

Book review: Casino capitalism in Macau: comparison with Las Vegas

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Introduction

In 2002, in a very short time with American and Australian Foreign Direct Investment, new casino licenses and many Mainland visitors Macau was transformed into one of the world's most lucrative casino gaming and entertainment city (Lo, 2020, p. 35).

This book helps to identify, tell apart and well describe casino capitalism in Macau under Chinese sovereignty and administration. Casino Capitalism constitutes Sonny Lo's main concept of an excellent book.

In 1986, Susan Strange defined the Western financial system stimulating economic growth through the proliferation of casinos. For Strange (1923–1998), Casino Capitalism represents a system exposing the development of a financial system that has increasingly escaped the calming influences of democratic control: "Gamblers in the casino are almost beyond [...] the control of governments" (Casino Capitalism, 1986, rep. 1988).

Sonny Lo thinks positively that Casino industry stimulates economic development and prosperity and provides jobs in the casino-related sectors, including hotels, catering, retail, and tourism areas. However, the casino industry may also sometimes provide a conduit for criminal activities and addictive gambling.

The second important concept of the book is developmental state studied in 1999 about economic development and state.

Singapore Casino is a conceptualized example used by Sonny Lo to compare Macau's Casino industry.

Macau's casino capitalism

How the Casino Capitalism works in Macau. It shows very clearly the construction of this important book to understand how the main industry works and the complex political system which was initiated on December 20, 1999 to the end of 2049. It is really a synchronic global view where the Greater Bay Area and the Belt and Road Initiative are essential.

How Casino Capitalism works in Macau? It shows very clearly the construction of an important book to understand how the main industry works and is integrated in the Special Administrative Region of China and its complex present political system initiated on December 20, 1999. It is really a synchronic global view including the Greater Bay Area and the Belt and Road Initiative.

Policies exist and demands include civil society, interest groups, mass media and citizens and it is possible to say that Macau is due to a certain degree to personal rule (Lo, 2020, p. 74).

State-society under casino capitalism

The author judges social welfare interventionism and the improved provision of housing to be rather "strong" compared to Hong Kong in particular, but other aspects such as the



formulation of government policies in consultation with the public are sometimes not sufficient.

Macau's Chinese interest groups and community leaders had a strong history of supporting the Chinese Communist Party (CCP) during the Japanese invasion of China from 1937 to 1945.

It is not possible in Macau at present, but in 2014 and later up to 2020 some young people in Hong Kong SAR developed a strong anti-government and anti-China sentiment (Lo, 2020, p. 224). In April 2020, Macau's gaming revenues plunges 97% compared with April 2019 (Schult, 2020). The Macau government under the Chief Executive Ho Iat Seng did provide more subsidies and assistance packages to help Macau people and the small and medium enterprises.

In the same period of time up to the present time, Macau's extraordinarily low rates of COVID-19 infections and no casualty is related to the competent leadership of the government and also the public's high compliance to mandatory health measures. This success has to be advertised as did Sonny Lo under the name "social welfarism" with the urban fabric and political economy of the city's casino capitalism which endowed the government with surplus funds and an infrastructure that enable the implementation of an array of strict measures that few other regions of the world could afford to subsidize (Lou, 2021).

Macau and Las Vegas' casino capitalism

The interesting idea to compare Macau and Las Vegas's casino capitalism is mentioned by Sonny Lo Shiu-Hing (2020, pp. 2–3). Interestingly the author mentioned: Las Vegas as America's Macau and Macau as China's Las Vegas. The eldest daughter, and successor of the gambling tycoon Stanley Ho after winning a monopoly license in 1961 from Portugal (1921–2020), Ms Pansy Ho is well established in both Casino cities. She is the main chairman of STDM who in 2022 with new government auction will have casino licenses.

Giant multinational casino corporations and their gaming operations in both Macau and Las Vegas can be seen as the cultural expression of neoliberalism, the institutional and spatial changes. While Macau combines the Portuguese culture with the Chinese tradition of favoring gambling, Las Vegas was historically a place for transit for many peoples. Macau and Las Vegas are undergoing a process of fluctuation and casino liberalization. Although gaming was illegal in 1864 as Nevada joined the Union, it was legalized later in 1869. Progressive political groups succeeded in seeking a ban on gambling in October 1910, but this was relaxed later in the 1920s; and in 1931 casinos were legalized to stimulate the economy, increase tax revenues and even reduce criminal activities. Macau has undergone a process of casino liberalization since 2002, when the franchises were internationalized. Both Macau and Las Vegas are geographically and strategically located (Luke, 2010, p. 195; Lo, 2020, p. 2).

Between 2004 and 2014, operating a casino in Macau was a lucrative gig (Barrett, 2021). In 2021 a small recovery is expected.

Casino industry includes more than 40 casinos in Macau and more than 140 in Las Vegas. Macau's MGM managing director Ms Pansy Catalina Ho Chiu-King, eldest daughter and successor of Stanley Ho, is the chairman of one of Macau's big conglomerates MGM Macau on the peninsula and MGM Cotai on the Cotai Strip. Pansy Ho's China Holdings will have a new MGM license planned in June 2022 and she runs other hotel casinos in Las Vegas. Ms Pansy Ho is also the managing director of Shun Tak Holdings and Sociedade de Turismo e Diversões de Macau (STDM) which controls under the government leadership Macau's license system. Only six companies—SJM, Melco, Galaxy Entertainment, Wynn Macau, Sands China and MGM China—are licensed to run casinos in Macau. Each purchased a "concession," auctioned by the government, permitting them to open gaming. In principle these six concessions expire in June 2022.

In the prestigious family Ho no one is as capable as the chairman Pansy to take control; she would best serve the empire and this will benefit all in the family.

Politics and society relations in Macau and Hong Kong

An important point is Macau's five hundred years of history starting in the Ming Dynasty and Portuguese influence. This is reflected in the number of daily papers in Macau 3 Portuguese dailies compared to 13 in Chinese and two in English (Lo, 2020, p. 74). In comparison Hong Kong the number of dailies is respectively around 14 in Chinese and seven in English.

Sonny Lo rightly finds the Macau version of "one country, two systems" increasingly "a model for Hong Kong to learn and emulate" (Lo, 2020, p. 202).

When the British made concessions, as they did in the Sino-British negotiations, they tried to ensure that the people of Hong Kong would have concrete guarantees from the PRC authorities after July 1, 1997. Hence, the British colonial authorities, unlike their Portuguese counterparts, did not adopt the principle of appeasement (Lo, 2020, p. 202). So, on 27 July 1970, when the former Prime Minister António de Oliveira Salazar died Beijing government was very respectful with Portugal; this sort of recognition was never given by the PRC to a British leader.

The Hong Kong SAR Government has basically followed Haddon-Cave's governing philosophy since July 1, 1997.

The first chief executive, Tung Chee-hwa (1997–2005), maintained Haddon-Cave's non-interventionist aspects in the protection of the rule of law, property rights, open markets, low taxes and free trade. It also intervened in the adoption of educational reforms and the provision of more housing units for the needy. However, with the onset of the Asian financial crisis in 1997–1998, the Tung government abandoned the plan until June 2000.

Sonny Lo explained well one major difference between Macau and Hong Kong is the relatively weak local identity of the former versus the comparatively strong local identity of the latter. Hong Kong has traditionally prided itself as a monetary and financial center where the free market economy, the rule of law and an international city flourish. Macau was backwater in developmental strategies. In fact, as argued in this book, Macau did and does have a governing philosophy combining casino capitalism with social welfarism, which has become increasingly prominent since the internationalization of the casino industry in 2002 (Lo, 2020, pp. 210–211).

Macau has a larger bureaucracy in terms of its proportion to the population the ratio of civil servants to the total population is 1:20. Hong Kong however has a ratio of civil servants to the total population is roughly 1:38, but has a lot of public corporations and statutory bodies, like the "Hospital Authority, Housing Authority and Airport Authority", which have a large staff. These public corporations and statutory functions help the government to perform various functions (Lo, 2020, p. 215).

The degree of public satisfaction with the performance of the Macau government gradually increased from 2000 to 2004. "The hyper-politicization in Hong Kong versus political calmness in Macau" demonstrates a remarkable and fundamental difference in the political landscape of the two places. The period 2004–2014 was well studied by Sonny Lo and it corresponds to Macau's supremacy of its casino industry.

However, in April 2020, Macau's gaming revenues dropped by 97% compared with April 2019. The Macau government under the leadership of Ho Iat Seng has been providing more subsidies and assistance packages for the Macau people and the small and medium enterprises. Later, the good news for Macau casinos came in May 2021 one of the largest year-over-year increases in gross gaming revenue since 2017 (Schult, 2020). According to numbers released by the Gaming Inspection and Coordination, casinos in the former Portuguese

colony won \$1.1 billion from gamblers during that month. It is really good news during the Covid-19 period, and those numbers represent a whopping 1,054% year-over-year increase (Lo, 2020, pp. 57–59, 120, 221).

Hong Kong has a deeply divided political society, whereas “Macau has a more harmonious society” and we have to note that contrarily to Hong Kong fifty percent of its present population came after 1999. From the perspective of governance, Beijing naturally prefers and praises the Macau model (Lo, 2020, p. 228).

Sonny Lo thinks that if the political actors of Hong Kong do not humbly reflect on their own weaknesses, “the disequilibrium of Hong Kong’s political system would likely continue from now to 2047” (Lo, 2020, p. 236).

Epilogue

Today Sonny Lo’s book explains how Macau helps the PRC with its casino capitalism globally linked to the economy of the GBA and BRI. China does not want to see Macau as an appendage of casino capitalism. However, only six companies—SJM, Melco, Galaxy Entertainment, Wynn Macau, Sands China and MGM China—are licensed to run casinos auctioned by the government, permitting them to open gaming rooms. All six concessions expire in June 2022.

In fact, the author Lo thinks that casino capitalism shapes profoundly Macau’s society and politics and its complement, a good degree of social welfarism maintains social stability. Macau’s government keeps its citizens largely satisfied. Now, we hope that the government will extend the expiry date of new Casino licenses in June 2022 (Lo, 2020).

Portugal was the first European country to reach China and Southeast Asia. This long history also shapes Macau’s particular casino capitalism.

Sonny Lo believes Macau’s Chinese are utilitarian, family-centered, materialistic, pragmatic and politically opportunistic (Lo, 2020, p. 262).

Earlier, Sonny Lo well explained Beijing’s role in Macau’s casino capitalism which is multidimensional, complicated, contradictory, functional and political. Its intervention in Macau’s casino capitalism is merely a matter of degree. Beijing’s most prominent role is to confer legitimacy upon Macau’s politico-administrative state during the entire process of rapidly developing casino capitalism (Lo, 2009, p. 43).

The inevitable decline of Macau’s economic performance in 2020, which seems to start to be stabilized in 2011, means that the Wealth Partaking Scheme would continue in the long run as a sustained social welfare policy.

The scheme has the benefits of gratifying the public, returning the fruits of Macau’s economic success to ordinary citizens, and being a socialist-style welfare orientation amidst casino capitalism (Lo, 2020, p. 54).

The author of “Casino Capitalism” in China’s Macau considers very seriously the integration of Macau with the Greater Bay Area (GBA) which really started on October 23, 2018 with the inauguration of the symbolic Mega Bridge-Zhuhai-Macau by Xi Jinping and the Chiefs Executives of Macau (Fernando Chui) and Hong Kong (Carrie Lam). Considering the Casino culture of Macau, the long history of Macau also symbolically links Macau with the Portuguese-speaking world. To show the importance of Guangdong Province in 2012 Cantonese identity was important among the Chinese of Macau:

20% of hundred households interviewed in Macau declared to be simply Chinese and around 50% of the identity of these interviewees part of a household in Macau was Chinese of Macau.

To most Chinese in Macau, the GBA represents a further socio-economic integration of Macau’s Casino Capitalism and the Mainland (Lo, 2020, pp. 155, 192, 198).

Macau casino revenue jumps by 1,054% in April is the third straight month with Macau operators experiencing year-over-year revenue increases. Card Player News. May 05, 2021.

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