and ethical values [in South Africa?]” ? Both committees conclude in the affirmative, that the national government should legalize a casino industry. Scattered throughout the reports are various rationales for this recommendation:

- Both world and South African histories reveal that gambling has always been practiced despite governmental prohibitions; it is “a reality in that it is natural for man to take a chance or risk” (Weinhard Report 1995: 54). Gambling is thus an inherent feature of human nature.
- Gambling is being legalized globally because of liberalizing attitude changes and increasing leisure time. It is now a very widespread activity, constituting a “very popular pastime” (Howard Commission: 16) generated by “massive demand” (ibid: 103). In sum, gambling is defined not as an irrational activity or a vice, but as a form of entertainment increasingly engaged in by consumers worldwide (ibid: 53).
- Those opposed to gambling constitute a tiny, self-interested minority. On one hand is Sun International, opposed to a national industry because seeking to maintain its monopoly on legal gambling. On the other are religious groups who base their arguments upon doctrines which have no place in state decisions. And besides, gambling would not affect such individuals insofar as “nobody is compelled to participate” in the industry (Howard Report 1992: 19).

Note I am here not attempting to evaluate the truth value of the state's claims (though the absurdity of defining as a leisure expense the activity of gambling in a country with a 40% unemployment rate should

¹⁰ The push for a national policy came from multiple sources: religious and other community groups dismayed over the high visibility of the informal industry, Sun International seeking to eliminate competition from the new entrepreneurs, and political leaders facing a deteriorating economy and seeking new sources of domestic investment and state revenue.

be quite obvious); rather, I intend to spell out their internal logic and the symbolic work regarding gambling they accomplish. In sum, by constructing gambling as a globalized form of recreation and the gambler as a modern consumer, the ANC-controlled state—in the face of weakening traditional religious structures and a corrupt domestic gambling industry—was able to legitimate casino gambling as a potential panacea for the nation’s financial crisis.

California, United States

The legalization of a casino industry in the United States has been considerably more problematic. Historically, the federal government has left decisions regarding gambling up to individual states, who have in turn consistently given decisions to publics via the vote. Yet despite widespread acceptance of gambling as an activity (only a small fraction of Americans believe it to be morally wrong, while the vast majority have gambled at some point in their lives [NORC 1999: 6]), up until 1989 publics repeatedly voted down proposals to allow casino gambling within their state’s borders (the only exception being New Jersey’s 1979 approval of casinos in Atlantic City; Nevada’s industry was legalized through legislative decree) (Dombrink and Thompson 1990: 97).

Why repeated no-votes on casino proposals, despite obvious demand for and acceptance of gambling? We can resolve this paradox by considering the recent history of state lotteries in America. Like casinos, lotteries have been proposed by state officials as mechanisms for raising revenue; and as with casinos, such decisions have been put in the hands of publics via votes. Yet lottos have repeatedly and overwhelmingly won acceptance—since 1963, 38 of 41 lotto votes have passed (Clotfelter, Cook, Edell and Moore 1999). Our question thus becomes, why public approval of lotteries yet denial of casinos? First, while the U.S. casino industry is privately owned and operated, lottos are officially owned and operated by the state. They thus give the appearance of a “clean” industry in which profits go to “good causes” such as education or public works (consider also that the 3 lottery votes which failed would have granted operation of the lotto to a private firm). Casinos, on the other hand, because of the past and, debatably, continuing presence of organized crime in the Nevada and Atlantic City industries are assumed

to be covertly owned by the mafia with profits being skimmed and channeled to various underworld parties (Reid and Demaris 1963). Second, lotteries as an institutional form of gambling are spatially diffuse—both everywhere (a lotto ticket can be purchased at any corner store) and nowhere (one cannot say “the lotto” is located at such and such a place)—while casinos are spatially distinct—they exist as physical buildings in determinate locales. The negative social effects accompanying gambling are thus more visible and “real” around casinos (not just poverty and alcoholism but pawn shops and liquor stores, not just “problem gambling” but destitute individuals on the street) and, by extension, capable of being mobilized by opponents of casinos in the public relation campaigns leading up to votes (Dombrink and Thompson 1990). In sum, decisions regarding the legalization of casinos in America have historically been put in the hands of the public, while repeated no-votes have been due not to opposition to gambling in the abstract, but to reservations over both the presence of organized crime in private casino firms and the highly localized and visible negative social effects accompanying actual casinos.

So how to explain the rapid growth of the American casino industry over the past decade (in 1988 national casino revenues totaled \$7 billion; today they are approximately \$30 billion; see table 1). Let us consider the three distinct markets in which this growth has occurred—each of which accounts for approximately one third of the total revenue. First, Nevada gaming corporations during the late 1980’s underwent consolidation and centralization, and a transformation in structure from privately to publicly held firms (Bear Stearns 2000). Within Nevada itself, this development has meant increased access to venture capital for casino operators, which in turn has led to the construction of multiple mega-casinos in Las Vegas and the transformation of the state into an international tourist destination (Gottdiener, Collins and Dickens 1999). Second, the transition to publicly held corporations has entailed greater financial and organizational “openness” to public and state monitoring. By pacifying concerns over the involvement of organized crime in firm operations, Nevada firms have won public approval in various markets across the U.S. And third, casino gaming on Indian lands has emerged as a major sector of the industry (its \$9.9 billion in annual revenue now surpasses Nevada’s \$9.6 billion). It is to the cultural politics of the legitimization of tribal casinos, especially in the state of California, that we now turn.

The emergent federal logic of Self-Determination first encountered California Indian gaming in 1987. The state of California sued to shut down the bingo parlor of the Cabazon Band of Mission Indians. The ensuing court case reached the U.S. Supreme Court, which ruled in favor of the tribe based on the doctrine of tribal political sovereignty (Lane 1995). This decision was subsequently formalized by Congress in the 1989 Indian Gaming Regulatory Act (IGRA), which states that tribes, *provided they can establish compacts with the state in which they reside*, are free to offer casino gambling. In California this proved a difficult task. Governor Pete Wilson, supported by various business interests—California’s card rooms, labor unions—opposed Indian gaming and refused to negotiate compacts. Tribes in turn attempted to circumvent the compact provision by utilizing California’s proposition system to win direct approval from the public to operate casinos. The outcome of such elections, however, were far from certain. The California public had previously voted down various casino proposals (Dunstan 1997), state leaders publicly opposed the plan, while Nevada corporations would invest heavily in any anti-Indian gaming campaign.

The subsequent struggle leading up to the elections (Propositions 5 and 1A) was one of both resources and issue framing. First, tribes pooled resources and solicited funding to form campaign organizations. Second, because the economic success of a California Indian gaming industry was assumed beforehand by all parties—annual revenues were estimated to reach \$5 billion (Bear Stearns 2000)—tribes framed gaming mainly in terms of its social (cultural and political) benefits for tribes. On one hand, tribes’ distance from and independence of private corporations was emphasized. On the other, economic revenues from gambling were important only insofar as they either strengthened cultural and political institutions or benefited the economically depressed communities surrounding tribal lands. Such a framing was indeed successful, as Proposition 1A passed by a large margin and a compact signed with the state of California on September 10, 1999.

Macro-Structure of Industries (How development uses casinos)

South Africa

In modern societies three basic forms of legal gambling are found. First, highly regulated and rationalized operation by the state (as in Canada or Europe); second, by non-profit organizations (such as churches); and third, by private, for-profit corporations (as in Nevada). Because of widely documented negative effects (crime, poverty, etc.) of a large scale gambling industry (, this third institutional form has historically been the most problematic from the point of view of those entities entrusted to protect “society”—notably the state (Polanyi 1957). First, in order to increase sales private casino operators must stimulate demand for gambling, a “product” holding potential harm those who over-consume it. Second, because their large economies of scale financial coffers afford them a practically limitless bankroll, on the tables gambling firms can both honor bets of any size and grant credit to players (Eadington 1999); in both instances, gamblers encounter novel opportunities to wager beyond their means.¹¹

So while the initial legalization of casino gambling in South Africa was relatively unproblematic, more difficult was the decision on how exactly to structure the industry. And while high initial capital outlays for the establishment of a casino industry certainly help explain why the financially strapped state decided against a fully state-owned industry and allowed Western firms into the market, a purely economic explanation neither: (1) explains why political elites have granted such firms an exclusive right to operate casinos, when one or some combination of the other options were certainly available (various non-profit organizations—as well as local entrepreneurs—were successfully operating gambling facilities in South Africa, while various forms of state-corporate partnerships are found in other sectors of the South Africa economy), nor (2) can account for the lack of state restrictions on the ability of casino operators to maximize both supply and demand (restrictions found even in those major markets the Howard and Weinhard reports declare should be models for the South Africa industry). It is thus to an analysis of the symbolic work done to legitimate—i.e., to deny or reframe any potential negative effects

¹¹ And as pointed out by scholars of gambling behavior (e.g., Rizzo 2000), their large economies of scale allow gambling firms to offer “progressive jackpots”—i.e., those that pay out at rates of a million to one or more—which entirely restructure gamblers’ dreams, desires and decisions.

of—a fully corporatized gambling industry operating according to strict free market principles that we now turn.¹²

In specifying the criteria according to which a casino industry should be structured, the Howard Report states, “Legalized gambling should be so regulated as to make a substantial contribution to social upliftment and economic development” (23). But how best to create and control casinos to further both growth and justice? This question was answered through a cost-benefit analysis. Though become increasingly acceptable worldwide as a leisure time activity, gambling does have a series of both social and economic effects on society. The key to structuring the industry is to identify these effects, maximize the positive ones and minimize the negatives. First, the various **social effects** are identified and addressed. On one hand are individual level ones such as “compulsive gambling;”¹³ high correlations with alcohol, drug abuse, and domestic violence; a decreased work ethic; etc. (Culleton 1989; Marfels 1998). The Weinhard report, in addressing such concerns, acknowledges that gamblers may sacrifice hard work for a get-rich-quick ideology or turn in despair to alcohol and drugs (1995: 54). Such effects, though, have not been empirically documented by social scientists. However compulsive gambling, documented by Western medical specialists, does constitute a real danger (ibid.: 55). For while the “normal” gambler plays only for fun and risks only what he can afford to lose, scientific research has documented that a certain (though small) portion of any population will suffer from a psychological abnormality in which they are driven by “inner urges” to gamble uncontrollably, leading to bankruptcy, loss of employment, crime, alcoholism, drug addiction, etc. *This wide variety of individual afflictions, however, can all be prevented by treating their root cause: compulsive gambling.* And insofar as this is a psychiatric condition, specialist care and treatment are required. The general solution is thus “that the

¹² Though for the sake of brevity in this prospectus I bracket such material, I want to emphasize how both the current configuration of South Africa’s political and social forces as well as the country’s colonial history (especially the ruling ANC’s current and continuing ties with COSATU and the SACP, and the history of exploitation by Western firms of the African population) problematize and preclude a simple explanation of this process based on a Meyer-ian organizational isomorphism of Western institutional forms.

¹³ I put the term in quotation marks because, as a genealogy of the concept reveals (Collins 1996), “compulsive gambling” denotes less a definite, classifiable medical or psychological condition than a political project on the part of medical experts, state officials and corporate representatives to euphemize and naturalize the social effects of large-scale gambling.

gambling industry establish an institute or clinic for the treatment and rehabilitation of pathological gamblers” (ibid: 58). This clinic, presumably, will mitigate any negative effects for individuals of a gambling industry. On the other hand, you have community-level social effects such as crime, poverty and neighborhood deterioration in areas where casinos and regular gamblers are located. Yet the reports here argue that neither gambling per se nor highly modern and rationalized casino operations cause such harm. Rather, it is underground, uncontrolled gambling which leads to such ills as well as a widespread disrespect of the law and, by extension, the state (Howard Report 1993: 21-22).

The reports then discuss gambling’s **economic** effects. The only negative identified is the danger that personal savings and consumer spending on other goods will suffer as individuals decide to gamble away discretionary income.¹⁴ Again, though, no scientific evidence exists to this effect.¹⁵ The various positive effects are then listed. First, gambling is a job-generator; the committees calculate that 100,000 new jobs could be created in this labor-intensive service industry. Second, casinos stimulate other industries—both service and manufacturing—thus leading to economic growth generally. Third, a national gambling industry would lead to the development of South African human capital as casinos train workers and managers (especially previously disadvantaged individuals—PDI’s). Fourth, through taxation gambling raises state revenue with little public backlash; it is a “voluntary tax.”

Having classified as secondary and/or treatable any negative social effects of casino gambling, political elites argued that a free market system of constant competition among casino corporations was the best way, on balance,¹⁶ to maximize the industry’s economic benefits: both overall growth (especially through the technical efficiency and rationale of profit maximization provided by foreign firms) and

¹⁴ This is commonly called gambling’s “displacement effect.”

¹⁵ Throughout the reports, there is a definite pattern of “no evidence found” when the committee touches upon a possible negative effects of the industry, even though even a cursory review of the academic literature reveals considerable debate and non-consensus on these matters.

¹⁶ For instance, while a state-run industry may entail a higher percentage of revenue going to the state, such an industry would be less efficient than a private one and thus overall revenues would be lower

redistribution (through job creation for PDI's).¹⁷ This logic was formalized in the 1996 National Gambling Act.¹⁸

- First, the government would run a competitive bidding process for casino licenses. In order to attract investment from high-profile foreign firms they sought to make each license as valuable as possible. They thus limited the initial number of casinos in South Africa to 40 overall (approximately 1 per million South Africans); depending on population, each province may grant between four and six licenses. Most provinces in turn have granted licenses to firms to build casinos in urban areas, catering to a middle/upper class (primarily white, but also some coloured and black) clientele.
- Second, to ensure against monopolies, the NGA stipulates that no one company can operate more than sixteen casinos total or more than two in any province. (This provision was designed to restrict the ability of Sun to utilize their current position to dominate the new industry. [Lee 2000]).
- Third, the industry will be heavily taxed. Besides standard corporate taxes and taxes on non-gambling consumer expenditures in the casinos, casinos will pay both initial and annual licensing fees. Approximately half of state revenue from gambling will go into the general fund, while the other half will be earmarked for distribution to non-profit organizations. The overall political economy of this system is that of a movement of money from consumers to the gambling corporations to the state.¹⁹

California

The California casino industry, unlike South Africa's, is characterized by limitations on supply, demand and competition. The overall number of casinos in the state is limited by the number of tribes in California,²⁰ while the size and structure of individual casinos are specified in IGRA and the California-

¹⁷ The goal of maximizing revenue is also a source of variance among provinces in how they structure the industry. In Gauteng, for instance, officials felt that four to five casinos spread around the Johannesburg area would most efficiently match supply to demand and thus maximize revenue. In Cape Town, in contrast, officials decided that one mega-casino in the city was the best way to maximize revenue.

¹⁸ The NGA also makes provisions for the establishment of a national lottery, which has also been granted to a private (European) firm. I am still trying to figure out how the lotto will fit in with my study as a whole. For while the casino industry has primarily a white, middle-class clientele, the lotto is played primarily by poor blacks.

¹⁹ Here is a brief picture of the economics of the South African casino industry. First, the casino win is subject to the 14% VAT right off the top; second, each province also taxes the win at an average of 6%. Assuming a casino take of around 10% (my best guess), we thus can create a rudimentary political economy of the industry as follows. Of a total wager of X in a casino, .9X will be returned to players in the form of winnings; .08X will be kept by the casino firm; .02X will go to the government. Bear Stearns (1999) estimates that in 1996 the total South African casino market was R3.5 billion; the casino companies generate R280 million; while merely by legalizing and taxing gambling win, then, the national government is set to receive annually over R50 million. (The state actually receives more than this from gambling, since they both charge annual license fees and tax not only initial gambling win but also corporate profit itself).

²⁰ Currently 104, of which 62 have gambling facilities, though the struggles of many tribes to regain official governmental recognition after the policies of Termination expose the arbitrariness of any "official" number of tribes in a given U.S. state.

tribe gaming compact—no more than 2,000 gaming devices for a single tribe and no more than 45,000 in the entire state; and cannot offer many Nevada-style games such as craps or roulette (Bear Stearns 2000). Most California rancherias are located in rural areas, a considerable distance from large consumer markets in urban areas. The state of California restricts television and radio advertisements for casinos. And the industry as a whole is characterized by moderate competition because tribes both enjoy a monopoly on casino gambling in California, and have formed several organizations to coordinate practices and operations (especially the National Indian Gaming Association (NIGA) and its California branch (CNIGA)).

As for the economics of California Indian gaming, tribes have considerable autonomy in relation to the state. A National Indian Gaming Commission was mandated by IGRA to oversee tribal gaming, but it has little binding authority over tribes, especially at the level of individual casino operations. And IGRA specifies that tribal gaming wins cannot be federally taxed, while tribes do not even have to publicly report financial information. We do know the following. First, the consumer base for Indian gaming consists of working and middle class (and racially mixed) gamblers from nearby cities and surrounding areas (i.e., it is a “locals” market) (Bear Stearns 2000). Second, the compact negotiated with the state of California specifies the creation of a general revenue fund from which non-gaming tribes will receive an annual payment of approximately \$1 million. And third, despite the rhetoric of tribal sovereignty the typical tribe has neither the resources nor expertise to begin from scratch a casino, while outside casino corporations—after initial opposition to California gaming—have moved to acquire an interest in the emerging casinos there. So even though IGRA sets limits on corporate influence in Indian gambling—no non-Indian firm can have a controlling interest in an Indian casino, while tribe-firm agreements can be for a maximum seven year period (though they are renewable)—the typical tribal casino in California is actually a partnership between the tribe and various outside firms who assist with operations, accounting, marketing, etc.

Effects (Micro) (The outcome of the meeting of gambling and development)

In Table 2 I summarize the relevant similarities and differences between the emergent South African and California casino industries. In general, South Africa is characterized by: legitimation through reference to the industry's potential for economic development (both growth and justice), the encouragement of relations between (Western) firms and African PDI's, and a competitive industry organized according to free market principles. In California, meanwhile: legitimation was accomplished through the industry's potential for non-economic development (political and cultural sovereignty), firm-tribal partnerships are stigmatized, and the industry is monopolistic and relatively non-competitive.

In this section I will investigate the relation between, on the one hand, the strategies of legitimation and macro-industry structure discussed above and, on the other, practices on the micro-level (i.e., in and around the actual casinos). For the purpose of this paper I hypothesize a harmony between the two. But of course the possibility of discord—i.e., of some sort of “decoupling” of interorganizational discourses within the field of power (i.e., among capital, state elites, and non-profit organizations) from the four discrete areas of casino operations I discuss below—exists as well. I then conclude by considering possible, if unintended, outcomes of the use of casino gambling as a development tool in developing states, as well as the relevance of such outcomes to contemporary debates on the globalization of Western institutional, economic and cultural forms.

Management Structures

The operation of casinos in both cases are characterized by partnerships between large gambling firms and local ethnic groups. In South Africa, such partnerships are defined as a way of developing entrepreneurial and managerial skills among black Africans. In California, they are stigmatized as antithetical to the basic project of tribal sovereignty. And in South Africa these partnerships are subject to little public or state scrutiny, while in the U.S. many aspects of their structure are delimited by state and federal law. We thus would expect, first, relations between firms and Africans to be characterized by a

higher degree of corporate control and share of revenue than those between firms and Indians. Second, on the casino floor itself we would expect black Africans to be either absent or “tokenized” as managers—i.e., they may occupy managerial positions but actually have little power or autonomy—while in California management positions should either be filled by Native Americans or, if by outside whites, that the corporate affiliations of such individuals should be concealed.

Research Agenda. (A) During an initial research trip to South Africa I discovered that individual provinces are granting gambling licenses according to the same principles laid out by the initial NGA. I will here focus on one aspect of the this process—the bidding process through which gambling licenses are granted—and on one case in particular. In 1998 the Western Cape provincial government issued a call for bids for what would be the sole casino in the Cape Town metropolitan area. Eight bids were received and the license eventually granted to Sun International; its GrandWest casino opened in January 2001. Based upon initial interviews with members of the provincial gambling board and Sun managers in Cape Town, as well as analysis of the Western Cape’s report on the bid evaluation process (1999), I have found that the deciding factor was Sun’s proposal’s potential for the “empowerment” of previously disadvantaged groups (mainly local blacks) through both employment at the casino and as management partners. Through interviews with representatives of both Sun and its partner Black Empowerment consortium, I will specify the linkages between these organizations. And through interviews and ethnographic observations, I will specify the exact role of floor managers in the casinos. (B) For the California case, I will utilize the same methods to analyze firm-tribe relations and floor managers for a case study of one tribe.

Labor Process

To induce their workers to perform both non-interactive tasks (on the casino floor, speed and security) and interactive ones (service), casino management can employ either despotic (low wages, tight surveillance of and little autonomy for workers) or hegemonic (investment in workers, who are given autonomy) labor control strategies (MacDonald and Siriani; Leidner 1993, 1999; Sallaz 2001). Insofar as the South Africa industry is characterized by competition among firms, relatively high labor-intensiveness,²¹ minimal union presence, and the discursive construction of wage employment as a strictly economic form of individual empowerment, we would expect shop-floor labor regimes for the casino’s service workers (dealers, waitresses, cashiers, etc.) to be organized despotically. On the other hand,

²¹ Tribal casinos are primarily low-rolling, “slot” houses, while in South Africa table games occupy a greater percentage of floor space. These latter houses thus involve more workers relative to the former.

insofar as California's tribal gaming industry is characterized by coordination among producers, low labor-intensiveness, and the need to portray to potentially hostile outside constituencies (not only clients but unions and the state) the social benefits of Indian gaming, we would expect the labor regime for workers (both Native Americans and local non-Indians) to be organized hegemonically.

Research Agenda. For this portion of the research I will engage in participant observation as a croupier in a casino in each context. My observations during my initial research trip revealed that casinos are in fact being staffed by black workers. Based upon my conversations with corporate representatives and casino managers in South Africa regarding both my research and previous work experience as a three-game dealer in Nevada, I have a good chance of being granted a temporary, unpaid internship working in a casino there (ideally at the SunWest described above). And I am optimistic as well about my chances of securing employment in California, considering the shortage of experienced personnel in this new market. The degree of access such ethnographic research would give me to not only managers and casino operations, but to workers themselves (and especially how they experience the forms of "empowerment" described in the discourse of industry and state leaders), would be invaluable and relatively unprecedented.

Physical sites

While much of the physical structure of a casino is determined by the technical necessities of operating and regulating the various forms of gambling, considerable leeway exists for variation in architecture, design and "theming." My hypothesis here is that in South Africa the physical sites are designed to emphasize the role of Western corporations in all aspects of casino gambling, while in California corporate connections are concealed and the role of casinos in benefiting tribal culture and promoting political sovereignty emphasized.

Research Agenda. Using observations, photographs and interviews with architects and designers, I will for South Africa perform both a semiotic analysis of casino design as a whole (i.e., across as many of the 40 casinos as I can visit) and a close "reading" of one in particular. For California, I will do the same. Here I will be particularly concerned with how Indian "culture" (tribal religions/mythologies, the work of Indian artists) is displayed in the casinos. In addition, I will compare the designs of those casinos constructed pre-Prop 5/1A and those built after. (My early fieldwork in California has revealed such differences—early casinos offer generic, Las Vegas-like themes, while those constructed since go to great lengths to make an integral part of the architecture tribal themes).

Marketing

Clotfelter and Cook (1989) identify two main themes in advertising for state lotteries in America. On the one hand are those designed purely to maximize sales—e.g., those that depict winners enjoying immense riches, present unrealistic odds of winning (“buy a ticket and win!”), etc. On the other are “socially responsible” themes—e.g., those that present the actual odds of winning, emphasize the “good causes” to which proceeds go, etc. If we apply this schema to casino marketing in our two cases we would expect firms in the South African industry, where positive developmental effects are equated with an overall maximization of revenue, to employ techniques of marketing in line with the former strategy. In turn, advertisements for tribal casinos should depict gambling not so much as entertainment or an opportunity to win riches, but as a contribution to a “good cause.”

Research Agenda. For each case I will collect a sample of advertisements and interview individuals involved with marketing in order to then classify advertising themes in line with the schemas described above.

Conclusion.

While this prospectus has primarily been concerned with explaining the “cultural work” accompanying the legitimization of a global gambling industry, I will here briefly consider three additional debates this research could address. First, in both South Africa and California we find many of the same (primarily Nevadan) gambling **firms** seeking to enter these new markets. This story is thus also the most recent chapter in the history of the Nevada casino industry. Stigmatized originally as a corrupt vendor of vice, early Nevada casino operators had great difficulty raising capital to begin new or expand existing facilities (Eadington 1984). Such were the conditions in which various partnerships between casino owners and organized crime syndicates emerged and flourished (Skolnik 1978). With Nevada’s 1969 Corporate Gambling Act, however, corporations were for the first time allowed to own casinos. The increased legitimacy and access to capital such corporate sponsorship afforded contributed to the state’s transformation into a national tourist attraction. The third stage of Nevada casino history occurred in the late 1980’s, which witnessed increased centralization among firms and a transformation in firm structure

form privately-held to public-traded corporations (Eadington 1999; Gottdiener et al.). And while these Nevada-based firms initially opposed the spread of casino gambling outside the state, over the past ten years, I argue, their strategies have switched to one of penetrating and dominating these new markets. We can thus see the emergence of casino gambling in South Africa and California as one of the “embedding” of the same corporations in two vastly different social fields. Differences in firm operations between our two case (e.g., the likelihood of depicting jackpot winners versus “good causes” in advertising campaigns) are determined less by strictly technical criteria than by the relation between the bureaucratic and corporate fields in each setting.

Second, Ferguson (1994), following Foucault (1979), argues in his ethnographic study of **development** programs in Lesotho that we should neither evaluate these programs and policies technically—i.e., in terms of the extent to which they achieve stated goals, for they rarely do—nor view them as tools used by one class or group to exercise domination over another—as both orthodox Marxist and etatization accounts do. Rather, we must elucidate the unintended, yet nevertheless real and consequential, consequences—in Foucault’s terms, the “truth effects”—of such discourses. In Lesotho, despite their repeated failures to improve agricultural production, rural development programs persisted because they served as levers for the encroachment of bureaucratic state power into previously independent, traditional areas. I will be attentive to the possibility of similar dynamics in my two cases. That is, quite apart from their stated goals, what effects does the specific logic of the discourse surrounding the casino development discourse have in “the real world?” An expansion of state power? The incorporation of previously marginalized ethnic groups into the logic and order of contemporary capitalism?

And finally, this project can address two aspects of the phenomenon of **globalization**. First, much debate centers around the extent to which globalization entails a homogenization of organizational and cultural forms versus some form of adaptation to local contexts. This project as framed hypothesizes the latter outcome, while leaving open the possibility of the former. Second, globalization is often equated with the increasing domination of multi-national capital and the spread of economic neo-

liberalism. While my research may show this in fact to be the case, the precise manner in which such economic and institutional globalization occurs is not predetermined. That is, in South Africa we find that a fully privatized casino industry was only possible because of the manner in which race and development were defined by state leaders—i.e., strictly economically. In California, in contrast, repeated attempts to legalize casino gambling through reference to economic benefits failed; the industry could only be legitimated when tied to a non-economic logic of development and race. In sum, this study problematizes homogenizing accounts of globalization, instead situating the spread of Western style casino gambling within local relations of institutional power.

Appendix: Timeline for my research

Summer 2001: South Africa for p.o. portion of research (work in casino).

Fall 2001: California, preliminary interviews with tribe representatives, analysis of Prop 5 and 1A campaigns.

Jan 2002-June 2002: South Africa. For further interviews with state elites, data on Sun.

July 2002-December 2002. Case study of California tribe. Especially p. o. work.

TABLE 1: Descriptive Statistics on the U.S. Gaming Industry

	1970	1979	1988	1999
States permitting casino gaming	1	2*	2	27
Gaming Companies in Nevada	NA	12	16	25
Casino Operating Entities in U.S. (Firms + Tribes)	NA	13	17	152 (102 tribes +50 firms)
Casinos in Nevada**	60	130	169	238
Nevada Casino Revenue	\$575 Million	\$2.2 Billion	\$4.3 Billion	\$9 Billion
Casinos in U.S.	60	133	181	534
National Casino Revenue	\$575 Million	\$3 Billion	\$7 Billion	\$30 Billion

Sources: Nevada Gaming Control Board, International Gaming and Wagering Business, Global Gaming Almanac.

* In 1978 New Jersey legalized casino gaming in Atlantic City.

** Nonrestricted operations with gaming revenues in excess of \$1 million.

Table 2

	South Africa Casino Industry	California Indian Gaming
Ideology of Legitimation	Economic benefits (growth and justice)	Cultural and Political benefits (sovereignty)
Role of gaming firms (especially connections with previously oppressed ethnic groups)	Valorized, encouraged.	Stigmatized, discouraged.
Industry structure	Minor restriction on supply, demand generation by casino operators.	Supply, demand constraints.

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