

**THE PERCEPTIONS OF TAIWANESE HOSPITALITY AND TOURISM
EDUCATORS TOWARD DEVELOPING A GAMING RECREATION
DISTRICT IN PENGHU, TAIWAN**

by


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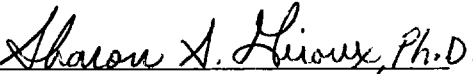
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ABSTRACT

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The Perceptions of Taiwanese Hospitality and Tourism Educators toward Developing A Gaming Recreation District in Penghu, Taiwan.

(Title)

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This study utilized qualitative methods to examine ten Taiwanese Hospitality and Tourism professors for a more in-depth perspective concerning the benefits/costs associated with gaming entertainment. The researcher provided a comprehensive literature review of the gaming history and an overview of the developmental patterns of casino gaming as it occurred in the United States and some Asian Countries. The methods of data collection which were utilized in this study not only included the primary participants' testimonies but also secondary statistical data related to the casino industry in the state of Nevada and previous studies conducted in Taiwan. Because the differences between Taiwan and Penghu are critical factors and could have significant cultural and social impacts upon the people should a Gaming recreation district in Penghu be

established, the setting of Taiwan and Penghu provided general information that included location, the economy, people, educational levels, tourism development, and society overall. Twenty-nine key themes and patterns were identified from the primary participants' testimonies and secondary data resources. The frequency of the themes and patterns were noted and meanings were provided. The findings in this study are discussed as they relate to the potential social and cultural impacts of implementing a Las Vegas type casino in Penghu. Recommendations for further study are provided. Ideally, the findings in this qualitative study could help contribute to the ultimate decisions of Taiwan government officials regarding this new industry.

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CHAPTER ONE

Introduction

Since the 1990's, there has been a substantial increase in the acceptance of casino gaming all over the world. Over eighty countries now provide for casinos in their laws, and the number is still growing. Except for the Middle East, a gambler anywhere in the world can find a casino for gaming within a short walk, drive, or plane flight. Casinos are open in every country in Europe except Norway and Sweden, in every state in Australia, and in many Central and South American countries. Asians can visit casinos in Korea, Macaw, Malaysia, the Philippines or Japan (Cabot 1996). Casinos are opening everywhere. Even The People's Republic of China has recently announced plans for a luxury casino-resort.

Forty years ago, the gaming scene was quite different. Casino gaming was legal in only a handful of European countries--Monaco, France, Italy, Germany, and Austria; some South American and Caribbean countries, such as Argentina, Puerto Rico, and Cuba, and the State of Nevada in the United States (Cabot, 1996). In the last third of the 20th century, casinos have changed from being perceived negatively by much of the general public to becoming a desired form of recreation and entertainment. As an industry, casinos are noticeably present in the leisure economies of countries all over the world (Eadington, 1999). The main reason for this phenomenon is the great financial benefit it brings to the economy. In the United States alone, gamblers wager over \$300 billion each year as measured by gross gaming revenue which represents well over 0.5% of an American's personal income (Harrah's survey, 1992).

There is plenty of well-documented and reasoned research on casino gaming. Most of the literature focuses on the debate over the value of gaming - what positive outcomes casinos are alleged to have caused, and what the opponents cite as the deleterious side effects of gaming. The most often mentioned economic benefits associated with casino gaming included the creation of new jobs, attracting tourism, increasing business and tax revenues, and decreasing the tax burden on the residents of the community. Many critics of gaming point to certain aspects of the industry and how it interacts with the public. Some of the social costs associated with casino gaming, such as crime, compulsive gaming, and erosion of the work ethic and traffic congestion represent some of the more negative and deleterious side effects of gaming. Oddo (1997) stated that if these negative aspects of casino gaming could be measured in dollars, one would consider the cost of needing more police, the increased legal and prison costs of criminal justice, the cost of social services for compulsive gamblers due to lost job productivity, and the added costs of traffic control surrounding the casino establishment. However, the actual damage done to people and families who are negatively affected by casino gaming is not easily quantified.

Today, casino gaming promotes itself as a form of entertainment. Compared to some other types of entertainment, casinos rank higher in attendance figures. According to Underwood (1996), casinos ranked second in the number of visits, 125 million per year, behind theme parks with 146 million visits. Because of this and based upon national financial needs, some developing countries have recently tried to accept and establish this new form of entertainment in their countries. Similar to the considerations of the United States, many countries consider casino gaming as excellent economic development

alternatives for generating fast revenue for local communities, and entire countries. Many government officials think that casinos could offer a seemingly “painless” method for collecting tax revenue while decreasing local unemployment by providing jobs (Christiansen, 1998). In 1996 and for these same reasons, the Taiwan Government began to seriously consider this issue. Because of the appealing economic benefits of casino gaming, the Taiwan Government now plans to open a Gaming Recreation District in Penghu, a small island outside Taiwan's main Island. Penghu is only 40 minutes from Taipei by air. A gulf of time and mood separates the 64 small islands of the Penghu Archipelago from the rest of Taiwan. While inhabitants of the islands have all the modern conveniences, their inhabitants actually cling to a simpler way of life far removed from the fast pace of modern cities. For some, an island resort with hospitable people, quaint villages, delicious and inexpensive seafood, beautiful scenery, and clean beaches offers a unique appeal and environment for casino leisure activities. However, would the introduction of casino gaming in such an environment actually contribute to the enhancement or destruction of the lifestyles of the local inhabitants? This is a question that this qualitative study considers.

The Taiwan National Tourism Bureau has formed a commission to study the wave of gaming in the United States. The Bureau used the Strip District of Las Vegas as a precedent to evaluate the positive and negative impacts of casino gaming. This is still a controversial issue today in Taiwan, because there are different opinions toward opening casinos in Penghu. Proponents are likely to look at casinos like any other form of entertainment that has expanded rapidly. However, opponents, who view gaming with skepticism and disdain, claim that gaming will increase crime in three principal ways.

First, people will steal to support their gaming habits. Second, gaming tends to attract criminals because it is a cash industry. Third, criminal activity tends to increase near casino establishments (Margaret, 1996). The most important group involved in this issue is government officials, who are responsible for making decisions in Taiwan. Sometimes these officials view gaming as a quick and easy way to raise revenues, without focusing on gaming's hidden social, economic and political costs.

One of the objectives of this study was to consider the perceptions of other Taiwanese individuals who might offer more educated and in-depth perspectives on the benefits/costs of casino gaming in Taiwan. The researcher was challenged to investigate this phenomenon given her background, personal interest and educational opportunities surrounding the gaming industry while studying in the United States.

Background for the Study

The researcher herself comes from Taiwan, and since 1998 has been pursuing a Master's Degree in Hospitality and Tourism at the University of Wisconsin-Stout. As part of her graduate study, the researcher enrolled in a new Casino/Gaming Management class in the spring of 1999. Because of the course content and subject matter in this class, the researcher had an opportunity to read and study many journal articles on gaming in the United States. The researcher was curious about what could happen socially in Taiwan if casino gaming was implemented there. What effects could the gaming industry have on the future of Taiwan?

The motivation for this study was to seek additional input that might offer useful contributions and perspectives on casino gaming for the Taiwan Government prior to opening a casino in Penghu. Additional input from highly educated Hospitality and

Tourism experts could help to more objectively evaluate the costs and benefits of casino gaming.

This study utilized qualitative methods to describe the perceptions of ten highly educated Taiwanese Hospitality and Tourism professors as it concerned the opening of a Gaming Recreation District in Penghu. The researcher's previous educational background and undergraduate studies in the Tourism Department at Providence University in Taichung was a contributing factor in the selection of the participants for this study. Previous interaction with the participants (experts in tourism development) at the Universities of Providence and Chinese Culture influenced the researcher in terms of their capability to more objectively consider the economically measurable costs and benefits as well as intangible social and ethical issues. This study will address from a qualitative perspective, the primary gaming issues concerning the Taiwanese people.

Purpose of the Study

The purpose of this qualitative study was to more fully understand the positive and negative impacts of introducing casino gaming in a Taiwan community. The perceptions of ten highly educated Taiwan Hospitality and Tourism professors concerning the implementation of a Gaming Recreation District in Penghu were examined for a more in-depth perspective concerning the benefits/costs associated with gaming entertainment. The testimonies of these experts were examined for recurring patterns and themes that could help contribute to the alternative decisions of government officials regarding this new industry.

The study focuses on the following primary objectives:

- To determine the perceptions of Taiwanese Tourism Professors toward casino gaming development in Penghu.
- To provide an overview of the potential positive and negative social and cultural impacts of gaming on the Taiwanese people.
- To provide a greater understanding of the implications of Las Vegas type gaming activities on the inhabitants of Penghu.

In an attempt to meet these objectives and for the purpose of being consistent, each professor was asked the same research question.

Research Questions

The primary research question in this study consisted of asking the participants what their educated opinion was about casino development in Penghu? Four additional probing research questions were utilized to enable the participants to more fully reflect upon their feeling and perceptions toward developing a Gaming Recreation District in Penghu. For purposes of elucidating the underlying meaning of the responses to the primary research question, the probing questions which were utilized in the interview sessions consisted of the following:

- Why do you feel that way?
- Can you explain further?
- Please describe what you mean.
- Please describe your experiences.

There are limitations associated with most research endeavors. Limitations typically include cautioning scholars about generalizing the results to an entire population. In a qualitative study which initially recognizes such limitations, the focus on

experts' testimony seeks primarily to “empower” those individuals or decision-makers who are responsible for determining the future of their culture, economic growth and other pertinent issues related to life in their country.

Limitations of the Study

This study attempted to look at some of the possible impacts of casino gaming on a Taiwanese community by examining the current gaming situation in Las Vegas, Nevada. Limitations associated with this study included:

- The participants who were selected for the study provided a potential bias. Five of the participants in the study were professors who were known to the researcher.
- The study examined positive and negative impacts of gaming in the United States. However, it presents problems in application to Taiwan due to the philosophical differences between Eastern and Western cultures.
- The influence of this study may be limited due to political considerations of the Taiwan Government. The Taiwanese professors looked at gaming from a social perspective, as does this study, and government officials looked at gaming from an economic viewpoint.

To assist the reader with a better understanding of the topic being studied, a list of terms and definitions are provided.

Definition of Terms

Casinos– Casinos meant essentially a collection of gaming or gaming rooms, casinos may also be called a gaming, or gaming house or club, is a place where gamblers can risk their money against a common gambler, called the banker, or the house.

Economic benefits – The monetary benefits that casinos are assumed to produce as proposed by the Taiwanese Government.

Gaming – As Devereux (1980) defined the term of gaming, he stated "gaming is an activity in which two or more persons engage, under certain rules and conditions specified in advance, to make a transfer of any specified amount of property contingent upon the outcome of a future and uncertain event." (p. 28). For Americans, gaming can be defined as the pursuit of pleasure or one of entertainment. But for Taiwanese, gaming is a vice according to Confucius' philosophical idea and ancient history. Because of ideological reasons, in this research, gaming will be referred to as Gaming Recreation.

Gaming/entertainment – The predominate recreational activity located in casinos.

Gaming Recreation District – Specific area identified by the Taiwanese Government for gathering all casinos and gaming facilities.

Leisure recreation – Recreation that does not necessarily produce any monetary gain, but is perceived as any other recreation with an identified cost associated with it.

Social costs – The behavior of individuals to the introduction of casinos cannot be determined with any degree of certainty until they have actually experienced the phenomena, such as the cost of needing more police, the increased legal and prison costs of criminal justice, and lost job productivity.

Strip District – Those casinos and businesses along the highway 91 in Las Vegas.

Summary

Chapter one provides a brief overview of some of the economic and social impacts related to the casino industry as experienced in the 20th century. Some of the positive and negative aspects of gaming were discussed. The emphasis for this research

was to explore casino gaming effects that could affect Taiwan's people. Taiwan has no legalized gaming at the present time. To identify various aspects of gaming as it may affect the Taiwanese people is important. With this information, it was hoped that Taiwan Government officials would become more "empowered" and knowledgeable so that they might establish better policies regarding the prospects of a gaming industry in Taiwan.

Chapter two of this qualitative study begins with a comprehensive literature review of the gaming history in the United States and focuses specifically on gaming in Las Vegas. An overview of the developmental patterns of casino gaming as it occurred in the United States and some Asian countries and a general look at economic and social impacts of casinos will be covered. Chapter three presents the reader with information concerning the methodology that was used to guide this study. Chapter four introduces detailed information about the setting and lifestyles of local residents in Penghu. In Chapter five, an interpretation of the testimonies surrounding the perceptions of the ten Hospitality and Tourism professors towards opening a Gaming Recreation District in Taiwan is provided. An analysis of the ten professor's position on the issues of a Gaming Recreation District could be used as a basis for developing a national dialogue. Finally, Chapter six provides the reader with an interpreted summary of this study, the implications and relevance of the study, and ends with suggestions for future study.

CHAPTER TWO

Literature Review

Since 1996, the Taiwan Government has seriously considered opening a Las Vegas type casino in Penghu Taiwan. Taiwan, like other Asian countries, has a similar cultural background. The culture is much different than that in the United States. Therefore, this chapter provides some of the developmental patterns of Nevada's gaming in comparison to some Asian countries for the purpose of examining the economic, social, and cultural impacts of gaming on a particular society. The economic and social aspects of gaming as experienced in Las Vegas, Nevada are examined. It seemed appropriate to study the implications of Las Vegas type gaming activities prior to opening a casino in Penghu. The literature review begins with a general overview of the history of gaming in the United States.

Historical Overview of Gaming in the United States

People have been gaming for over 4,000 years (Abt, Smith, and Christiansen, 1985). It is an entertainment event that is present in almost all societies. In Longstreet's (1977) study:

The first games of chance brought to the New World were probably played by the sailors who crewed Columbus' three ships.... The Spanish and Portuguese, in addition to bringing dice and cards with them to the Americas, they also brought horses and subsequently, introduced horse race betting. (p. 9)

Although gaming was a significant part of history in the development of the United States, Martin (1996) found that centuries prior to the arrival of European's colonists, the Native American culture seemed mesmerized by gaming, taking a chance at anything that could have an unknown outcome. Archaeological discoveries dating back 2,000 years have been uncovered in Clark County, Nevada. Such discoveries also

indicate that since the beginning of the culture in North America, Native Americans spent a considerable time wagering on games of skill and chance (Martin, 1996).

Lottery is another form of gaming which migrated from the earliest of times onto the American scene in the 1700s. It became a revenue-raising device. In Martin's (1996) study, he pointed out that several colonies in the Northeast that had condemned lotteries on moral grounds continued to operate the lotteries. Besides lotteries, other forms of gaming caught on quickly. Cards and dice were brought over by the Dutch and English. Horse racing also caught on quickly, but was generally limited to the more well-to-do colonists (Plessner, D., Siegel, M., and Jacobs, N., et al., 1986).

Gaming was condoned and even encouraged without opposition during the fifty-odd years after the Louisiana Purchase in 1803. Gaming houses and halls were built, the old games from Europe and England were imported and expanded upon, and crooked gaming practices became prevalent (Asbury, 1969). This widespread acceptance of gaming continued until the pre-Civil War era. After that, anti-gaming sentiments developed. This campaign was directed against all forms of gaming, but especially against lotteries. However, New York City developed as one of the primary gaming centers of America both during and after the Civil War despite the anti-gaming sentiments of the time. By the early 1850s, there were well over a thousand gaming houses (Longstreet, 1977). In 1895, Congress prohibited the importing of any lottery material, effectively ending the Louisiana Lottery. A significant legacy of the lottery is that it created in people's minds a lasting image coupling gaming with political corruption (Plessner et al., 1986).

Gaming in the western frontier was decidedly different from that in the East. A great majority of all kinds of people living in the West gambled in one form or another. Women dealers were often preferred because they were a rarity in this man-dominated land (Asbury, 1969). By 1881, Missouri passed a strong anti-gaming law and gamblers were forced to play in social clubs, a euphemism for places housing high-stakes poker games.

After the turn of the century, both Arizona and New Mexico territories had over eight hundred gaming resorts which attracted frontier gamblers from all over the country. After New Mexico passed extraordinarily rigorous anti-gaming laws in 1907, Arizona quickly followed suit. The era of wide-open frontier gaming was over (Asbury, 1969).

By 1915, only seven states permitted horse racing. However, the public's desire to gamble persisted (Longstreet, 1977; Messick and Goldblatt, 1976). Las Vegas became a town in 1905, when the San Pedro, Los Angeles, and Salt Lake Railroad organized a land auction. The Railroad told the thousands of Californians present that a train system would run through Las Vegas and throughout the Southwest. At that time, wagonloads of settlers came to the town and erected hotels, a post office, a bank, and a number of gaming establishments. In 1911, Las Vegas was chartered as a city (Longstreet, 1977; Puzo, 1977). However, the year before, the Nevada State Legislature made gaming illegal. In 1931, Nevada authorized casino and other forms of gaming. It initiated a deliberate strategy to improve the state's finances and to stimulate economic growth by legalizing almost all forms of public gaming (Eadington, 1982). Longstreet (1977) wrote that:

Raymond Smith and William Harrah opened the first large gaming clubs in Reno in 1937. In the 1940s, Benjamin "Bugsy" Seigel, an alleged crime figure, built the

first casino in Las Vegas that combined gaming, recreation, and entertainment. The acquisition of numerous casino properties by Howard Hughes in the late 1960s enhanced the respectability of the gaming industry nationally (p. 22).

Las Vegas' present-day prominence was brought about by a gangster named Benjamin "Bugsy" Siegel. He decided to build a casino to rival all others and persuaded some of his Mob associates to invest with him in this venture (Longstreet, 1977; Puzo, 1977). In 1946, Bugsy opened the Flamingo Hotel Casino which was the first of the posh strip luxury casino hotels. Also in 1946, new concepts of licensing and fees based on a percentage of gross win came into being.

In 1955, a major legislative change took place when the Nevada Gaming Control Board was formed within the Nevada Tax Commission. The primary mission of this new agency was to inaugurate a policy that would eliminate the undesirable element in Nevada gaming and provide regulations for the licensing and operation of gaming (Martin, 1996). The current Nevada Gaming Control Act was enacted in 1959 and a Gaming Policy Board was formed in 1961. Its purpose was to discuss matters of gaming policy for the state of Nevada.

In 1976, New Jersey passed an amendment to the State Constitution which allowed Atlantic city to operate gaming casinos. Plessner et al. (1986) stated that part of the original rationale for allowing gaming casinos to operate in Atlantic City was the hope that the revenue would be used to improve the rundown housing of the city's large poor and elderly population. In Eadington's (1982) study, he showed that the number of casinos operating in Atlantic City increased to twelve by the mid-1980s and the volume of business briefly eclipsed that of Las Vegas. New Jersey was the second state to have legal casinos.

A number of serious efforts were made to legalize casinos in other states between 1978 and 1988. This included Florida, New York, Colorado, Minnesota, Ohio, Pennsylvania, and Massachusetts (Dombrink and Thompson, 1990). However, beginning in late 1988, three events set the stage for the rapid expansion of casino and casino-style gaming. Eadington (1990) wrote:

In October of 1988, Congress passed the Indian Gaming Regulatory Act that defined the relationship of states to tribes in regulating Indian gaming within their borders. In November, South Dakota voters authorized limited stakes gaming in the declining former mining town of Deadwood, South Dakota. Finally, in March 1989, the Iowa legislature authorized limited stakes casino gaming on riverboats on the state's waterway (p. 175).

Over the next decade, commercial gaming expanded in the 1980s and 1990s. Riverboat casinos were also legalized in the states of Illinois, Mississippi, Louisiana, Missouri and Indiana between 1990 and 1993. They are relatively new. The first riverboat casinos began operating in Iowa in 1991 and quickly expanded throughout the Midwest. In the *Gaming & Wagering Business* magazine (Gross Annual Wager, Aug, 1998), it showed that by 1998 there were over 40 riverboat casinos in operation in Illinois, Indiana, Missouri, Iowa, and nearly 50 riverboat and dockside casinos in Louisiana and Mississippi. Table 2.1 provides a brief timetable of gaming history in the United States.

Table 2.1. Timetable of Gaming History

Year	What happened?
Unknown	Origin of gaming
2300 B. C.	Chinese recorded first account of gaming
1360 A. D.	French invented present day cards
1387	John I banned card playing
1440	John Gutenberg printed the first deck of cards in Germany
1765	Introduction of the game of roulette

(table continues)

TABLE 2.1 (continued)

Year	What happened?
1827	Jack Davis became America's first casino operator in Louisiana
1835	Gaming law in Louisiana overturned
1845	England permitted the recovery of gaming debts
1869	Legalized gaming in Nevada over the veto of the governor
1895	Charles Frey invented the slot machine
1907	Slot machine refined by Mills – new symbols
1910	Nevada banned gaming and made it illegal
1920	First casino opened in Bahamas
1931	Legalized gaming in Nevada passed by its State legislature - Modern era of casino gaming.
1935	Pappy Smith and Harold Smith open Harold's Club in Reno
1935	Reno was the center of casino activities
1936	Nevada introduced keno
1937	Bill Harrah opened his first bingo club in Reno
1940	El Rancho, the first major casino, was built in Nevada.
1943	The Last Frontier Casino was built in Las Vegas
1945	<ol style="list-style-type: none"> 1. "Bugsy" Siegel began the construction of the famous Flamingo Hotel Casino 2. Nevada passed a gaming revenue tax
1946	Flamingo Hotel Casino opens – major disaster
1948	First Casino opened in Puerto Rico
1950	Conclusion of an U.S. Senate Committee was the Nevada casino owners were associated with organized crime.
1955	State of Nevada created a Gaming Control Division
1958	Women banned from becoming dealers.
1959	<ol style="list-style-type: none"> 1. Enactment of the Nevada Gaming Control Act 2. Nevada Gaming Commission formed 3. Gamblers Anonymous was founded
1964	Bally gaming introduced the first electrical mechanical slot machine
1967	Nevada enacted a Corporate Gaming Act
1971	Women were allowed to become dealers
1976	New Jersey residents approved the legalization of gaming in Atlantic City
1977	Creation of the New Jersey Casino Control Commission and Division of Gaming Enforcement
1978	First casino opened in Atlantic City, New Jersey
1988	Indian gaming Regulatory Act was enacted
1989	<ol style="list-style-type: none"> 1. Legalized riverboat gaming in Iowa 2. Legalized gaming in South Dakota
1990	<ol style="list-style-type: none"> 1. Legalized riverboat gaming in Illinois 2. Legalized riverboat gaming in Mississippi 3. Gaming legalized in Colorado
1991	<ol style="list-style-type: none"> 1. Gaming approved in Connecticut 2. Legalized riverboat gaming in Louisiana

TABLE 2.1 (continued)

Year	What happened?
1992	Legislation passed for legalized riverboat gaming in Missouri
1993	1. Legislation passed for legalized riverboat gaming in Indiana 2. Slot machine on the Indian reservation in Connecticut
1994	Casino opened in Windsor, Ontario, Canada

Note. From "Timetable of Gaming History," by L. H. Marshall and D. P. Rudd, 1996, Introduction of Casino & Gaming Operations, pp27-28. Copyright 1996 by the Prentice Hall. Reprinted with permission of the author.

Presently, the gaming business in the United States is undergoing phenomenal growth. Only two states in the U. S. prohibit any form of legalized gaming, Utah and Hawaii. Ten provinces in Canada have legalized various forms of gaming. The number of casinos, especially on Indian reservations and riverboats, is on the rise, as are the number of states that permit lotteries (North American Gaming Report, 1994). Even with the unprecedented growth in this industry, disputes are still raging in cities and states over whether or not gaming should be permitted within their limits. These and other dilemmas must be addressed in the future, but the prospect of anything but increased growth is not foreseeable.

The Developmental Patterns of Gaming in the United States

Christiansen and Brinkerhof's (1997) study concluded that gaming, in its most positive light, is a recreational outlet, the present manifestation of an evolution of entertainment and leisure products. Consumers of gaming activities voluntarily participate in an exciting interactive endeavor that satisfies a variety of psychological and social needs. The evolution of preferred names for the activity suggested by its proponents changed from "gaming" to "gaming entertainment". However, others view gaming as a vice with limited or tainted consumer value. Goodman (1995) argued that

gaming is an activity that has been condemned as being either a waste of time and resources, or a potential cancer on the fabric of society.

Nothing in itself is bad. Gaming is an individual activity which must be measured by the impacts on the individual. One way to examine the impacts on individuals is to look at the various types of gaming operations.

Casino-Style

Casino gaming has been a growth industry in the United States over the past three decades. The number of states permitting some form of casino gaming climbed from only one as recently as 1978 to approximately 27 by the end of the 1990s (Eadington, 1999). The largest concentration of casinos is in urban areas, including Clark County and Las Vegas. The total number of casino was 211 with 30.5 million visitors in 1997, and gross casino revenues for 1998 has grown over \$6 billion accounting for 79 percent of the Nevada market (Eadington, 1999).

For many people, casinos symbolize the gaming industry. Hence, casino locations are often viewed as indicative of a community's embrace of the gaming industry.

Riverboat Casinos

Riverboat casinos and land-based non-Native American casinos started in the late 1980s and have grown rapidly in the 1990s (Hsu, 1999). Initially, most river communities used paddlewheelers as a tourist attraction to showcase their history and scenic vistas.

Currently, six midwestern and southern states have riverboat casinos. They began operating in Iowa in 1991. It quickly expanded throughout the Midwest. By 1998, International Gaming and Wagering Business magazine showed that there were over 40 riverboat casinos in operation in Illinois, Indiana, Missouri, Iowa, and nearly 50 riverboat

and dockside casinos in Louisiana and Mississippi. The revenues for riverboat casinos totaled \$6.1 billion in 1997. The riverboat gaming industry collectively has become the third largest gaming destination in the United States.

Tribal Casinos

Tribal casinos are also called Indian casinos. In 1988, the Indian Gaming Regulatory Act created a regulatory structure for gaming on Native American lands throughout the United States. Congress opened the door for Native American tribes to establish casino-style gaming in any state where charitable or social gaming is permitted (Eadington 1991). Christianses and Cummings (1997) reported that more than 700 privately owned or Native American casinos were operating in 28 states. From 1988, when IGRA (Indian Gaming Regulation Association) was passed, to 1997, tribal gaming revenues grew more than thirty-fold, from \$212 million to \$6.7 billion (See Figure 2.1).

**Increase in Tribal Gambling
Revenues: 1988 versus 1997**

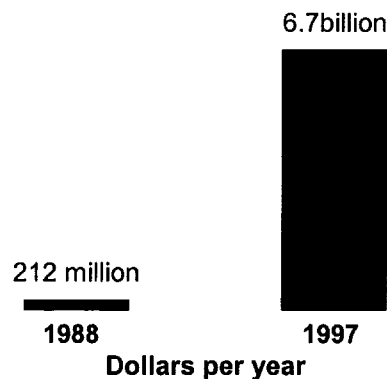


Figure 2.1. Increasing tribal gaming revenue: 1998 versus 1997

Internet Casinos

Beginning with the introduction of Internet on the World Wide Web in the summer of 1995, Internet gaming is the newest medium offering games of chance (Mercuri, 1997). In May of 1998, there were approximately 90 on-line casinos. One-year later, there were over 250 on-line casinos providing gaming over the Internet (Sinclair, 1999). She estimated that Internet gaming revenues were \$651 million for 1998, more than double the estimated \$300 million from the previous year. However, Internet gaming is raising issues never previously addressed and exacerbating concerns associated with traditional forms of gaming.

Today, the Taiwan Tourism Bureau uses the Strip District of Las Vegas as a precedent to evaluate the positive and negative impacts of casino gaming. Therefore, this chapter gives an overview of the modern era of Nevada.

The Modern Era of Nevada

The true birth of Nevada's modern era of gaming began with the legalization of gaming in 1931. The "Wide Open Gaming Bill" was signed. This signing has marked the modern era of gaming and tourism in Nevada. Martin (1996) wrote:

Growth was slow during the 10 years following the Depression, and by 1941 growth had increased only 49% over the 1931-1932 level. However, between 1941 and 1944 gaming had increased 56%. The period 1942-1944 became the dividing point between Nevada's early gaming history and its modern era (p. 43).

Through the mining camp days into the twentieth century, Nevada's casinos for the most part catered to the local gamblers. There was no effort to lure big-time gamblers from out of state. Reno and Washoe counties were the leading areas, both in population and in the amount of gaming that took place. The construction of Hoover Dam (finished in 1935) caused some growth in Southern Nevada, but prior to World War II, Las Vegas

had been little more than a water stop on the Union Pacific Railroad and a respite for those traveling across the desert to southern California. Las Vegas at that time accounted for little more than 15 percent of Nevada gaming (Martin, 1996).

In 1946, The Flamingo Hotel's opening marked the birth of the resort-casino and marriage between tourism and gaming in Nevada. A major legislative change took place when the Nevada Control board was formed in 1955. Martin (1996) noted that the primary mission of this new agency was to establish a policy. It would eliminate the undesirable element in Nevada gaming and provide regulations for the licensing and operation of gaming. In 1959, the current Nevada Gaming Control Act was enacted, creating the five-member Nevada Gaming Commission with absolute power to grant or deny any application for a gaming license. They also had the power to enact regulations and to act as the collection agency of all gaming taxes (Martin, 1996).

Another major change occurred during the period 1967-1969. The arrival of Howard Hughes and his subsequent acquisition of six casinos in Las Vegas and one in Reno. Roemer (1994) wrote that "Howard Hughes's acquisition of Nevada casinos was the beginning of the end for the mob" (p. 69). In 1970, Mob ownership was suspected or established in the Las Vegas sites. Thus, one way the mob was eliminated in Nevada was through acquisition by legitimate operators. Martin (1996) stated that he envisioned the future growth in southern Nevada gaming as being an increase in capability to handle larger volumes of business. Such corporations received funding from major money sources that could be identified as not empowered to influence gaming. This allowed the next major growth of Las Vegas hotels: The Las Vegas Hilton, Caesars Palace, the MGM, and numerous expansions of smaller casinos on the strip. Since the late 1980s, it

has begun to transform again (Brown, 1998). Brown (1998) also states that “with the introduction of the ‘mega-resort’ and its array of dining, shopping, and entertainment activities, visitors do not cite gaming as the key reason for visiting Nevada, rather they give a pleasure vacation as their primary motivation” (p. 44).

The success of casino gaming has been reflected in the rapid growth of Nevada, which was among the three fastest growing states in the United States for each of the last four decades of the 20th century (Eadington, 1999). In Christiansen’s (1998) study, the gross gaming revenues had grown to more than \$25 billion in 1997. Nevada’s major city, Las Vegas, was one of the five fastest growing metropolitan areas in the country. By calendar year 1998, Las Vegas gained the lead with gaming revenues of \$5.5 billion compared to Atlantic City’s \$4 billion (Eadington, 1999).

The Impacts of Casino gaming

The NGISC (National Gaming Impact Study Commission, 1999) stated that gaming has had significant economic and social impacts on individuals, communities, and on the United States as a whole. But what are they? And is the net impact positive or negative?

Typically, proponents of gaming often emphasize the potential economic benefits that the gaming industry can bring into a community or entire country, such as jobs, investment, economic development and enhanced tax revenues. However, opponents underline the possible social costs which are caused by gaming. The negative aspects of casino gaming could be measure in dollars, such as the cost of needing more police, the increased legal and prison costs of criminal justice, the cost of social services for

compulsive gamblers due to lost job productivity, and the added costs of traffic control surrounding the casino establishment.

Economic Aspects of Casino Gaming

The economic success of casino gaming has been reflected in the rapid growth of the casino industry. Various studies have documented the economic benefits and growth stimulated by communities and regions from the newly introduced casino industries (Walker and Jackson, 1998). The general economic benefits from having a casino are tax revenues, tourism development, and job creation.

Employment

In 1996, Andersen (1996) conducted a study on behalf of the American Gaming Association to determine the influence of casino gaming on the American economy. He found:

In 1995 the casino industry recorded \$22-25 billion in total revenues, paid a total of \$2.9 billion in direct taxes, directly employed almost 300,000 people and paid \$7.3 billion in wages, created 13 direct jobs for every \$1 million in revenues, supported 400,000 indirect jobs paying \$12.5 billion in wages, and spent a large majority of its revenues within the United States on payroll, taxes and other expenses (p. 18).

For the State of Nevada alone, research conducted by the UNLV International Gaming Institute (1998) found that casino gaming created jobs and reduced levels of unemployment. The number of businesses and the people they employ have increased significantly during the past decade. Between 1989 and 1997, the number of businesses in Nevada has grown from 28,800 to 44,300, or by 54 percent. And the number of employees increased from 580,000 to 888,000 (See Figure 2.2).

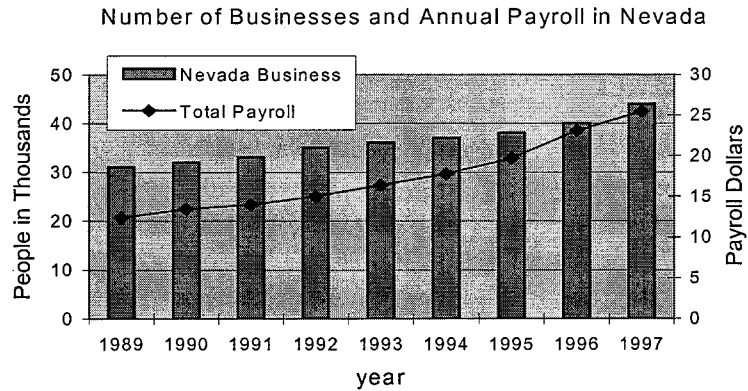


Figure 2.2. Number of business and annual payroll in Nevada.

Note: From Nevada Department of Employment, Training and Rehabilitation and the Nevada Statistical Abstract, 1996.

Between 1989 to 1997, the table also shows that Nevada’s annual payroll increased from \$12.4 billion to about 25.5 billion, an increase of 106 percent. The report further showed that Nevada’s unemployment rate historically has stayed fairly consistent with the national average. However, as of July 1998, Nevada had a statewide unemployment rate of 4.2 percent. This puts Nevada below both the national and California averages of 4.5 percent and 5.6 percent, respectively (See Figure 2.3).

Unemployment: Nevada and the United States
Unemployment Rate

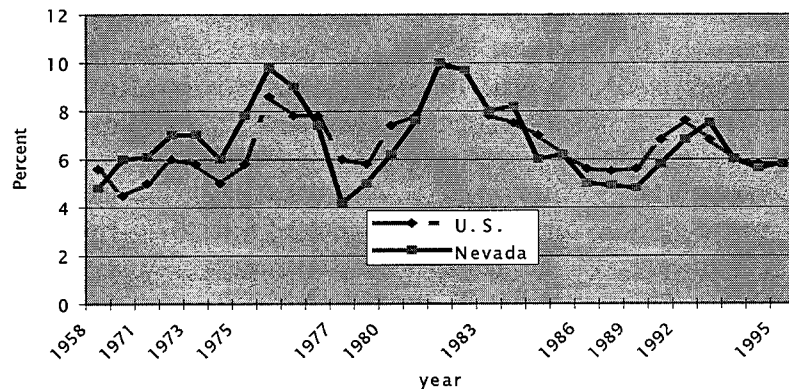


Figure 2.3. Unemployment: Nevada and the United States Unemployment Rate

Note: From “The Bureau of Labor Statistics and the Nevada Statistical Abstract”, 1996

Indeed, casinos do bring new jobs into the community. Browne and Kubasek (1997) pointed out that casinos create not only jobs within the casinos but jobs in industries that support casino growth like construction, transportation, communications, public utilities and services. Atlantic City has also seen dramatic employment increases.

Research conducted by Anastasia (1984) stated that:

The first casino opened in 1978. Between 1975 and 1980, construction in Atlantic City increased by 200 percent (from 639 to 1,919 jobs), transport by 66 percent (from 366 to 606), communications and public services by 12 percent (from 709 to 832) and services by 156 percent (from 9,453 to 24,225). Casinos have brought up to 33,000 jobs to Atlantic City (p. 13).

There is no way to escape the fact that the opening of casinos produces more job opportunities for a local community. Other economic impacts are also mentioned in this chapter.

Tax Revenues

A second much touted positive outcome of casino gaming is the industry's significant contributions to state and local revenue by way of taxes (Browne and Kubasek, 1997). Recently, as Rose (1991) has noted many states have granted the privilege of operating a gaming establishment in exchange for financial support of the state's social goals. This universal view is that casino gaming is an activity that helps to achieve the state's economic goals. One of the goals is to produce taxes to fund government activities that would otherwise have to be funded by the taxpayers (Prum and Bybee, 1999). They also wrote:

The states have not been uniform in their imposition of government levies upon the industry.... All states and some municipalities have elected to impose, in addition to any fees associated with licensing requirements, some additional form of gaming taxes, excise taxes, parking fees, or admission fees (p.18).

A primary goal of many governments, like Nevada, is to create and protect its right to gaming tax revenues. These taxes are often in addition to, or greater than, the taxes imposed on other businesses. In Eadington's (1999) study, he stated, "maximum tax rates on gross gaming revenues in American casino range from 6.25 percent (Nevada) to 35 percent (Illinois)... States generated revenues of approximately \$10 billion from net proceeds of lotteries" (p. 179). Nevada is heavily dependent on casino gaming tax receipts. Cabot (1996) pointed out that governments justify special taxes on gaming for three basic reasons. He wrote:

First, governments often incur substantial costs to regulate the industry, and may choose to assess those costs to the industry in the form of taxes. Second, governments may tax the casino industry to fund programs that address externalities caused by the industry. For instance, the government could allocate the revenue from a special tax on casinos to pay for increased infrastructure or for costs of social impacts. Third, governments often justify various gaming taxes on the ground that gaming is a 'vice'.... Therefore, if the high taxes lower demand, the only consequence may be the reduction in the number of persons engaging in that vice (pp. 435-436).

In Browne and Kubasek's (1997) study, they stated that casinos offer a seemingly "painless" method of collecting tax revenue and decrease the tax burden of local residents. Table 2.2 contains all gaming taxes and fees imposed on casinos in the state of Nevada.

Table 2.2. The Gaming Taxes and Fees Imposed on Casinos in the State of Nevada

Jurisdiction	Percentage Fees & Taxes	Flat or Fixed License Fees	Admission Fee
Nevada	Monthly gross revenue fee: \$0 to \$49,999 =>3% \$50,000 to \$133,999 =>4% \$134,000 and up =>6.25%	Annual Slot (excise) \$250 per machine Restricted quarterly fee: 1 to 5 slot machines =>\$61 per machine 6 to 15 slot machines =>\$305 per machine plus \$106 per machine	N/A
	Quarterly per game fee (in annual amounts)-10 games or less: 1 game =>\$50		

2 games =>\$100	
3 games =>\$200	Nonrestricted quarterly fee:
4 games =>\$375	\$20 per slot machine
5 games =>\$875	
6 or 7 games =>\$1,500	Annual per game fee:
8 to 10 games =>\$3,000	1 game =>\$100
More than 10 games:	2 games =>\$200
0 to 16 =>\$500/game	3 games =>\$400
17 to 26 =>\$4800/game	4 games =>\$750
27 to 35 =>\$2800/game	5 games =>\$1,750
35 and up =>\$100/game	6 or 7 games =>\$3,000
	8 to 10 games =>\$6,000
Quarterly local Fees:	11 to 13 games =>\$650 per
\$25 per month per card game,	game
\$50 per month per game or	14 to 16 games =>\$1,000 per
device, and \$10 per month	game
per slot machine	more than 16 games =>\$1,000
	per game up to 16 and \$200 per
	game above 16

Note. From Commercial Casino Gaming in the United States: A Jurisdictional Analysis of Gaming Taxes, Licenses, and Fees in Gaming Research & Review Journal, 4 (1).

Prum and Bybee's (1999) study pointed out that Table 2.3 showed various types of taxes and fees levied upon gaming operations. These taxes and fees have been organized into three categories. They wrote:

First, the percentage fees and taxes were developed to capture any assessments based on a percentage of the adjusted gross receipts, the casino's win, with no deduction of operating expenses. The second category consisting of flat or fixed licensing fees tremendously varied in both type and amount. It only requires an owner or operator's license with application and renewal fees. Finally, admission fees tend to be only assessed in those jurisdictions that have riverboat gaming (p. 33).

Gaming taxes are by far the most significant form of taxation in the State of Nevada. In 1997, state gaming taxes and fees totaled \$570 million, or 26.5 percent of all state owned source revenues. Currently, the Nevada congressional delegation, the gaming industry, and 31 states with commercial gaming operations cited the negative impact this tax would have on the revenues received from gaming. The tax would put the gaming

industry at an economic disadvantage in its competition with other facets of the leisure industry. Cabot (1996) stated:

If gaming, however, is a form of leisure activity that competes with other leisure activities such as movies, nightclubs, and the like, then taxing gaming more heavily than its competitors disturbs the competitive market. The extra taxes paid by the casino industry are passed on to the patrons in the form of higher costs. This makes the gaming product less competitive than the other leisure activity products against which it competes for customers.... As a result, citizens are deprived of the right to choose between two competing products, instead of having to accept the substitute favored by the tax structure (pp. 436-437).

In fact, the goal of taxation is not only to collect revenues but also to control gaming. The federal income tax is a serious barrier to the elimination of illegal gaming. It creates a "crime tariff" that permits the illegal bookmaker to offer superior payouts since the illicit winnings are neither reported nor taxed (Cabot, 1996).

Tourism

One industry often cited, as a natural proponent for gaming, is the tourism industry. Since the late 1980s, the gaming industry evolved into the hospitality industry, with the goal of providing a complete travel, recreation, and entertainment experience. Felsenstein and Freeman (1998) pointed out that the gaming industry used very similar inputs as the tourism industry such as marketing to the same population. The hotel, retail trade, food, and transportation industries would be the examples of this. Thus, gaming is part of the tourism package and is tied in with the higher-order economic goal of tourism promotion.

Historically, casinos have been closely associated with glamorous tourist destination resorts, such as Monte Carlo, the French Riviera, and Las Vegas (Eadington, 1999). In recent years, Eadington (1999) stated that many casino jurisdictions were authorized for the explicit purpose of revitalizing a declining tourism industry, or acting

as a catalyst that would bring about substantial tourism development. However, the ability of a community or country to successfully use casinos as a major catalyst for tourism development or expansion is dependent on a wide range of characteristics and consideration.

Tourism remains Nevada's leading industry. A study of The Hospitality Industry's Impact on the State of Nevada showed that people from outside the State of Nevada made 42.2 million visits in 1997. Compared to 1989, tourism has grown significantly, from 28.1 million visits to 42.2 million visits in 1997. This is an increase of over 50 percent (UNLV International Gaming Institute, 1998).

Las Vegas had evolved in the 1990s with various waves of new mega-casino resorts offering a wide variety of amenities along with traditional casino products (Eadington, 1999). With most of the new developments in Las Vegas, the dominant features were the Disneyesque character of the architecture, heavy theming, entertainment attractions, and thrill-based recreational opportunities.

Eadington (1990) also estimated that there is no doubt that casino gaming will continue to be a growth industry into the early part of the 21st century. However, there are some questions as to whether it will establish itself or remain as an important part of the tourism industry in other countries, states and communities. This carries a strong message for jurisdictions with casinos, or those planning on developing casinos, as part of a broader tourism strategy.

In fact, as Stokolnick and Dombrink (1980) stated, "the larger the casino industry becomes, the more jobs it creates, the more tax revenue it generates, and the more

stimulation it gives to local and state economics” (p. 771). Volberg (1996) further pointed out that gaming, for good and for ill, is a driver of the American economy.

Gaming clearly yields benefits including increasing tax revenues, developing tourism and creating jobs. However, the opposition to gaming is a straightforward moral disapproval. Several of its alleged negative outcomes to the society are also examined in this chapter.

Social aspects of casino gaming

Subsequent studies have found that in growing percentages and dollar amounts Americans were engaging in gaming activity (Moran, 1997). Other sociologists (Frey and Herman, 1984) have argued that gaming serves additional functions in modern society and perceived gaming to be a manifestation of individual alienation. They wrote:

The individuals who feel powerless in their job seek self-worth and feelings of control through gaming. This feeling of empowerment is achieved through gaming because players control decision-making in many forms of gaming and thereby are instrumental in determining their own success or failure. (p. 114)

Other phenomena happening in casinos is that the population is becoming older. In the United States, the average life expectancy is increasing. The generation of “baby boomers,” born between 1946 and 1961, now are entering their fifties. Thompson (1995) stated that this is the best age to target for marketing gaming. He further explained “people in their fifties are at their maximum earning power. They also have the maximum amount of vacation time of all workers” (p. 102). Today the visitors to Las Vegas are already in the older-age categories. Thompson’s (1995) study reported that the average age of the visiting gambler is 49.4 years, 31 percent are over sixty years old, and 70 percent are over forty years old. For senior citizens, gaming can help them deal with the loneliness, pass the time, and increase social pressures.

In fact, gaming today has been seen as a form of entertainment, such as seeing a movie in a theater, dancing in the club, or the like. Sixty-six percent of visitors said they came to Las Vegas for pleasure and vacation, while only 5 percent said they came to gamble. Actually, 87 percent of the visitors did gamble (Thompson, 1995). However, the casino gaming industry has been driven mainly by fears of adverse social impacts (Eadington, 1999). The examples included: pathological or problem gaming and related consequences; neighborhood crime issues linked to casinos such as burglaries, robberies, prostitution, loan sharking, and drug dealing; political corruption and other compromises of law enforcement or judicial processes; and infiltration of gaming operations by criminals (Margolis, 1997).

One common theme in the literature has been to cite crime and pathological gaming as the greatest danger against casino gaming. In Gazel and Rickman's (1996) study, one of the negative social impacts associated with a casino in a new jurisdiction is that additional tourists will result in a higher crime rate for the area.

Crime

Increased crime has been a controversial item in the literature and in the public policy area in general. It has commonly been used as a reason to prohibit a casino operation (Worsnop 1990). There have been several studies regarding the impact that casino gaming has on crime. The majority of these studies utilize the data from the Federal Bureau of Investigation's (FBI's) Uniform Crime Reports (UCR). There are seven specific categories of crimes reported: murder, forcible rape, robbery, aggravated assault, burglary, larceny, and motor vehicle theft (Uniform Crime Reports, UCR 1993).

Thompson, Gazel, and Rickman (1996) used crime rate data for each of Wisconsin's 72 counties for 14 years and found a statistically significant relationship between casino gaming and different types of crime. Their results suggested that the presence of a casino in a county or the presence of a casino in two adjacent counties explained a major crime rate increase of 6.7 percent beyond what would otherwise be experienced in the absence of casinos. Other researchers who investigated crime spillover from Atlantic City to other localities in the region, concluded that the statistical results suggested that casinos might have brought significantly more crime than the population increase warranted (Friedman, Hakim, and Weinblatt, 1989).

Atlantic City's crime rate has exceeded the state rate ever since casinos were authorized in 1978. Between 1978-1981, the crime rate tripled. In just three years following the opening of its first casino, Atlantic City went from 50th in the nation in per capita crime to first. Its crime rate rose 230 percent during the first three years of casino operations, over 25 times the growth rate of 9 percent for the rest of the state (Florida of Law Enforcement, FDLE 1994). In Colorado, Spayd (1993) stated that just two years after gaming was introduced, assaults and thefts had already increased by 400 percent, and there were approximately eight times as many arrests for drunken driving. Grinols (1995) informed the committee that Nevada has the third highest rate of child abuse in the nation, the highest national rate of suicide, and the highest rate of automobile accidents per mile driver. It's quite evident that the incidence of crime was greater after the introduction of casinos.

Pathological Gaming

For millions of Americans, the most important social impacts are related to the phenomenon of “problem” or “pathological” gaming (Eadington, 1999). Eadington (1999) further stated, “The key question is not whether problem gaming is harmful.... Problem gaming can and does result in significant personal disruptions and even tragedy” (p. 182). Pathological gaming was recognized as a mental disorder in 1980 by its inclusion in the American Psychiatric Association’s (APA) Diagnostic and Statistical Manual. The essential features of the disorder are a continuous or periodic loss of control over gaming. The APA has 10 criteria to guide diagnoses (See Table 2.3).

Table 2.3. DSM-IV Criteria for Pathological Gaming

Preoccupation	Is preoccupied with gaming (e.g., preoccupied with reliving past gaming experiences, handicapping or planning the next venture, or thinking of ways to get money with which to gamble)
Tolerance	Needs to gamble with increasing amounts of money in order to achieve the desired excitement
Withdrawal	Is restless or irritable when attempting to cut down or stop gaming
Escape	Gambles as a way of escaping from problems or relieving dysphoric mood (e.g., feelings of helplessness, guilt, anxiety, or depression)
Chasing	After losing money gaming, often returns another day in order to get even (“chasing one’s losses”)
Lying	Lies to family members, therapists, or others to conceal the extent of involvement with gaming
Loss of control	Has made repeated unsuccessful efforts to control, cut back, or stop gaming
Illegal acts	Has committed illegal acts (e.g., forgery, fraud, theft, or embezzlement) in order to finance gaming
Risked significant relationship	Has jeopardized or lost a significant relationship, job, or educational or career opportunity because of gaming
Bailout	Has relied on others to provide money to relieve a desperate financial situation caused by gaming

Note. From “National Opinion research Center at the University of Chicago, Gemini Research, and The Lewin Group. Gaming Impact and Behavior Study. Report to the National Gaming Impact Study Commission”. April 1, 1999. Table 1, p. 16.

A study conducted by National Opinion Research Center (1999) estimated that about 2 percent of U. S. adults have had moderate to severe problems with gaming in their lifetimes, and about 1 percent had experienced such problems in the past year. They further estimated costs to individuals or society from such effects as poor physical and mental health, job loss and unemployment, at between \$1,000 and \$2,000 per year, with additional costs from divorce, bankruptcy or arrests of \$5,000 to \$6,000 per affected individual (Walker and Barnett, 1999). The National Gaming Impact Study Commission (1999) also reported that rates of pathological gaming among adults have predictably doubled since gaming became the subterranean tax of choice in 37 U.S. states.

There are also several studies that have been conducted in an attempt to quantify the cost of pathological gaming behaviors. In 1994, Volberg (1994) reported that the average individual pathological gambler cost the public \$13,600 each year. This included income that would have been earned for those who lost their job, costs of prosecuting and incarcerating individuals for crimes caused by their gaming behavior, and bailout costs, such as family gifts. Other problems include lost job productivity, impaired judgment at work, lost productivity of spouses, divorces, unemployment compensation, depression, physical illness related to stress, and suicide (Florida Council on Compulsive Gaming 1994).

A Harvard University meta-analysis concluded that approximately 1.6 percent, or 3.2 million, of the American adult population are pathological gamblers. In Oregon, the lifetime prevalence of pathological gaming is 4.9 percent (Volberg, 1997). Another study in Mississippi and Louisiana indicated that 7 percent of adults in these two states have been classified as problem or pathological gamblers (Volberg, 1996). Maryland

Department of Health and Mental Hygiene determined that its 52,000 adult gaming addicts cost citizens \$1.5 billion in lost work productivity, monies stolen and embezzled, bad checks and unpaid taxes (Worsnop 1990). In New Jersey, compulsive gamblers have accumulated \$514 million in yearly debt, excluding bankruptcy proceedings (Goodman 1995). Furthermore, NRC (National Research Commission, 1998) estimates that approximately 1.8 million adults in the United States are pathological gamblers, and another three million of the adult population are problem gamblers.

Lesieur (1987) stated that 10-17 people might be innocent victims of each pathological gambler, including spouses, children, parents, other relatives, employers' co-workers and friends. Two out of three pathological gamblers would commit illegal activities in order to pay gaming related debts to continue gaming. Common crimes of pathological gamblers in prison are shown in Table 2.4.

Table 2.4. Pathological Gambler in Prison

Common Crimes			
Male Crimes	Percent	Female Crimes	Percent
Selling Drugs	54%	Selling Drugs	54%
Hustling Pool, Golf, Bowling	51%	Hustling Pool, Golf, Bowling	50%
Hustling at Cards/Dice	50%	Check Forgery	56%
Con Games	50%	Fencing Stolen Goods	42%
Burglary	47%	Prostitution	39%

Note. The Promus Companies, Inc., 1994, Response to Robert Goodman's "Legalized Gaming as Strategy for Economic Development."

A report by the National Opinion Research Center (1999) estimated pathological gamblers had problems at some point in their lives. It also meant that they have lied, stolen, gone broke, neglected jobs or family, or even committed suicide because of an uncontrollable desire to gamble.

Today, millions of families throughout the nation suffer from the effects of problem and pathological gaming. As with other addictive disorders, those who suffer

from problem or pathological gaming engage in behavior that is destructive to themselves, their families, their work, and even their communities. This includes depression, abuse, divorce, homelessness, and suicide.

Suicide.

For those with behavioral problems caused by pathological gaming, an additional concern is suicide. According to Cox et al. (1998), approximately one in five pathological gamblers attempts suicide. The study further noted that the suicide rate among pathological gamblers is higher than for any other addictive disorder. Phillips (1997) found that Las Vegas displayed the highest level of suicide in the nation, both for residents of Las Vegas and for visitors. Other observers also had evidence to support this. They reported that Nevada had the highest rate of suicide among all 50 states. The rate was more than twice the national average (U.S. Bureau of the Census, 1998).

Divorce.

In 1998, NRC (National Research Commission) reported many families of pathological gamblers suffer from a variety of financial, physical, and emotional problems. Thus, pathological gaming introduced a greatly heightened level of stress and tension into marriage and families, often culminating in divorce and other manifestations of familial disharmony. The study showed that 53.5 percent of identified pathological gamblers reported having been divorced.

Abuse and Neglect.

Family strife created by gaming problems also appears in the form of abuse, domestic violence or neglect. One violence study showed that a shelter in Mississippi reported a 300 percentage increase in the number of requests for domestic abuse intervention after the arrival of casinos (Caine, 1998). Children of pathological gamblers are also often prone to suffer abuse, as well as neglect, as a result of parental problems (Saul, 1997). There were some cases in which parents or a caretaker locked children in cars for an extended period of time while they gambled.

In the past twenty years, gaming has increased, as has the rate of problem and pathological gaming. Ultimately, pathological gaming results in crime. Studies conducted to date, uncovered a wide variety of illegal behaviors among problem and pathological gamblers (Lesieur, 1992). Livingston (1989) found pathological gamblers involved in check forgery, embezzlement, theft, larceny, armed robbery, bookmaking, hustling, running con games, and fencing stolen goods. In addition, they engaged in systematic loan fraud, tax evasion, burglary, pimping, prostitution, selling drugs, and hustling at pool, golf, bowling, cards, and dice. These illegal activities all cause more costs to society than the economic benefits of casino gaming.

Historical Overview of Gaming in Pacific Rim Countries

Asians have been involved in gaming as a source of entertainment and public revenue for centuries. However, as much of the Asian culture is shaped by beliefs in luck and superstition, gaming is often viewed as a fight against evil spirits. China used keno-like lottery games to fund the building of the Great Wall. In China, there is a saying: “the Heaven is high and the emperor is, far away”. It sums up the Chinese’s attitude toward

gaming which is officially banned and unofficially happens (O'Flahertie, 1995). Chinese jockeys are referred to as "intelligence testers" and punters are known as "fun seekers". The fun they are seeking is in guessing which intelligence tester-carrier can get to the winning post first. There are no prizes for guessing correctly, but if they happen to have a lucky door ticket, they might carry home something nice (O'Flahertie, 1995).

The casino industry is booming in Asian countries and Australia (Connor, 1994). Table 2.6 shows Pacific Rim countries and the number of casinos. Although South Korea has thirteen casinos, Connor (1994) pointed out that Australia and New Zealand have the greatest growth potential because of the attitude of the people. In Australia, casinos were illegal until 1972, when enabling legislation at the state level authorized a single casino in Tasmania (Mossenson, 1991). Gaming in the Philippines, both legal and illegal, has flourished for a long time. It was finally legalized and regulated in 1977. Macau is a small island country which regards tourism and gaming as its main industry. Casino gaming has been organized in this country since 1934 (Cabot et al., 1993). In Malaysia, the first year of casino gaming was in 1978. But it is perhaps ironic that there is a casino there, because most Malaysians' religion is Muslim, which prohibits any form of gaming (Hawcroft and Kelly, 1996). Marshall and Rudd (1996) pointed out that Malaysia had demonstrated that it is possible to have a tourism attraction and not infringe on the cultural values of the people.

Table 2.5 Pacific Rim Countries and Numbers of Casinos

Countries	Number of casinos
Australia	10
China (Macau)	9
Malaysia	1
New Zealand	2
Philippines	9
South Korea	13

Note. From “Pacific Rim Countries and Numbers of Casinos,” by L. H. Marshall and D. P. Rudd, 1996, Introduction of Casino & Gaming Operations, pp231-32. Copyright 1996 by the Prentice Hall. Reprinted with permission of the author.

The Developmental Patterns of Gaming in Asian Countries.

The Asia-Pacific region has huge capital demands that are set to grow in the years ahead. Many governments have ambitious spending plans and issuing casinos and gaming licenses will become increasingly attractive as generators of revenue. As Marshall and Rudd (1996) stated, “governments have been forced to find ‘hard currency’ to operate their countries” (p. 249). There are regional casinos in Asia that project the modern casino ideology of Las Vegas. Most look to Japan and China as their markets. Malaysia has Genting Highlands resort, one of the largest casinos in the world. It is a single-casino facility, and local Muslims are prohibited from entering. Korea has several small and moderate-sized casinos, but no more than one is in any community, and Koreans are not allowed to gamble. Philippines are seeking to develop the casinos in order to capture Chinese and Japanese trade, but all the casinos are held by a government corporation. Macau has a strip of very active casinos. They are somewhat restrained by the fact that the People’s Republic of China will take over the territory in 1999 (Cabot, Thompson, and Tottenham, 1993).

Malaysia

In Malaysia, the government granted one company an exclusive license to operate a casino at Genting Sempah in nearby mountains about an hour's drive from the capital city of Kuala Lumpur. Genting Highlands opened in 1971, catering primarily to ethnic Chinese populations from Malaysia and Southeast Asia. Cabot et al. (1993) indicated that the facility over time has become an important center of regional international tourism from Thailand, Singapore, and other regional Far Eastern countries. The Malaysian government privatized the industry and taxes it. Genting is the only licensed casino in Malaysia. In 1997, the five properties comprising the Genting Hotel, Highlands Hotel, Theme Park Hotel, Resort Hotel and Awana Genting Highlands achieved 79% occupancy with total hotel room inventory increasing by 34% to about 3,400 rooms. Genting Highlands Resort has more than 7,000 employees, and offers more than 3,000 hotel rooms, and 1,700 apartment rooms. Also it has a 1,200 seat convention center. A quick count of the casino's facilities totals over 200 baccarat, roulette, blackjack, moneywheel, chuck-a-luck and tai sai tables, plus 1,000 or so slots (Hawcroft and Kelly, 1996). Today, the Genting Highlands resort gets 7 million visitors a year – that is bigger than the population of Hong Kong (O'Flahertie, 1995).

Macau

Macau, today, was transformed from a sleepy backwater community into the biggest gaming operation in Asia. The history goes back to the mid 70s' when Portugal was hoping to give its 450 year old colony of Macau back to China, but China wasn't interested and elected to leave it in Portuguese hands (Asian Business Review, 1998). Portuguese authorities allowed Stanley Ho to operate his swelling casino empire by

running the city's 24 hour/7 days a week casino. By the 80s', Ho had control of Macau's lucrative gaming industry. In 1997, the Sociedade de Turismo e Diversões de Macau (STDM) paid over \$620 million to the Macau government. This represented 40 percent of total government revenue, and since the mid 80s' government proceeds from STDM have increased by an incredible 600 percent. As Asian Business Review (1998) reported, STDM had revenues of more than \$2 billion which is equal to around 30 percent of Macau's total GDP (Gross Domestic Product) of \$7.5 billion in 1997.

Today, there are nine casinos in Macau. This small island country regards tourism and gaming as its main industry, and it is one of the Pacific Rim nations that offers Chinese gaming games.

Philippines

Politicians in the Philippines are welcoming the casino operators with open arms. A government owned company, PAGCOR (the Philippine Amusement and Gaming Corporation) established casinos in cities and in resort areas in that country, which catered predominantly to local residents. More recently, they have established strategic partnerships with private companies to run casinos in the country aimed at international premium players (Eadington, 1998).

Australia

Casino gaming has become a factor of consideration for the Australian economy. Australian casinos initially were deliberate strategies adopted by the state governments as a powerful generator of additional tourism and investment to the regions, in both the short and long term. By limiting casino developments to the regional monopoly, governments thus have ensured that casino impacts are contained and that the casino is at

least partially integrated into the other activities of the city. In other words, Australian casino gaming is protected by a state monopoly. The 12 casinos of AG (Australian Gaming) are major features in the regional supply of tourist and recreational attractions, and they trigger economic processes that are known as indirect profitability (McMillen and Eadington, 1986).

The 1990s was a decade of significant change in the Australian casino industry (McMillen, 1991). In the past few years, the number of casinos in Australia has almost doubled. In 1992, there were eight; by 1995, there were 14. The mania for building them, from Perth to Queensland, has fed a gaming culture inherent in Australia from colonial times. For years, much gaming flourished illegally, particularly in New South Wales, the most populous state, where it was a source of police corruption (Economist, 1997). The report also stated that the culture has changed dramatically since Australia's two biggest cities opened their first legal casinos, Melbourne in 1992 and Sydney two years later. They are mega-buildings, occupying prime sites of the sort once reserved for cathedrals and town halls.

The casinos and other forms of legalized gaming are a new source of money and jobs. Victoria received 14% of its state revenue from gaming taxes and licensing fees. New South Wales gets 12% of gaming revenue. Jobs in the casino industry rose by 72% between 1992 and 1995, compared with only 5% in the Australian workforce as a whole (Economist, 1997).

South Korea

In 1967, Korea's first casino opened at the Olympus Hotel in Inchon, and the following year a second casino opened at the Sheraton Walker Hill Hotel in Seoul in an

attempt to attract U.S. military personnel and foreign tourists (Lee and Kwon, 1997). In the past, Korean casinos were tightly controlled by the Police Department. In August 1994, the government revised the Tourism Promotion Law to include casinos as a part of the tourism industry. The main purpose of this revision was to attract foreign tourists by providing more nightlife which contributed to the balance of payments from foreign exchange earnings. In Lee and Kwon's (1997) study, it reported that the Korean casino industry contributed to the balance of payments by generating foreign exchange earnings of approximately \$256 million in 1994, despite its general perception as an immoral activity. This represented a 47.5% increase compared with the previous year and accounted for 6.6% of the total tourism receipts.

Even today, only foreign visitors are allowed to gamble in Korean casinos; Koreans are not permitted to enter casinos in their own country. Despite strong opposition from the public, the government recently passed a special law designed to stimulate the economies of some of the abandoned mining areas of Kangwon-do province. The law provided for new casinos to be built by 1998 that would allow gaming by Koreans as well as foreign visitors.

Today, 13 casinos are now operating at international tourist hotels around Korea. The largest casino is the Continental casino at the Walker Hill Hotel. Most of the casinos offer eight different games: blackjack, roulette, baccarat, tai sai, dice, big wheel, paigow, and poker.

Most experts agree that the 21st century will be another record setting year for gaming in Asia. If one looks at the growing affluence of the Asian populations, the demand for casinos is there, but the supply doesn't match up with it. Even though the

population in the area has a high interest in gaming, there will still be problems in opening up new gaming venues in those countries where religious opposition to gaming is growing. From the developmental patterns of casino gaming in Asian countries, Asian jurisdictions present a certain paradox. Actually, few Asian countries permit casino gaming. Buddhism, Islam, and the Shinto and Hindu faiths admonish their adherents not to gamble (Thompson, 1994). It is ironic that most of Asia is closed to casino gaming, because the Asians are among the world's most avid gamblers. They seem to enjoy gaming more than other people do. Even today, many reports showed that casinos around the world rely heavily upon the patronage they receive from players of Asian heritage. It has been asserted that over half of the money gambled in casinos comes from the pockets of Asian players. Las Vegas intensely markets its high stakes products to Japan, Taiwan, and Hong Kong (Thompson, 1994).

Gaming perspectives in the United States and Asian Countries

Today, gaming fever reflects what has been called the “fatalism of the multitude” all over the world (Moran, 1997). In Caillois's (1979) study, “playing games, including games of chance, inculcates a variety of cultural values, such as reasoning, ingenuity, and competition.” (p. 55). Different cultures may effect the perspectives of gaming.

Gaming perspectives in the United States

For much of the twentieth century, gaming in the United States was generally regarded as a vice, only slightly less unsavory than prostitution. It was thought to breed crime and corruption and was typically associated with the Mafia (Moran, 1997). Today, however, gaming seems to have entered the mainstream of American culture. The vast majority of American gamblers regard gaming as a recreational activity of life.

Recreational gaming is becoming one of the most popular and fastest-growing components of America's "entertainment economy" (Mandel et al., 1994). According to an industry-sponsored survey conducted by Harrah's Entertainment Inc. (1996), Ninety-one percent of people agreed that gaming was an acceptable form of leisure activity for themselves or others. Las Vegas has changed in image from "Sin City" to a "family resort." For Americans, the reason for participating in gaming is to "have a good time," "for the excitement, " or "for the challenge." (Eadington, 1999). Gaming has become a morally acceptable and enjoyable activity in the United States.

Gaming perspectives in Asian Countries

Some studies of contemporary Chinese societies in Hong Kong, Taiwan, and overseas frequently mention the ubiquitousness of gaming and its broad appeal (Basu, 1991). Watson's (1975) study of a Chinese lineage in Hong Kong and Taiwan noted "A high percentage of villagers find diversion by spending all their spare time playing mahjong.... Gaming is undoubtedly the major pastime of the New Territories...but in San Tin it has become a way of life...the games are the only source of excitement in the village" (p. 168). Journalistic accounts also cite gaming as a prominent economic activity in contemporary Hong Kong, where, in addition to mahjong, racetrack betting is an industry of jolting economic significance (Chen, 1980). It is quite evident that Asian people are more eager to gamble than Americans. More Asian people believe in their luck and chance of life. In fact, even though gaming is forbidden under Islamic and Buddhism teachings, Chinese people find ways to gamble whether it's legal or not. They are the most avid gamblers in the world (Thompson, 1994).

The casinos of Asian countries must be concerned about the values of the broader Asian culture. The values are reflected in a set of ideas encompassed in the concept of “Confucius “ philosophy. Therefore, the difference between American and Asian culture is an important factor for the impacts of gaming on society. The cultural differences will be examined more closely in Chapter four.

Summary

This chapter carefully examined many well-documented studies of all aspects of gaming to achieve an acknowledgement of the fewness evidence of net impact derived from the introduction of gaming into a community. Obviously, the advent of casino gaming has produced localized benefits to the communities in the form of tax revenue and job opportunities. However, it is not appropriate to speak of those benefits without immediately acknowledging both the unknown, and presently unmeasured negative effects in those jurisdictions experienced by the citizens who develop problem or pathological gaming habits and the wave effects which those persons cause in their families, workplaces, and local communities.

Chapter two of this qualitative study began with a comprehensive literature review of the gaming history in the United States and Pacific Rim Countries. An overview of the developmental patterns of casino gaming in Las Vegas was compared to Pacific Rim Countries. Economic and social aspects of gaming were also examined.

Chapter three presents the reader with information concerning the methodology that was used to assess the perspectives of highly educated Hospitality and Tourism professors regarding the introduction of casinos in the small island of Taiwan - Penghu.

CHAPTER THREE

Methodology

Introduction

With a specific interest in the social and cultural impacts that might occur by opening a Gaming Recreation District in Penghu, this qualitative study utilizes an interview method to examine the educated opinions and perceptions of ten highly qualified Taiwanese Hospitality and Tourism professors. As Kvale (1996) stated, “The purpose of the qualitative research interview is to understand themes of the lived daily world from the subjects’ own perspectives” (p. 27).

Since Taiwan has no casino gaming at the present time, the emphasis for this study was to explore the positive and negative impacts of casino gaming. Taiwan will most likely project the ideology of a Las Vegas type casino. There does exist considerable data relevant to social and economic issues relevant to gaming in the state of Nevada in the United States. Therefore, this study utilized a number of secondary analyses of gaming in the state of Nevada.

In order to bring into clarity the potential positive and negative impacts of casino gaming, the researcher sought to use a phenomenological approach which is based on phenomenology in the sense of understanding social phenomena from the participants’ own perspectives, describing the world as experienced by themselves, and with the assumption that the important reality is what people perceive it to be (Taylor and Bogdan, 1984). As Van Maanen (1983) noted, the point of phenomenological research is to borrow other people’s experiences and the reflections on their experiences to be able to

come to a better understanding of the deeper meaning or significance of an aspect of human life. Giorgi (1975) further wrote:

Phenomenology is interested in elucidating both that which appears and the manner in which it appears. It studies the subjects' perspectives on their world; attempts to describe in detail the content and structure of the subjects' consciousness, to grasp the qualitative diversity of their experiences and to explicate their essential meaning (p. 83).

The purpose of this qualitative study was to provide ten highly qualified Taiwanese Hospitality and Tourism professors with an opportunity to present their professional and educated opinions in regard to the potential social and cultural impacts of gaming on the residents of Penghu. In other words, these professors were given an opportunity to tell the public their educated opinions of what possible effects could be caused by casino gaming concerning the "actual" impacts when opening a Gaming Recreation District in Penghu.

Given the nature of the potential problems associated with gaming, this qualitative study considered the benefits/costs of casino gaming and how it would affect local inhabitants' lives after implementing a Gaming Recreation District in Penghu. It seemed essential to focus on the interpretive sciences since the goal of this study was to clarify any possible impacts caused by casino gaming. Therefore, in order to seek more understanding and in-depth perspectives related to casino gaming, experienced Hospitality and Tourism professors were more likely to consider the real impacts of casino gaming.

Selecting the participants

The researcher sought out the chair of the Tourism Department of Providence University for his advice on qualifications of participants in tourism. He made

suggestions on areas of interest for interviews, including three professors who did the initial gaming study for the government. He provided the researcher with a list of professors in the hospitality and tourism field who would be acceptable for this study.

In the process of selecting the participants, the researcher attempted to find ten participants among the colleges and universities that have Hospitality and Tourism programs in Taiwan. Taiwan's Hospitality and Tourism educational system doesn't have as long of a history as the United States. The educational programs for the Hospitality and Tourism industry in Taiwan are very new. Today, there are about 28 colleges and universities providing a Hospitality and Tourism program. After discussing the actual educational system of Hospitality and Tourism with the researcher's committee, the decision was made to select two universities with five participants identified from each. Chinese Culture University and Providence University were selected because of their longer history in Hospitality and Tourism programs. Both universities are located in major cities of Taiwan. Chinese Culture University is located in Taipei, Taiwan and Providence University is in Taichung, Taiwan.

Erlandson et al. (1996) pointed out in their study, "participants of the study are key figures in an interview. They are powerful figures because their perspective contributes greatly to the development of insight and understanding of the phenomenon...." (p. 91). Thus, for this consideration, in the process of selecting the participants, the researcher selected current Hospitality and Tourism educators as the participants in this study because of their maturity of thinking as compared to students. Professors were more likely to discuss economic benefits and social impacts of gaming

better than more immature Hospitality and Tourism undergraduate students who would be limited or impacted by the glamour or excitement attributable to casinos.

Ten professors who have taught in Hospitality and Tourism Department of the Chinese Culture and Providence University for an average of 6 years of teaching were selected. Both male and female participants were sought in order to provide appropriate gender representation related to the research problem.

A contributing factor that was also used in selecting the participants, for this study, was the researcher's previous educational background and undergraduate studies in the Tourism Department at Providence University in Taichung. Five participants from Providence University were previous professors of the researcher, who graduated from its Tourism Department. Another five participants were from Chinese Culture University; three of them conducted a gaming research project for the Taiwan Tourism Bureau in 1996, and the other two had strong educational backgrounds related to this field. The participants averaged at least 6 years of teaching experience in the Hospitality and Tourism Department. The extent of the experiences and qualifications of these participants is discussed more fully in the coding section of this chapter.

Method of Data Collection

In Patton's (1990) study, "qualitative methods consist of three kinds of data collection: (1) in-depth, open-ended interviews; (2) direct observation; and (3) written documents. The data from interviews consist of direct quotations from people about their experience, opinions, feelings, and knowledge" (p. 10). In this qualitative research, the purpose was to explore the perceptions of ten highly educated Taiwan Hospitality and Tourism professors concerning the implementation of a Gaming Recreation District in

Penghu. As Van Maanen (1983) noted, “the interview may be used as a means for exploring and gathering experiential narrative material that may serve as a resource for developing a richer and deeper understanding of a human phenomenon” (p. 66). Thus, the personal interview approach was utilized as the primary method of data collection in this qualitative study.

Regarding direct observation, two graduate students from Penghu, who are currently enrolled in the University of Wisconsin-Stout, provided information and insight into the perceptions and lifestyles of Penghu's residents. Written documents related to gaming benefits/costs as experienced in Las Vegas, Nevada, were also carefully examined in regard to the economic, social and cultural effects of gaming.

As Erlandson et al. (1996) stated, "the key to getting rich data from dialogue is in asking good interview questions and in careful listening and recording" (p. 88). For the purpose of developing and refining a proper primary interview question for the participants, a pilot test was conducted on the University of Wisconsin-Stout campus with 15 Taiwanese students.

Pilot test

Concerning the validation of the study, the primary research question must be carefully worded in order to obtain pertinent information. Patton (1980) stated that using words that make sense to the participants, words that reflect the participants' world view, will improve the quality of data obtained during the interview. Thus, the researcher developed the primary research question for the ten selected participants of this study. The researcher asked fifteen Taiwanese students who were currently enrolled at the University of Wisconsin-Stout to participate in this study to see whether they could

understand each term used in the question, the meaning of the question, and to further express their common opinions according to the interview question of this study.

In the process of doing the pilot test, the researcher asked the fifteen Taiwanese students to imagine they were in the Hospitality and Tourism professors' positions, and asked each of them the same question; "What do you think about developing gaming in Taiwan?" Nine of them responded "no" as their answers to this question. They didn't keep explaining their reasons towards this issue. Because of ideological reasons, for Americans, gaming can be defined as the pursuit of pleasure or one of entertainment. But for the Taiwanese people, gaming is a vice according to Confucius' philosophical ideas and ancient history. Therefore, when they hear the term "gaming", their instinct to this answer would be "no" without any explanation. The researcher changed the term of the question, gaming would be referred to as gaming recreation. The primary research question was changed to "What's your opinion towards developing gaming recreation in Taiwan?" The fifteen pilot test participants were asked this modified question. Eleven of them got the meaning of the question and could express their opinions to the researcher. However, there were four pilot test participants who suggested to the researcher to specify the area where the Gaming Recreation District would open. Finally, the researcher specified and narrowed the question down to "What's your educated opinion towards opening a Gaming Recreation District in Penghu?" The researcher again asked each of the pilot test participants this interview question, and fourteen of them answered the question in the way the researcher expected. Therefore, the researcher utilized "What's your educated opinion towards opening a Gaming Recreation District in Penghu?" as the primary interview question of this qualitative study.

The Primary Interview Question

By conducting the pilot test, the researcher tried to develop the primary question which could lead the participants to talk more about their educated perspectives and opinions towards this issue. The primary interview question of the study utilized the common terms for both the researcher and participants. Gaming was referred to as gaming recreation and the exact location of opening a Gaming Recreation District in Taiwan was specified. Because the purpose of selecting ten highly educated Hospitality and Tourism professors to be the participants of this study was due to the maturity of their thinking as compared to students, the primary interview question focused only upon highly educated opinions of the selected participants.

The interview proceeds like a normal conversation but has a specific purpose and structure (Kvale, 1996). The primary interview question is the most important part of the interview process leading the participants to express openly their perspectives and opinions. Kvale (1996) further noted that the interviewer's questions should be brief and simple. The different dimensions introduced in the answer can then be pursued. Thus, the primary research question "What's your educated opinion towards opening a Gaming Recreation District in Penghu?" had been tested and refined to enhance the proper meaning.

In order to obtain a more in-depth perspective concerning the benefits/costs associated with gaming entertainment, the researcher also developed four probing questions to support the primary interview question. Erlandson et al. (1996) wrote, "It is important to prepare a list of carefully worded questions that reflect the basic research question and problems of the study" (p. 88).

The Probing interview questions

Fetterman (1989) further explained that the researcher could have a series of questions to ask the participants and would wait for the most appropriate time to ask them during the conversation. In the interview process, the researcher utilized probing questions to guide the ten participants of the study to express more opinions or perceptions, even their own experiences as it related to the primary research question. The probing questions were an attempt to find out more about what the participants thought. The four probing questions that were utilized in this study included; (1) why do you feel that way? (2) Can you explain further? (3) Please describe what you mean, and (4) Please describe your experiences.

Secondary documents and resources were also carefully examined for purposes of obtaining objective data related to the issues in this qualitative study.

Secondary documents and resources

The purpose of this qualitative study was to more fully understand the positive and negative impacts of introducing casino gaming in a Taiwanese community. The perspectives and opinions of ten highly educated Taiwanese Hospitality and Tourism professors concerning the implementation of a Gaming Recreation District in Penghu were examined for a more in-depth perspective concerning the benefits/costs associated with gaming entertainment. However, Taiwan has no casino industry at the present time. Therefore, the researcher also studied many relevant well-written documents, other research resources and books that reported the positive and negative impacts of casino gaming in the United States as secondary sources of this study.

Special consideration was required in order to interview the selected participants. The researcher had to make prior preparations for the interview sessions.

Preparing for the Interview

Because the researcher could only return to Taiwan at the end of the University of Wisconsin school year, the time available for the researcher to contact the ten participants was difficult since it was close to Taiwan's summer school vacation. Most of the professors were not readily available at the school, and their personal telephone numbers and addresses were not officially available. In order to have a polite contact process, the researcher decided to compose an "introductory letter" before personally contacting the participants.

Introductory Letter

The introductory letter would serve to introduce the researcher and explain the nature and purpose of the study and to allow the participants to express their opinions openly concerning the potential impacts of casino gaming in Taiwan. The introductory letter (see Appendix A) was composed and personally circulated among the ten professors in the Chinese Culture University and Providence University.

The researcher also provided the nature and purpose of the study described in the abstract (see Appendix D). The primary interview question was provided (see Appendix E) along with a description of the specific interview techniques that would be utilized (note taking, use of tape recorder, and probing questions).

Because human participants were the primary basis of this research endeavor, separate consent forms for the ten Hospitality and Tourism professors were designed

according to stipulations and guidelines as set forth by the UW-Stout Institutional Review Board for the Protection of Human Subjects in Research.

Consent Forms

For moral and ethical reasons, UW-Stout's Institutional Review Board for the Protection of Human Subjects in Research requires that all researchers submit an application that details and describes any inquiry that involves human beings as primary sources in the data collection process.

As Moustakeas (1994) stated, the consent form entailed informing the participants of this study about the overall purpose of the interview and the main features of the research design, as well as any possible risks and benefits from their participation in the study. Informed consent further involves obtaining the voluntary participation of the participant, with his or her right to withdraw from the study at any time (Yow, 1994).

In terms of minimizing the risks to those who decided to participate in the study, individuals were assured of confidentiality and given an opportunity to withdraw from the study at their discretion. There were no benefits to anyone who agreed to participate in the study. The application requests that written documentation which grants permission to conduct an inquiry has been granted by the appropriate persons who would be most responsible to the participants at the site location (see Appendix B). Permission to conduct the study was officially signed by these ten Hospitality and Tourism professors and copies were forwarded to the UW-Stout Institutional Review Board for the Protection of Human Subjects in Research.

In seeking the Board's approval, the researcher provided a description of exactly what would be said to participants for purposes of gaining their consent to participate in

the study and described how and when the consent would be obtained. A consent form was drafted for the Board's review.

On May 13, 1999, the UW-Stout Institutional Review Board for the Protection of Human Subjects in Research tentatively approved the proposed inquiry and human subjects application pending amendments regarding the consent forms and the explanation of the purpose of the study as it pertained to gaining the participants' consent. Official approval to begin the study was granted. The researcher collected a personal information data form from each of the participants which was coded to protect their identities. This particular data, however, served to reinforce the qualifications of the participants and served to enhance the validity of this study.

Personal Information Form

For the identification of the participants of this study, the researcher collected a personal information form which included the participants' translated English name, educational background, teaching year, and the courses they taught in Hospitality and Tourism Department (see Appendix C). The identities of the participants and the information that was collected was then coded prior to the interpretation of the testimonies given by the participants.

Confidentiality and coding

In order to protect the participants' privacy, fictitious names and sometimes changes in participants' characteristics are used in the qualitative study (Kvale, 1996). In Kvale's (1996) study, he further wrote:

The interviews may treat sensitive topics in which it is important to protect the confidentiality of the participant and of persons and institutions mentioned in the interview. Along with the necessary and simpler but sometimes forgotten tasks

goes the need for secure storage of tapes and transcripts, and of erasing the tapes when they are no longer of use (p. 172).

In this study, ten Taiwanese Hospitality and Tourism professors from two universities (Chinese Culture and Providence University) were selected with five participants identified from each to be the participants of this study. To ensure confidentiality of each of the participants, the researcher mixed these ten educators, and utilized the letters A to J to code each participant. The assigned letters A to J as shown in Table 3.1 represents and lists the expert qualifications of each participant in this qualitative study.

Table 3.1 The Personal Background of Participants

Code	Background	Teaching Year	Class
A	Park, Recreation and Tourism Mgt.	5	Tourist Behavior
B	Geography	14	Tourism planning
C	Hospitality Mgt.	7	Restaurant, resort, Convention & Banquet Mgt.
D	Forestry & Natural Resources	2	Tourist Mgt.
E	Traffic Mgt.	6	Marketing Research foundation
F	Park, Recreation and Tourism Mgt.	3	Tourism & Leisure Resources Mgt.
G	Park & Recreation Mgt.	4	Strategic Mgt. In Tourism Industry
H	Leisure Studies	6	Social-Culture Leisure Mgt.
I	Tourism	8	Hospitality and Tourism Mgt.
J	Recreation, Park & Leisure	5	Festival Tourism

Coding the participants implied that private data identifying the participants specifically would not be reported (Kvale, 1996). The protection of participants' privacy

by changing their names or assigning letter codes was also an important process in the interpreting of interviews.

Recording Data

The procedure for analyzing testimonies in this study was to have the taped interviews transcribed into written texts. However, as Kvale (1996) stated, “transcriptions involve a series of methodical and theoretical problems.... The transcripts are, however, not the rock-bottom data of interview research, they are artificial constructions from an oral to a written mode of communication”(p. 163).

With the specific interview techniques which were utilized in the process of the interviews, the recording of data as it is often gathered presented a dilemma for the researcher (Erlandson et al., 1996). In this study, the method for recording interviews for documentation and later analysis was tape recording. For the purpose of providing the most accurate description of perspectives and opinions of the ten participants towards the primary research question, the researcher gained the permission from each participant for recording their testimonies during the interview process. With the recorded tape, the researcher was better able to concentrate on the topic and the dynamics of the interview. The words, tones, and pauses of the participants were also recorded in a permanent form that could be returned to again and again for relistening.

Data Analysis

The analysis of qualitative data is best described as a progression, not a stage; an ongoing process, not a one-time event. Marshall and Rossman (1989) explain:

Data analysis is the process of bringing order, structure, and meaning to the mass of collected data. It is a messy, ambiguous, time-consuming, creative, and fascinating process. It does not proceed in a linear fashion; it is not neat.

Qualitative data analysis is a search for general statements about relationship among categories of data; it builds grounded theory (p. 112).

In this qualitative study, the researcher utilized the interview method for data collecting, and coded each participant's identification and testimonies. As Coffey (1996) stated, "coding qualitative data enables the researcher to recognize and recontextualize data." (p. 45). After the coding process, the researcher interpreted the participants' testimonies as telling a story to the reader. As Riessman (1993) wrote in his study, he called the collection of stories and narratives in qualitative research as "the interpretative turn". Narrative analysis is an especially valuable approach to the analysis of qualitative data, especially as it facilitates the exploration of content in interviews, field notes, and the like (Atkinson, 1992).

In assigning codes to the narrative content, the researcher began to explore not only what the participants said but also how they said it in the process of interview. When transcribing the testimonies of ten participants, the researcher also looked at the research patterns and themes that coding and content analysis might uncover. As Coffey (1996) stated, "A concern with narrative can illuminate how informants use language to convey particular meanings and experiences" (p. 83). Next, the validity and reliability of the study are examined.

Validity

Hammersley (1990) wrote in his study, "by validity, I mean truth: interpreted as the extent to which an account accurately represents the social phenomena to which it refers" (p. 57). When the researcher designed the primary interview question, fifteen Taiwanese students who were currently enrolled in the University of Wisconsin-Stout were selected to be the pilot test participants. The researcher asked the fifteen pilot test

participants the identical primary interview question with only slight variation in their responses. After the researcher went back to the Taiwan, the ten primary participants were asked the same primary interview question. The responses received from the pilot test participants by asking the primary interview question were very similar to the participants who were selected in this study.

Ten highly educated Hospitality and Tourism professors were selected as the participants of this study. The researcher collected a personal information data form from each of the participants (see Appendix C), including their translated English name, educational background, teaching year, and the courses they taught in Hospitality and Tourism program to ensure the qualification of each participants.

In a qualitative study, triangulation is a process whereby several resources are consulted in an attempt to support testimonies and information provided by the primary and secondary participants. According to Denzin's (1978) study, "Triangulation is broadly defined as the combination of methodologies in the study of same phenomenon. Given basic principles of geometry, multiple viewpoints allow for greater accuracy" (p. 291). For increasing the validity of this qualitative study, Silverman (1993) also concluded two other forms of validation to the qualitative research, they are:

- (1) Comparing different kinds of data (e.g. quantitative and qualitative) and different methods (e.g. observation and interviews) to see whether they corroborate one another....
- (2) Taking one's findings back to the subjects being studied. Where these people verify one's findings, it is argued, one can be more confident of their validity.... (p. 156).

The researcher utilized relevant official documents and reports which were conducted by the Taiwan Tourism Bureau and the Taiwan Travel Administration Bureau as the secondary data sources in this study. They are " The investigated report for the

impacts of casino gaming opening in Taiwan area", and "The perceptions of Taiwanese people towards opening a Gaming Recreation District in Penghu". These two studies included surveying the people who live in Penghu and reporting their willingness to have a casino in their community. The studies further analyzed the entire environmental elements of Taiwan to see whether it was practical or not to open a casino in Taiwan. The researcher cited some statistical data from the official documents and reports to support and empower the testimonies provided by the ten participants in this study. Additional research studies and documents concerning the social and cultural impacts of gaming in the state of Nevada were also scrutinized to increase the validity of this qualitative study.

Reliability

Selltiz et al. (1964) noted that the reliability of the qualitative study is to follow a standardized protocol. Brenner (1981) further stated:

“Interviewers should ask each question precisely as it is worded and in the same order that it appears on the schedule. They should not show surprise or disapproval of an answer, offer impromptu explanations of questions, suggest possible replies or skip certain questions” (p. 129-130).

In this study, the researcher and the participants speak the same language. The participants were asked the primary interview question in Chinese. Chinese is much different from English. An English question could have various ways of wording by retaining the same meaning. However, the Chinese language doesn't have this transcribing problem. The researcher asked the primary question in exact words to each of the participants. The primary interview question presented in Chinese didn't confuse any of the participants

In the process of the interviews, the researcher taped the testimonies of each participant with a different tapes. As Glassner and Loughlin (1987) stated:

In more positivistic research designs, coder reliability is assessed in terms of agreement among coders. In qualitative research one is unconcerned with standardizing interpretation of data. Rather, our goal in developing this complex cataloguing and retrieval system has been to retain good access to the words of the participants, without relying upon the memory of interviewers or data analysts” (p. 27).

To address the concern of interpreting the most accurate description of perspectives and opinions of the ten participants towards the primary research question, the researcher also created a verification form. Each participant’s testimony was interpreted by the researcher and each was provided with the researcher’s summary of the interview interpretation of each participant. The verification forms were e-mailed to each participant for verification and to ensure the researcher’s understanding of each participant's testimony. The researcher also asked the participants to reply by e-mail if they disagreed with the meaning of the interpretation of their testimonies. The researcher assumed that the participants verified the correct interpretation of their testimonies since none of the participants replied back.

Summary

Chapter three described the details of the process in this qualitative study. The considerations for selecting the participants were their maturity and educational backgrounds. Concerning the validity and reliability of this study, the researcher conducted a pilot test before developing the primary interview question. Fifteen Taiwanese students who were currently enrolled at the University of Wisconsin-Stout were selected by the researcher to be the pilot test participants of this study. The methods of data collection which were utilized in this study, not only included the primary participants’ testimonies but also secondary statistical data related to the casino industry in the state of Nevada and previous studies conducted in Taiwan. The procedure for

analyzing testimonies in this study was to have taped interview sessions transcribed into written texts to explore in-depth and underlying meanings from the participants' responses.

The focus of this study concerned the social and cultural impacts of casino gaming after implementing a Las Vegas type casino in Penghu, Taiwan. Since many readers may not be familiar with Penghu or its location, the basic social and cultural setting of the people who live there is provided in Chapter four.

CHAPTER FOUR

The Setting of the Study

This qualitative study examined the potential social and cultural impacts of gaming upon the inhabitants of Penghu, a tiny island off the coast of Taiwan. How the impacts of a Gaming Recreation District could effect local residents' lives was considered based upon evidence surrounding the effects of gaming on U.S. residents. Because most readers may not know where Penghu's location is and how the people live everyday in this community, the researcher introduces the setting and cultural background of Taiwan and Penghu's society. Ideally, this will provide readers with the general concepts of the geographical environment and cultural lifestyles of people who reside in the local community. Ultimately, readers might achieve a better and a greater appreciation for the culture of the Taiwanese people.

The background of Taiwan and Penghu

The authorities in Taipei exercise control over Taiwan, Kinmen, Matsu, Penghu, and several of the smaller islands. Penghu is the biggest island among those small islands off the coast of Taiwan. The land area of Penghu totals 126.864 square kilometers, representing only 0.35% of the entire area of the Taiwan region. The population density is 730 per square kilometer. In order to get more of a sense of the setting of this study, the researcher has provided basic information about Taiwan and Penghu's location, history, economic environment, people and culture, educational levels, religious beliefs, tourism development, and society overall.

Early history

In the late 1500s, Portuguese sailors passed the island of Taiwan and thought the island was so beautiful that they called it “Ilha Formosa”, which means a beautiful island. The name “Formosa” became popular for the island among foreigners. The Chinese eventually began to call the island “Taiwan” (Prodigy. December 8, 1999. “Taiwan” Compton's Encyclopedia Online. Compton's Learning Company, 1997. Online).

According to Chinese history, Hsiung (1981) stated that the development of Penghu Archipelago was earlier than Taiwan. Some archeologists even suggested that Penghu was probably the transit port of the ancient trading road on the sea. Therefore, Penghu became the first place for Taiwanese ancestors to stop by on their way to Taiwan. During the process of immigration, Penghu also became the initial place to get in touch with the culture and custom of Taiwanese ancestors. Historically, Penghu was governed and administered by officials in the patrol and investigation department as early as in the Yun dynasty, and was the first region to be governed and developed within the Taiwan territory.

According to Hsiung (1981), inside the Tian-hou ("Heaven Queen") temple, the oldest temple of Taiwan, a story about the Chinese people defeating foreign invaders is printed on the wall. That story really took place in the 29th year of the reign of Emperor Wan-li in the Ming dynasty (1601).

Hsiung (1981) also stated that the Dutch controlled the southwestern part of the island in 1624, and became the dominant power in Taiwan until 1661. At that time, they introduced what were then modern farming methods and brought many Chinese settlers from the mainland. The Dutch were ousted from Taiwan by Cheng Ch'eng-kung, a

Chinese adventurer and supporter of the Ming Dynasty, which was collapsing on the mainland at the time. Cheng Ch'eng-kung's forces planned to use Taiwan as a base from which to attack the mainland and drive out the Manchus, who had just established the Ch'ing dynasty in Beijing.

By 1683, the Manchus took over Taiwan, and ruled Taiwan for the next two centuries as a remote and unimportant frontier of the Fujian Province. According to Taiwan academic sinica's report (1996), many Chinese settlers moved to Taiwan during this period. Foreigner interest in Taiwan was revived in the mid-1800s because the natives often mistreated sailors who had been shipwrecked on the island. Both the French and Japanese sent expeditions to Taiwan. These actions prompted the Ch'ing government to try to exert greater control over Taiwan and to introduce reforms. But it was too late. When China and Japan went to war in 1895, China lost, and one of Japan's prizes was Taiwan.

The next 50 years were decisive for Taiwan. The Japanese regarded the island as having two main purposes for them. One was as a source of agricultural products to help feed Japan. The Japanese expanded Taiwan's production of rice, sugarcane, bananas, and other crops. The other function of Taiwan was to serve as a "stationary aircraft carrier," as the Japanese described it (Hsiung 1981). They developed the island as the main staging area for their invasion of the Philippines and Southeast Asia in 1941 and 1942 during World War II. Although the Japanese were repressive, they introduced industrialization, improved the transportation system and health care, and started public education in Taiwan.

Taiwan was returned to China after World War II. The Chinese treated the island as conquered territory and regarded the people of Taiwan as collaborators with the Japanese enemy. Relations between the two steadily worsened, and the Taiwanese revolted in 1947. The Chinese put down the uprising but then faced the major problem of winning back the trust and support of the Taiwanese, especially after the Communist forces conquered the mainland in 1949 (Hsiung, 1981).

The United States at first withdrew its support of the Nationalist government after it fled to Taiwan. However, after the North Korean invasion of South Korea in 1950, the United States changed its policy and provided military support to the Republic of China. This support was formalized in a mutual security treaty signed in 1954.

After the People's Republic of China was admitted to the United Nations in 1971 and Taiwan was expelled, many nations began to switch their diplomatic ties from the Nationalists to the Communists. On Jan. 1, 1979, the United States ended diplomatic relations with Taiwan and granted diplomatic recognition to the People's Republic of China (William, 1997).

After 38 years of martial law ended in 1987, political parties became legal for the first time since 1949. Lee Teng-hui was elected president by the National Assembly in 1990, and reforms instituted in that year led to changes in the electoral process. In December 1992, Taiwan held its first full legislative elections in more than 50 years. A small but radical independence movement has been consistently outvoted. In 1996, Lee was reelected in Taiwan's first democratic presidential election.

Economic environment

Taiwan has transformed itself from an underdeveloped, agricultural island to an economic power that is a leading producer of high-technology goods. Taiwan is now a creditor economy, holding one of the world's largest foreign exchange reserves of more than \$80 billion in 1998. Despite the Asian financial crisis, the economy continues to expand at about 5% per year, with virtually full employment and low inflation. In 1997, the population also enjoyed an annual average income equal to U.S. \$13,130.

In Penghu, tourism, fishing, agriculture, and mining are the major industries. Fishing is the main industry of Penghu. Penghu developed the offshore and deep-sea fishing industries. Because of the high winds, lack of rainfall, and barren land, the agriculture in Penghu is hard to develop. Although most inhabitants of Penghu live by fishing, the fishing industry is effected by its climate and sailing is according to the weather. If the weather is bad, they can't work. Therefore, the amount of money they earn is very unstable, especially in winter, when the northeastern monsoon comes, as they can not work most of those days. Penghu's residents have an average lower income than the people who work in industry in Taiwan.

People

The Taiwanese people are mostly of Han Chinese cultural origin and are descendants of emigrants from the mainland provinces of Fujian and Guangdong. Both the people of Taiwan and Penghu are all called Chinese, even though they are made up of many ethnic groups. These ethnic groups do, however, embrace common cultural foundations, practices and written language. Their national language is Mandarin. The Chinese have shared a common, multiethnic culture for over five thousand years.

Confucianism is one of the keystones of this culture. Confucius (551-479 B.C.) stressed the principle of “Jen”, which calls for mutual respect and love among all humans” (Prodigy. December 8, 1999. “Taiwan” Compton's Encyclopedia Online. Compton's Learning Company,1997. Online).

Taiwan's people reflect the complex history of the island. The earliest inhabitants were various aboriginal tribes that migrated to Taiwan from Southeast Asia several thousand years ago. These people practiced hunting, gathering and exchanging cultivation. Today, about 250,000 aborigines live on the island, most of them in the mountainous interior.

According to statistics released by the Ministry of the Interior, the population of the Republic of China (ROC) in Taiwan stood at 21.74 million as of December 1997. At 601 persons per square kilometer, the population density of the Taiwan area was the second highest in the world after Bangladesh. The Taiwanese people can be further divided into two main groups. The largest group is made up of the Hokkien, also called the Fujianese or Fukienese. They came primarily from Fujian Province and speak a form of the Min dialect that is used there. The other major Taiwanese group consists of the Hakka, who migrated mainly from Guangdong Province and who speak their own dialect.

Penghu's long-time cultural assets, include a unique life-style that adapts to nature in harmony instead of undertaking full-scale development. Therefore, Penghu is maintained as a very basic and simple environment in which mankind copes with nature. Penghu's inhabitants have lived a very simple and sincere life. Most inhabitants in Penghu work in the fishing industry. Owing to a prosperous fishing industry, most males are fishermen. Europeans call Penghu the "Islands of the Fishermen".

Educational levels

Figure 4.1 shows that the average education of Penghu's residents is high school, but this is changing. Since 1995, Penghu Ocean College opened in Makung, the biggest city in Penghu, and now offers higher post-secondary education for Penghu's teenagers.

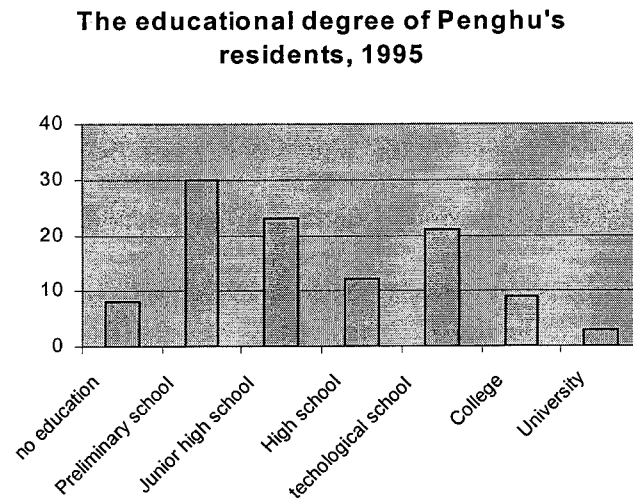


Figure 4.1. The educational degree of Penghu's residents from Penghu Government <Penghu Statistical Outline> Vol. 50, Penghu government, 1996, p. 310

Religion

The majority of Taiwan and Penghu's residents are believers in Chinese folk religion, which displays strong elements of local color. The Chinese folk religion has been significantly influenced by Buddhism and Taoism. Among the more widely-worshiped deities are Matsu, the patron saint of Chinese fishermen, and Ch'eng Huang, the city god. Other religions include Islam; the Bahai faith; I-Kuan-Tao, a synthesis of Confucianism, Buddhism, and Taoism. The common bond in these religions is the emphasis on cultivation of the moral self.

Tourism development

Exotic culture, breathtaking scenery, priceless art, the entire range of Chinese cuisine, and warm, hospitable people make Taiwan an excellent destination for tourists. With its convenient transportation, excellent hotels, and clean restaurants, travelers to the Republic of China (ROC) can thoroughly enjoy themselves in comfort while exploring the island's many attractions. In 1998, over 2.3 million people visited Taiwan. Japan still constituted the largest source of visitors that year, with 830,864 tourists or over 38 percent of the total number of inbound visitors. Tourists from the United States and Hong Kong remained Taiwan's second and third largest sources of visitors in 1998, with 332,281 and 279,905 respectively, as Figure 4.2 shows:

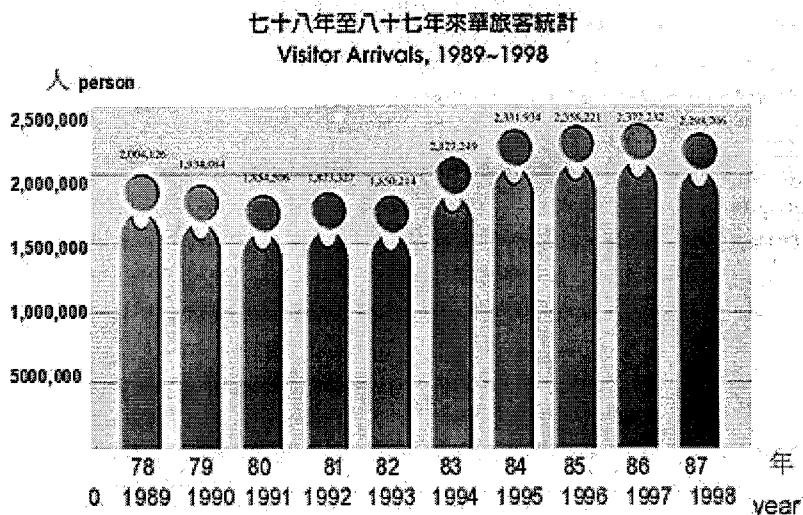


Figure 4.2. Taiwan Tourism Bureau <Tourists Statistical Outline>[on-line]. Available: <http://www.tboc.gov.tw>

Tourism is also the main industry in Penghu but primarily just for the summer time. Because Penghu is located in the Taiwan Straits, it is rich in natural ecology as well as in culture and history. In the past decade, because of its geographical environment, climate, cultural assets and natural resources, it has become one of the most popular recreational spots in the market of domestic tourism. The Penghu archipelago are like

pearls scattered in the Taiwan Straits, showing off its different scenery and faces in different seasons of the year.

Every year Penghu attracts many tourists. Most of them are from the main Taiwan Island. It takes 45 minutes from Taipei, which is the largest city of Taiwan, to Penghu, and 30 minutes from Kaohsiung, the second biggest city of Taiwan, to Penghu by flight. For people who live in Taiwan, the short flight is the main reason that visitors often arrange a short tour to Penghu on the weekend. According to Penghu's Government report, tourists visiting Penghu increase year by year. In 1998, the number of visitors was 1,882,488. Table 4.1 shows the number of tourists who visited Penghu from 1990 to 1995.

Table 4.1 The amount of tourists who visited Penghu

Year	The numbers of tourists this year	The numbers of tourists last year	Increase or Decrease	Percentage of increase rate
1990	1,869,526	1,777,812	91,714	5.16%
1991	1,841,283	1,869,526	-28,243	-1.51%
1992	1,868,861	1,841,283	27,578	1.50%
1993	1,930,621	1,868,861	61,760	3.30%
1994	1,935,600	1,930,621	4,979	0.26%
1995	2,086,085	1,935,600	150,485	7.77%

Note. Penghu Government <Penghu Statistical Outline> Vol. 50, Penghu government, 1996, p. 232

In the summer time, Penghu is blessed with uniquely clean waters. The endless blue ocean is made even more eye-catching with its golden sand beaches. Penghu has the most beautiful white sand beaches in Taiwan. Penghu is full of wonderful activities such as diving, surfing, bird watching or touring ancient relic sites. These tourism resources make the tourism development of Penghu very successful. However, Penghu experiences cold strong northeastern monsoons between October and April. The force strength of the winds is similar to a small typhoon. Hence, it is impossible to engage in any water activities or sports as commonly seen in the summer. As a result, the actual time for

Penghu to develop its tourism industry is only for the short summer time. It is reasonable to say that the outdoor recreational-life of Penghu residents depends greatly on the weather (Penghu Statistical outline, 1996).

Society

The vast majority of the ROC people in the Taiwan area now enjoy a greater quality of life than ever before. They have equal access to education, jobs, housing, medical care, travel, and political participation. This is the result of profound social and political changes accompanying the astounding economic success of recent years that has capped Taiwan's transformation over the past four decades from a traditional agricultural economy into a modern industrial entity. However, this restructuring of society has also given rise to new social ills, which have made life more hazardous in many ways, especially for disadvantaged groups.

Due to limited industrial development, the standard of living in Penghu is lower than that in Taiwan's main island. This difference has resulted in the exodus of Penghu's population to the main island. Compared with the total population of 103,175 in 1984, the population has decreased 10% for the last decade. Population outflow has been a serious problem for Penghu's society for a long time. The main reason for population outflow is its educational system. Most teenagers of Penghu want to move to Taiwan Island in order to seek a better quality life, job opportunity, or education. They would rather establish their life in Taiwan than stay in Penghu. Therefore, the average age of Penghu's residents is older than that of people living on Taiwan Island.

Considerations for Opening a Gaming Recreation District in Penghu

Since 1993, the Asian economic crisis has affected some Asian countries very negatively. These countries have tried many different ways to rebuild their economies. Taiwan also experienced the same situation as did the other Asian countries. Therefore, in 1995, some legislators proposed a “**Recreational-Gaming Act of outlying islands in Taiwan**”. They hoped to pass this **Act** in order to allow casinos to be built in the islands outside of Taiwan's main island. The legislators had good reasons for proposing this **Act**. First, the legislators wanted to improve the economy of island residents. Compared to Penghu, the people who live on Taiwan's main Island have a higher standard of living and are wealthier than the people who live in the islands. Penghu's inhabitants live a simplistic and contented life. The legislators believed that the tax and revenue brought in from a casino would improve Penghu's economy and the inhabitants' lives.

Second, because Penghu has been called the “Hawaii of Taiwan”, due to its fine beaches, the limpid waters, the spectacular basalt formations, and the rare and valuable historic sites, thousands of tourists have been attracted there every year. However, while having a greater potential for tourism development, the Penghu area is also characterized by a tourism demand that is unbalanced between the winter and summer seasons because of the strong winter monsoons. There is no tourism at all in the winter. Therefore, by opening a Gaming Recreation District in Penghu, this would attract tourists who could stay inside the casino and use other forms of indoor entertainment and recreation.

Third, since considering the development of a casino in one of the outlying islands of Taiwan, some legislators thought this could help to keep crime away from Taiwan's main island. For tourists, the only way to Penghu is by air or by ship. If, for

example, some problem gamblers committed crimes while they played in the casino in Penghu, the police could more easily apprehend them before they pass through customs.

Politically, the Taiwan Government is the final governing body which makes decisions for Penghu. However, while Taiwan and Penghu have some similarities, they also have major differences from a societal perspective. Penghu's people live a simple and sincere life while Taiwanese people live a more modern and fashionable life. Concerning the value of money, some people's perceptions who live in Penghu believe that they have a better understanding and respect for the value of money. They value all money that is earned. There are also slight differences between the appearances of Taiwan's and Penghu's residents. Penghu residents tend to abide by their history by dressing in simple clothing unlike their counterparts in Taiwan who dress in a very fashionable state. The Penghu language although the same, has an ethnic folklore to it giving it a slight twist as to how the Taiwanese speak.

The considerations for opening a Gaming Recreation District in Penghu for legislators are quite different both from a sociological view and a tourism expert's viewpoint. Given that the purpose of this study was to explore the potential impacts of gaming, the researcher provided information that would help the reader to understand the different lifestyles and characteristics of people who live in Penghu and Taiwan.

Summary

In this chapter, the researcher has provided general information about Taiwan and Penghu that has included location, the economy, people, educational levels, tourism development, and society overall. The people who live in Taiwan and Penghu seem to be very similar in many ways. Yet, they really have very different characteristics and

lifestyles. These differences are critical factors and could have significant cultural and social impacts upon the people should a Gaming Recreation District in Penghu be established.

Chapter five provides evidence surrounding the testimonies of ten expert Hospitality and Tourism professors who were selected to participate in this study. From the testimonies surrounding the primary research question, the researcher identified 25 key themes and patterns. These key themes and patterns helped with the final interpretation of this study.

CHAPTER FIVE

Interpretation of Participants' Testimonies and Secondary Data Resources

The purpose of this qualitative study was to more fully understand the positive and negative impacts of introducing casino gaming in Penghu. The perceptions of ten Taiwanese Hospitality and Tourism professors concerning the implementation of a Gaming Recreation District in Penghu were examined for a more in-depth perspective concerning the benefits/costs associated with gaming entertainment. The testimonies of these experts were examined for recurring patterns and themes.

In the interview process, each participant was asked the same primary interview question, "What's your educated opinion towards opening a Gaming Recreation District in Penghu?". Each of the participants was given forty to sixty minutes to express his/her own personal opinion and experience. The testimonies they provided were taped. The researcher utilized these tapes to review the content of the ten interviews. Then the 26 key themes and patterns emerged and were identified by the researcher.

All relevant gaming research became the secondary data of this study. This secondary data supported the information that was provided in the participants' testimonies. Therefore, the researcher utilized both the themes and patterns that emerged from the testimonies of primary participants and additional secondary data to interpret this study.

In a phenomenological study, Hycner (1985) noted that the first task of analyzing qualitative data is to clarify participants' own preconception of the phenomenon under study. He further explained "it means suspending as much as possible the researcher's meanings and interpretations and entering into the world of the unique individual who

was interviewed” (p. 28). In the process of carefully listening and reading the interview data, the researcher started to notice certain features and patterns and began to take notes. She derived categories and excerpted relevant portions. In addressing the concern for interpreting the most accurate description of the perspectives and opinions of the ten participants toward the primary research question, the researcher verified the interpretation of their testimonies by asking each participant if they agreed that the researcher had the correct meaning of the interview sessions. The researcher also scanned books and articles in an attempt to reinforce the data that was collected.

The Process of Coding

As Coffey (1996) noted, attaching codes to data and generating concepts have important functions in enabling the researcher to review rigorously what the interview data was saying. Miles and Huberman (1994) further stated that coding is a process that enables the researcher to identify meaningful data and set the stage for interpreting and drawing conclusions.

In Miles and Huberman’s (1994) study, they wrote:

Codes are categories. They are retrieval and organizing devices that allow the analyst to spot quickly, pull out, and then cluster all the segments relating to the particular question, hypothesis, concept, or theme. Clustering sets the stage for analysis” (p. 56).

The codes are not numbers. They consist of a few letters symbolizing the substance of the category. They are indicators of the content of a segment (Tesch, 1990). Tesch (1990) stated that “the purpose of coding is to aggregate all data about the same topic of theme, so that each category can be studied individually” (p. 91).

In the analysis process, the researcher constantly sought for configurations in the data to determine if certain pieces of data belonged together. These emerging analytic

notations were written down in the researcher's memos. From the written memos, the researcher began to identify an emergent theme, pattern, or description, and generated ideas for further data collection, as well as category modification.

In the process of coding, the researcher mixed the names of ten Hospitality and Tourism professors and utilized the letters A to J to code each participant. Since the testimony provided by each participant was recorded with a different tape, the researcher utilized these ten tapes to recall the interview content. In order to find the themes and patterns from each participant's testimonies, the researcher listened to the ten tapes several more times. Glassner and Loughlin (1987) wrote, "a methodology for listening is to be concerned with seeing the world from the perspective of our subjects" (p.37). The researcher coded each participant's testimonies into categories. In Tesch's (1990) study, he stated, "Categories or interpretive 'perspectives' have been tentatively identified during the beginning stages of the research project, and the researcher is able to 'formulate a more differentiated statement of the content' of the category" (p. 84). He further noted:

Once each category is properly characterized, the researcher finds out how frequent the occurrence of that 'perspective' is, how widely distributed it is, and how much.... The findings are presented as a set of statements about 'the necessary and sufficient conditions for the existence of some phenomenon'. Statements that some phenomenon is an 'important' or 'basic' element in the organization, or 'statement identifying a situation as an instance of some process or phenomenon described more abstractly in sociological theory' (p. 84).

As Coffey (1996) stated, many analyses of qualitative data begin with the identification of key themes and patterns. In this chapter, the researcher coded the testimonies provided by each participant. Coding the testimonies of participants with specific themes and patterns helped the researcher organize, manage, and retrieve the

most meaningful bit of interview data (Coffey, 1996). The researcher identified themes and patterns from the testimonies of the primary participants and also the secondary data, respectively. Those themes and patterns were developed according to participants' testimonies and also from the controversial issues discussed in relevant gaming research documents. As Coffey (1996) stated, themes and patterns not only establish links between data and concepts, they also can start to map out dimensions within conceptual categories and to establish superordinate links among concepts.

The researcher first read and immersed herself in the data, and listened and re-listened to the testimonies which were taped from each participant. The researcher achieved a sense of the whole as she developed each theme and pattern. The themes and patterns were re-stated by summarizing the participants' testimonies or transforming them into a more abstract language (Tesch, 1990). The researcher constantly went back and forth between data and isolated themes in order to achieve the most relevant wording of a theme. Tesch (1990) stated, "that is a description on the specific level or the concreteness of the one person's experience in contrast to a general description" (p. 93).

From Coding to Interpretations

The move from coding to interpretation has a number of discrete levels. Coffey (1996) wrote:

First, the coded data need to be retrieved, this essentially means that re-contextualized data need to be displayed in such a way that they can be read easily.... Second, the move from coding to interpretation involves playing with and exploring the codes and categories that were created, this leads to the transformation of the coded data into meaningful data and move toward generalizing and theorizing from the data.... At the end of the continuum are things such as noting patterns of themes, the counting of phenomena occurring from the data, and comparing and contrasting the data sets (pp. 46-47).

Concerning qualitative studies, Coffey (1996) wrote that “interpretation involves the transcendence of factual data and cautious analysis of what is to be made of them” (p 46). The point of phenomenological research is to borrow other people’s experiences and the reflections on their experiences to be able to come to a better understanding of the deeper meaning or significance of an aspect of human life, as Van Maanen (1983) noted. Once themes and patterns are identified, the data has to be interrogated and systematically explored to generate meaning (Delamont, 1992). The researcher interpreted the themes and patterns identified from the participants’ testimonies in order to seek in-depth meaning and the true perspectives of the Hospitality and Tourism professors, the primary participants in this study.

Interpretations of Themes and Patterns

The researcher selected ten Hospitality and Tourism professors as the primary participants of this study. All of them have a relevant Hospitality or Tourism educational background. Three of the professors had conducted a gaming project for the Taiwan Tourism Bureau. In the process of organizing whole testimonies, the researcher found that most of these ten participants focused on very specific gaming impacts or else they were more concerned about local residents’ lives on the Island of Penghu.

The testimonies provided by the ten participants showed their perspectives and concerns toward opening a Gaming Recreation District in Penghu. Therefore, as noted in Table 5.1, the researcher identified 26 key themes and patterns from the testimonies and categorized them. These themes and patterns are listed in Table 5.1:

Table 5.1. Key themes and patterns from ten primary participants

Positive/Benefits

Economic

Expanded employment opportunities
Significant increase in Tax revenues
Tourism Revenue
Small Business development (gift shops, restaurants, hotels)
Increased disposable income for local residents
Local infrastructure development
Penghu prosperity

Social

Legalized Gaming
Recreation/entertainment
Decrease population outflow

Negative/Costs

Economic

Environmental pollution (air, water, traffic)
Monopoly and cannibalization (forces local enterprises to be absorbed by the casino establishment)
Inflation (real estate and cost of living)
Industry structure change

Social and Cultural

Taiwan government doesn't enforce regulations/laws strictly
Political Darkness (corruption, bribery)
Taiwanese behavior and lack of not observing laws
Mafia control
Higher crime rate
Destruction of cultural resources
Local residents' life patterns change
Morality change
Divorce
Gaming addiction
Prostitution

In this study, the researcher utilized a lot of relevant information and research about casino gaming and incorporated this as the secondary data for this study. Secondary data are provided to support the participants' testimonies. The nineteen key themes and patterns that emerged from the secondary data and resources are identified in Table 5.2:

Table 5.2. Key themes and patterns from secondary data

Positive/Benefits

Economic

Expanded employment opportunities
 Significant increase in Tax revenues
 Tourism Revenue
 Small Business development (gift shops, restaurants, hotels)
 Urban development

Social

Legalized Gaming
 Recreation/entertainment

Negative/Costs

Economic

Monopoly and cannibalization
 Social services
 Lost job/productivity
 Prison

Social

General social costs
 Higher crime rate
 Organized crime
 Divorce
 Suicide
 Abuse and neglect
 Ethical implication
 Gaming addiction

Tables 5.1 and 5.2 represent the themes and patterns that emerged from the testimonies of the primary participants and secondary resources. The key themes and patterns identified from the primary participants and secondary data are different in some ways because of cultural differences. In Taiwan, there are no casinos at the present time. The ten participants provided their perspectives of gaming based on their own experiences and educational backgrounds. The researcher also was provided with key information about Penghu society and culture from two secondary participants who were currently enrolled at the University of Wisconsin-Stout. Both of the secondary participants were from Penghu. They provided the researcher with information about the real life conditions and environment of Penghu. This helped to increase the validity of the study through the process of triangulation.

Valuable secondary data was also obtained and studied about the existing gaming industry in the United States. In the state of Nevada alone, the gaming industry has existed more than 40 years and so, many relevant journal articles and studies of gaming effects have already been done. Table 5.3 reveals the themes and patterns both positive and negative, that were identified from the testimonies of the primary participants as well as that which emerged from the secondary data. The frequency in which these themes and patterns emerged is also noted.

Table 5.3. Key themes and patterns from participants' testimonies and secondary data

Themes and patterns	Primary participants	Secondary data and participants
<u>Positive/Benefits</u>		
<u>Economic</u>		
Expanded employment opportunities	A, B, C, D, E, H, I,	✓

(continues)

TABLE 5.3. (continued)

Themes and patterns	Primary participants	Secondary data and participants
Increased disposable income for local residents	D, H, I,	✓
Local infrastructure development	A, C, E, I,	✓
Penghu prosperity	C, D, E, H	
Tourism Revenue	B, D, E, H, I,	✓
Significant increase in Tax revenues	A, C, I,	✓
Small Business development (gift shops, restaurants, hotels)	E, D, H	✓
Urban development		✓
<u>Social</u>		
Decrease population outflow	A, B, C, D, E, H, I,	
Legalized Gaming	B, C, D, E, H,	✓
Recreation/entertainment	B, D, E, H	✓
<u>Negative/Costs</u>		
<u>Economic</u>		
Environmental pollution (air, water, traffic)	E, G, J	✓
Inflation (real estate and cost of living)	F, J	
Industry structure change	I	
Monopoly and cannibalization (forces local enterprises to be absorbed by the casino establishment)	F, G, I, J	✓
<u>Social and Cultural</u>		
Abuse and neglect		✓
Destruction of cultural resources	A, E, F, I, J	
Divorce	A, F,	✓
Gaming addiction	E, F	✓
Higher crime rate	A, B, C, E, F, G, I, J	✓
Local residents' life patterns change	A, C, I,	

TABLE 5.3. (continued)

Themes and patterns	Primary participants	Secondary data and participants
Morality change	F, I, J	
Organized crime	A, E, F, G, J	✓
Prostitution	C, F	
Political Darkness (corruption, bribery)	C, F, G, H, I, J	
Suicide	F	✓
Taiwanese behavior and lack of not observing laws	A, B, C, E, F, G, H, I, J	
Taiwan government doesn't enforce regulations/laws strictly	B, C, E, F, G, H, I, J	

Table 5.3 summarized the twenty-nine key economic and social themes and patterns as gleaned from the primary participants and secondary data. These are sorted into positive and negative categories. The researcher identified these themes and patterns by interpreting the underlying meaning of the participants' testimonies. These themes and patterns are discussed next.

Positive Economic Aspects of Gaming

Expanded employment opportunities

Concerning the economic aspects of gaming, seven of the ten participants (**A, B, C, D, E, H, and I**) talked about how the gaming industry would expand employment opportunities. Participant **I** stated that, "a casino could offer a lot of jobs, such as waiters or waitresses, dealers and other low level jobs for local residents."

In the secondary data, most of the relevant research concerning the economics of gaming revealed that out of all the benefits contributed by the gaming industry, one was increased job opportunities. From the most recent gaming research, one study found that the 19 largest casinos on the Las Vegas Strip employed 34.5 percent of the state's gaming employees in 1996 (Bybee, 1996). A study conducted by the UNLV International

Gaming Institute (1998) also found that the gaming industry created jobs and reduced levels of unemployment. Between 1989 and 1997, the number of employees increased from 580,000 to 888,000.

Increased disposable income

Three of the ten participants (**D**, **H**, and **I**) thought that the gaming industry could increase disposable income for the local residents of Penghu, and seven didn't mention this. Participant **D** responded to the primary research question by saying that the introduction of the gaming industry could increase the wages and salaries for Penghu's residents. **D** kept saying that, "most of Penghu's residents rely on the fishing industry. The fishing industry depends heavily upon weather conditions. This phenomena causes the income of Penghu's residents to be very unstable, especially in winter, when the Northeast monsoons occur. The fishermen can only go fishing for a few days out of several months." Therefore, it was believed that the introduction of the gaming industry could contribute to the growth of small businesses, such as gift shops, restaurants and car rentals. This could increase disposable income for local residents. Most of the secondary data sources also indicated that the gaming industry would increase employment opportunities. This would also lead to increased wages and incomes for local residents.

Local infrastructure development

Summarizing the results from Table 5.3, four of the ten participants (**A**, **C**, **E**, and **I**) discussed the need to develop the local infrastructure sufficiently enough to support the opening of a gaming industry. Specifically, participant **C** indicated that the gaming industry would improve the infrastructure development on the island of Penghu. This would include an international airport, highway, and harbors. Participant **C**'s educational

background was geography. **C** thought that Penghu would become more prosperous after opening a Gaming Recreation District, and because there would be more and more tourists going to Penghu, Penghu's infrastructure would have to be improved or constructed to meet the needs of the tourism market. Participant **C** further mentioned that Penghu's national airport would have to become an international airport to service more flights, and the harbor would no longer be just for cargo, but also for tourists. Penghu's air and ship services are very important to its tourism market. Tourists could either take an airplane or a ship back and forth between Taiwan and Penghu. Participant **E** also indicated that the introduction of the gaming industry could modernize Penghu.

In the secondary data, most of the relevant studies cited Atlantic City as an example for improved infrastructure. The studies focused on how Atlantic City reinvested casino revenue to develop local infrastructure and healthy insurance projects.

Penghu's prosperity

Four of the ten participants (**C**, **D**, **E**, and **H**) mentioned that Penghu would become prosperous after introducing a gaming industry. More and more people would come to Penghu because of the attraction of casinos. Currently, Penghu's tourism industry is very successful. However, this is only true in the summer months. In winter, few people plan trips to Penghu. Therefore, the introduction of a gaming industry could modernize Penghu. Penghu could conceivably enjoy more prosperity after opening a Gaming Recreation District.

Tourism revenue

The introduction of a gaming industry could stimulate the tourism market; five participants (**B**, **D**, **E**, **H**, and **I**) agreed with this statement. Penghu is blessed with

uniquely clean waters. The endless blue ocean is made even more eye-catching by the golden sand beaches. It has the most beautiful beaches in all of Taiwan, with its beautiful white sands. Also, Penghu has very valuable cultural resources, such as the oldest Ma-Tsu temple which is located on the island of Penghu. Penghu is an island which is full of wonderful tourism activities such as diving, surfing, bird watching or touring ancient relic sites. Participants **B, D, E, H, and I** all thought Penghu had very good tourism resources. However, because of the Northeast monsoons during the winter, the motivation of tourists to visit Penghu is decreased. After opening a Gaming Recreation District in Penghu, most tourists would be motivated to visit Penghu to gamble, and these same tourists could stay in the casino all day long for indoor recreation. The Northeast monsoons would no longer have any influence on Penghu's tourism market.

In the secondary data, many studies emphasized that the gaming industry has a strong relationship with tourism. There are more and more communities and states that use casinos as a tool to develop their tourism. As Eadington (1999) stated, many casino jurisdictions were authorized for the explicit purpose of revitalizing a declining tourism industry or acting as a catalyst that would bring about substantial tourism development. Eadington (1999) further noted that the Las Vegas Strip resorts and Las Vegas itself have become well known for their spectacular entertainment productions, upscale retail shopping areas, substantial convention facilities, unique animal attractions, a variety of simulation and thrill rides, museums, and world class fine dining restaurants. This brings \$22 billion to the Las Vegas economy by tourists (Thompson, 1998).

Significant increase in Tax revenues

In the ten interview sessions, three of the ten participants (A, C, and I) thought that tax revenue was one of the positive impacts of the gaming industry. Because of differences in the tax structure between Taiwan and the United States, seven of the ten participants didn't even mention it. All three participants (A, C, and I) had been involved in conducting research surrounding gaming for the Taiwan Tourism Bureau. They had reviewed several gaming studies as documented in the United States before they produced the gaming research data for the Taiwan Tourism Bureau. Participant A indicated that if a Gaming Recreation District was introduced in Penghu, the Taiwan government could levy a tax from each of the casino establishment's gross gaming revenues, and tax could become an important revenue for the Taiwan Government, much like the U.S Government.

From the secondary data, many gaming studies pointed out that local and state governments typically profit from gaming development by taxing casino businesses to raise funds that both help the increased costs of governing while contributing to funding a social good, such as historic preservation or education. As an example of analyzing ten years of data from Atlantic City in Harrison's (1992) study, "the casino industry generates 21 percent of the direct income, 28 percent of the direct employment, and 33 percent of the local property taxes, as well as contributing 7 percent of the state's taxes" (p. 113). A study by Prum and Bybee (1999) pointed out that state gaming taxes and fees totaled \$570 million, or 26.5 percent of all state owned source revenues in the state of Nevada in 1997.

Small businesses development

Three of the ten participants (E, D, and H) agreed that the gaming industry could help the development of small businesses, such as gift shops, restaurants, and hotels. Participant H had taught Hospitality industry courses for several years. H had a strong industry and educational background in restaurant and hotel management. Participant H stated that, “For sure the gaming industry could help the development of small businesses, especially restaurants and hotels.” H further stated that, “since more and more tourists come to Penghu, more variety theme-restaurants needed to be provided as a choice for the customers.” Participant E also had the same educational background as H. E stated, “I have noticed the development of the hospitality industry in Las Vegas for a couple of years. The conclusion is that the gaming industry would bring tourists to the city and create new markets for small businesses.”

In the secondary data, some studies also pointed out that casinos do promote growth in some industries, mainly construction, transportation, communications, and public services (Browne and Kubasek, 1997). Some studies also found that whether the tourism industry and food service or retail businesses experienced growth seemed to depend on the average duration of most gamblers’ stay in the casinos. Also, if the area was geographically isolated like Las Vegas or Reno, gamblers may visit with their families. They are then likely to spend more time in the city, and they are more likely to spend time outside of the casinos in local restaurants and shops.

Urban development

None of the ten participants mentioned that the gaming industry could help with the redevelopment of an urban city, because Taiwan’s territory was too small. But in the

secondary data, most studies cited Atlantic City as an example of urban development.

Rudd (1999) stated that,

The resurrection of Atlantic City by the inception of casino gaming twenty years ago was a slow process.... The unique tool of urban development has pumped billions of dollars into New Jersey's economy, generating billions in new tax revenue and creating more jobs than the city had residents (p. 215).

Today, Atlantic City has an agency responsible for urban development – the Urban Redevelopment Agency (URA). According to state regulations, casinos are required to reinvest a percentage of their profits into housing and economic development projects in Atlantic City. As Shea (1997) stated, Atlantic City has demolished one abandoned building every three days for the past seven years.

Positive Social Aspects of Gaming

Decreased population outflow

Seven of the ten participants (**A, B, C, D, E, H, and I**) mentioned that the increased job opportunities would improve Penghu's population outflow. As noted in Chapter four which introduced the setting and society of Penghu, the most serious social problem in Penghu was population outflow. More and more teenagers and residents move to Taiwan seeking a better education and standard of living. Most residents who live in Penghu today are either very old or very young; this is not a good social structure. Specifically, participant **B** stated that, "the gaming industry could offer a lot of job opportunities for local residents, that's for sure." **B** further stated that, "today, Penghu has this serious problem of population outflow, that's because Penghu doesn't have a lot of job opportunities to offer local young people. If the young people want to make money, they need to have a job. In Taiwan's main Island, there were more job opportunities than

Penghu, therefore, few young people want to stay in Penghu and live by the fishing work.”

The researcher discovered that the same seven of the ten participants (**A, B, C, D, E, H, and I**) were concerned with “Expanded employment opportunities” and “Decrease population outflow” as noted in Table 5.3. All of them thought that a Gaming Recreation District in Penghu would expand employment opportunities for local people, and that more young people could get jobs in Penghu. Because this is a very special social situation for Penghu, there was no secondary data available regarding this point.

Legalized gaming

Five of the ten participants (**B, C, D, E, and H**) discussed aspects of legalized gaming. According to participant **H**, “ the reason why the Taiwan government chose Penghu to open a Gaming Recreation District was that it would be easy to control.” **H** stated that, “once the gaming in this District was legalized, it would be easy for the Taiwan Government to legislate the regulation and control of all casino establishments.” Participant **B** had a slightly different viewpoint about legalizing gaming. **B** stated that, “Today, there is a lot of illegal gaming in Taiwan’s society. Since so many people try to find a way to gamble, why not give them a legal place to do so?”

In the secondary data, concerning legalized gaming in the United States, Moran (1997) wrote:

In 1993, horse racing was legal in thirty-three states. Dog racing was legitimate in fourteen states. Riverboat gaming was legal in six states and about a dozen others were considering legalization. Thirty-seven states and the District of Columbia were operating lotteries. Jai alai wagering had been legalized not only in Florida but in states like Connecticut and Rhode Island. Legalized wagering on sporting events has spread from Nevada to Montana, Washington, and Delaware. Bingo was legal in forty-six states. Casino gaming thrived in settings as disparate as the ostentatious casinos of Las Vegas and Atlantic City to the small town atmosphere

of Deadwood, South Dakota. Finally, there were the various gaming enterprises operated by native Americans. Indians have used their “sovereign nation” legal status to offer legalized gaming. Seventy-three tribes in nineteen states offered casino gaming on their reservations, and bingo games were in operation on more than 100 other reservations. Only Hawaii and Utah prohibited gaming (pp. 98-99).

Recreation/entertainment

Four of the ten participants (**B**, **D**, **E**, and **H**) thought that gaming could become another form of recreation and entertainment of life. Participant **D** was the only one who emphasized the function of legalized gaming. **D** indicated that, “gaming has multiple functions. The Taiwanese should consider gaming as part of one’s recreation or leisure life.” **D** kept explaining, “in the future, casino establishments would combine all recreation activities, such as indoor pools, spas, even theme parks. It could become a very good family activity to visit a casino.” Participant **B**’s viewpoint was very similar to participant **D**’s. **B** stated that, “whether gaming is a vice or not depends on whether the Taiwanese regard it as a normal activity.” **B** further stated that “if the Taiwanese regarded gaming as a form of leisure activity, it wouldn’t have bad impacts on society. In contrast, there would be one more form of leisure activity for the Taiwanese to release their working pressures.

In the secondary data, as Eadinton (1999) stated, the gaming industry is noticeably present in the leisure economies of countries all over the world. Today, casino gaming promotes itself as a form of entertainment. One study found that compared to some other types of entertainment, casinos ranked second in the number of visits, 125 million per year, behind theme parks with 146 million visits (Underwood, 1996).

Negative Economic Costs of Gaming

Environmental pollution

There were three participants (E, G, and J) who indicated that the gaming industry would cause environmental pollution. Seven participants didn't even mention this, even though pollution is a very serious problem in Taiwan. Participant G was the one who was more concerned about Taiwan's environmental and political problems. According to G, "Taiwan has been seriously polluted. If compared to Taiwan, Penghu is a pure and clean place. But if a Gaming Recreation District were introduced in Penghu, this would cause serious environmental pollution problems like those in Taiwan. For example, since more tourists would visit Penghu, traffic would be congested on the highways and would make a lot of noise." Participant J also mentioned this. J thought that Penghu should be developed for substantial tourism. J thought that opening a Gaming Recreation District in Penghu was not a good idea. J stated that, "there are a lot of cultural and natural tourism resources on this island. After introducing a gaming industry, it would destroy Penghu's environment. The Traffic increase would be extremely overwhelming to transportation departments, police forces, and emergency service providers. They need to upgrade the services to accommodate the increase in needs. Also, the cost of road-widening and improvement projects, highway maintenance, police patrols, and ambulance operations would become a very large portion of Penghu's budget once gaming was established in a locale."

In the secondary data, there were not many studies which focused on the pollution issue surrounding the gaming industry. One study conducted by Stokowski (1999) pointed out that the earliest and most visible impact of casino gaming development is an

increase in traffic volume moving through a community and casino area. For example, Stokowski (1996) wrote, "In Colorado, traffic volume on the main state highway leading into the gaming towns of Black Hawk and Central City rose nearly 400 percent from 1990 to 1995" (p. 237).

Inflation (high cost of living)

There were only two participants (F, and J) who discussed negative economic aspects of gaming. They were concerned that the cost of living to Penghu's local residents would become higher than before. Participant F explained this viewpoint by stating "since the casino establishments would make profit, it is not hard to imagine that everything would become more expensive than before." Further, F pointed out that everything in Taiwan's tourist attractions such as souvenirs, food, and clothes were more expensive than in other places. Some bad businessmen would probably raise prices on their products to make more profits. This would cause Penghu's economic inflation to rise so that Penghu's local residents probably would find it harder to afford their basic cost of living.

Industry structure change

Nine of the ten participants didn't mention this. Participant I is the only one who mentioned that the industry structure of Penghu would be changed after introducing a casino establishment. I stated that, "we all know that Penghu's residents rely heavily on the fishing industry. Over 60 percent of Penghu's residents are fishermen. If the Gaming Recreation District were introduced in Penghu, a lot of Penghu's local residents would give up their fishing and go to apply for a job in the casino industry." Today, the fishing

industry of Penghu is very important to Taiwan. This change of industry structure would have big effects on Taiwan's economy.

There was no secondary data available regarding industry structure change.

Monopoly and cannibalization

It is possible that when a new industry comes in that they tend to dominate as the main enterprise and weaken the economic structure of existing local businesses. Four of the ten participants (F, G, I and J) discussed the prospects of monopoly and cannibalization. They didn't agree that the gaming industry would benefit other small businesses. In contrast, they thought that monopoly and cannibalization would import to small businesses. Specifically, participant F stated that, "some people thought that the gaming industry would benefit small businesses, such as restaurants and hotels. Actually it is not the fact." F further stated, "Take Las Vegas as an example, the casino establishments would combine not only lodging and food, but also recreation facilities. When the tourists play in these casinos, they won't go to other places because casinos offer them the cheapest hotel, the cheapest buffet meals, and free recreational facilities. Tourists could stay at the hotel all day long. How could this benefit the small businesses outside the casino?" Participant G mentioned that the small businesses outside the casinos would likely have to close their stores after the opening of a new casino.

In the secondary data, some anti-gaming studies revealed that the gaming industry could cause cannibalization. Gazel (1998) explained that cannibalization is not restricted to gaming activities. Cannibalization refers to the reduction of economic activity of other businesses when a new firm comes to a community, resulting in shifts in local residents' expenditures from previously operating businesses to the new one. In the case of a casino,

local patrons may shift their expenditures away from local businesses, such as restaurants and movie theaters. These cannibalization effects can be substantially large.

Social and Cultural Aspects of Gaming

Abuse and neglect

None of the ten participants mentioned this theme and pattern. But according to the secondary data, a study conducted by the NGISC (National Gaming Impact Study Commission) found that children of pathological gamblers are also often prone to suffer abuse and neglect (Saul, 1997). There were some cases in which parents or a caretaker locked children in cars for an extended period of time while they gambled. One violence study showed that a shelter in Mississippi reported a 300 percent increase in the number of requests for domestic abuse intervention after the arrival of casinos (Caine, 1998).

Destruction of cultural resources

Five of the ten participants (A, E, F, I and J) were concerned about the cultural resources of Penghu. According to Chinese history, the development of Penghu Archipelago occurred earlier than in Taiwan. Penghu was the initial place to get in touch with the culture and custom of Taiwanese ancestors. Therefore, there are a lot of precious cultural resources in Penghu. This includes the oldest Ma-Chu temple. Participant A thought that retaining the cultural resources was more important than developing a fashionable casino establishment. The educational background of participant A was recreation, leisure and park services. A indicated that, "the cultural resources in Penghu were very amazing and precious. This presents the life of our ancestors, and the history of Taiwan. After the introduction of a gaming industry, most people would neglect the cultural resources of Penghu." A further stated that, "today, Penghu successfully develops

cultural tour packages for tourists to visit some historic places. However, after opening a Gaming Recreation District there, the main motivation for tourists to visit Penghu would change to have fun or gamble in casinos."

There were no relevant research documents available to include as secondary data.

Divorce

Only two of the ten participants (A, and F) were concerned that divorce would become a potential social problem after introducing casino gaming, Eight of the ten participants didn't mention this. Participants A and F's attitudes were obviously against introducing a gaming industry in Penghu. They were more concerned about the potential social impacts of gaming. Both A and F thought that gaming would cause a lot of broken families in Taiwan's society. Participant F indicated that the divorce rate would become higher after the introduction of a gaming industry. Participant A also stated that the divorce rate in Taiwan was very high based upon gaming research that was conducted for the Taiwan Tourism Bureau. The studies found that pathological gamblers were more likely to divorce than non-gamblers. Participant F stated that, "if Taiwan has a casino establishment in Penghu, most people would be very interested in it. The Taiwanese are likely to have more pathological gamblers than in the United States. The husband or wife who has a pathological gaming problem would put their family priorities behind gaming. They would put more time in gaming because they would want to become rich. Therefore, that would cause many couples to divorce."

The secondary data also revealed that 53.5 percent of identified pathological gamblers reported having been divorced. That is because many families of pathological

gamblers suffer from a variety of financial, physical, and emotional problems. Thus, pathological gaming introduced a heightened level of stress and tension on marriage and families, often culminating in divorce and other manifestations of familial disharmony (NRC, 1998).

Gaming addiction

Participants **E** and **F** were the only two who discussed gaming addiction among the ten participants. **F** pointed out that the nature of the Taiwanese to gamble was strong whether gaming was legal or illegal. According to **F**, “ the Taiwanese always find ways to gamble.” This means that the Taiwanese will easily be addicted to gaming.

In the secondary data, more than 1 million adolescents might already be addicted to gaming. The study also pointed out that the social costs of pathological gaming were excessive. There is evidence that as gaming becomes available in a convenient way, the incidence of problems and pathological gaming is likely to increase (Gazel, 1998). It is important to understand that gaming addiction is just as real, and its consequences just as tragic, as drug or alcohol abuse.

High crime rate

Almost all the participants of this study thought that a gaming industry would heighten the crime rate in Penghu. Eight of the ten participants (**A**, **B**, **C**, **E**, **F**, **G**, **I**, and **J**) mentioned that a gaming industry would cause a high crime rate. During the process of the interview session, when participants (**A**, **B**, **C**, **E**, **F**, **G**, **I**, and **J**) talked about the social impacts of gaming, the first thing they talked about was high crime rate. Participant **G** was very concerned about Taiwan’s society. **G** emphasized political and society issues. According to **G**, “the Taiwanese people would agree that the security of Taiwan’s society

was very bad. What if the gaming industry were opening in Penghu, the security of Taiwan's society would become worse than before." Most of the participants also mentioned that the security of Taiwan's society was very bad.

Most secondary data indicated that crime was one negative impact of gaming. Many research studies focused primarily on crime issues. According to Ochrym (1990):

Only recently have researchers begun to study the "causes" of crime in tourist destinations, particularly in those areas which offer casino gaming.... Casino gaming is a catalyst for tourism and one of the social consequences of tourism is increased crime (p. 27).

Ochrym (1990) further noted that tourist destinations have higher average crime rates than urban centers without major tourist attractions. Policymakers should consider both tourism and crime as consequences to the legalization of gaming.

Local residents' life patterns

Three of the ten participants (A, C, and I) were concerned about the life patterns of local residents. Specifically, participant I described the current life of Penghu's residents. Having gone to Penghu several times to conduct the gaming research project for Taiwan's Tourism Bureau, I stated that, "Penghu's local residents really live a very simple and sincere life. When I went there, the shop street was silent after 9:00 p.m. Most of the shops or stores in Taiwan are open 24 hours or they close at 11:00 p.m. Even after 10:00 pm at night, you can still see many people around the streets. However, this is quite different from Penghu. Penghu's residents go to bed very early, and they get up very early, unlike Taiwan's main Island where there is a lot of night entertainment or places to go. They really live a very simple and sincere life. In Penghu, most male residents are fishermen. They go fishing very early in the morning, and female residents take care of their family or farms." I further stated that, "today, the Taiwan Government wants to

open a Gaming Recreation District in Penghu. The politicians won't think about how that could change local residents' life patterns, they just care about profits contributed from casino gaming." Participant C also indicated that, "the gaming industry would change local residents' lives a lot. Casinos are open 24 hours to provide night entertainment for tourists. Penghu will have all night parties. The residents who work in the casino can not go to bed early and get up early anymore. They will need to work at night and go to bed in the morning. This could change their lifestyle a lot".

There are no relevant studies to consider as secondary data.

Organized Crime

Four of the ten participants (A, E, F, G, and J) thought that the issue of operating casinos would cause organized crime in the future. Participant F explained the reason for this by indicating that, "the establishment of a casino would need a large amount of money. The Taiwan Government could not offer all the capital so the Taiwan Government would have to announce opportunities for public investment to establish casinos." According to F, "the Mafia or illegal organizations have a lot of illegal money to operate. They know the gaming industry could make a lot of profit for them, so they would invest the money in it. In the future, then, most casino establishments would be controlled by Mafia or illegal organizations." The consequence of this situation is that the security of Taiwan's society becomes worse and worse."

According to secondary data, organized crime is one of the negative impacts of gaming in the United States. Congress instituted Prohibition which outlawed the manufacture, transportation, sale of alcoholic liquors in the United States in 1930. However, it could not curb Americans' appetite for alcohol. With its potential for huge

profits, the sale of alcohol became the domain of the underground world of “gangsters,” a popular name for criminals. Subsequently, organized crime moved on to other profitable and illicit activities such as gaming. Most illegal slot machines and walk-in bookie joints still exist today as well as floating card and “crap” games.

Morality change

Three of the ten participants (F, I, and J) were concerned that the morality of local residents would change when opening a Gaming Recreation District in Penghu. Seven didn't talk about this. The educational background of participant F was leisure studies. F conducted a lot of research studies as a sociologist. According to participant F, “Confucius’ thoughts affected Chinese morality a lot. The morality of the Taiwanese would become worse and worse after the introduction of gaming.” F used an example to explain that viewpoint; for example, Penghu’s local residents have a very simple and sincere life today. They work very hard to support their families and raise their kids. They regard families as the heart of life. However, after opening a casino, more and more people wouldn’t want to work hard any more. More local residents would like to take a chance to win easy money. They won’t much care about their family because they would spend more time in casinos. The value of money would also change. This is also the reason why the gaming industry would cause many broken families.

There were no relevant studies to review for secondary data information.

Prostitution

Eight of the ten participants didn't mention prostitution as a potential problem. Only two participants (C, and F) mentioned that prostitution was also a controversial issue associated with gaming. Participant F published several anti-gaming articles in the

newspaper. In one article, **F** wrote, “gaming and prostitution are always together. The gaming industry would lead the way for the prostitution industry or you can say that prostitution is a byproduct of gaming”

In the secondary data, the studies showed that both Macau and Las Vegas successfully developed a gaming industry and prostitution which is legal there. Tourists are legally allowed to engage in prostitution. However, the prostitutes are forced to participate in health therapy every year.

Political darkness

Over half of the ten participants didn't think that Taiwan's political position was clear enough. Six participants (**C**, **F**, **G**, **H**, **I**, and **J**) thought that Taiwan's political corruption was a very serious problem. Participant **G** indicated that politicians and government officials often took advantage of their political position. They were easily bribed by profitable organizations. Some organizations would use money to bribe these politicians and officials in order to relax specific regulations. Participant **G** was the only one who really emphasized Taiwan's political darkness. Among these participants, Participant **H** supported the development of a gaming industry in Penghu, however, when **H** talked about politics, **H** said, “I must admit that the gaming industry could have some negative impacts on society. But I believe that if Taiwan's Government could have complete regulations to manage casinos, it would minimize the bad effects on our society.”

No relevant data was available as secondary data.

Suicide

Nine of the ten participants didn't mention suicide. Participant **F** was the only individual who was concerned about suicide. **F** stated that, “the gaming industry would cause a lot of broken families as well as suicides.” **F** further explained, “try to imagine this, if casinos were introduced in Penghu, the possibility for the Taiwanese to become pathological gamblers is more likely than white Americans. When someone in Penghu has a gaming problem, he/she can not get help to stop gaming. Eventually, he/she loses everything. When a problem gambler walks out of the casino, he/she would have no money to offer his/her family. And if that person also lost his/her job, he/she could not face his/her family anymore. Very often the only way a person solves this problem is by committing suicide.”

In the secondary data, a study published in a Las Vegas local newspaper (“Gaming linked to suicide”, 1997) pointed out that cities such as Las Vegas, Atlantic City, and Reno have higher suicide rates by both residents and visitors than comparably sized cities without gaming. Las Vegas had the highest suicide rate in the nation – 497 suicides in 1990. The study stated that, visitors’ suicide rates were also the highest in Las Vegas. One out of every twenty-five visitors’ deaths was reported as suicide.

Taiwanese behavior and lack of not observing laws

Almost ten participants referred to the Taiwanese people and their lack of observing laws. Nine of the ten participants (**A, B, C, E, F, G, H, I, and J**) mentioned this. Participant **B** used an example to explain this. **B** stated that, “compared to Americans, the Taiwanese really have bad behavior and a lack of observing the laws. The stop sign can be the best example to explain this. When Americans see a stop sign, they

would come to a full stop in front of the stop sign, even if there was no car or people passing by. However, this is impossible for the Taiwanese. Only when they see a police car stopped near by will they obey the law.” Participant **E** said that because the nature of Taiwanese and their lack of observing the regulations/laws, there would be a lot of cheating happening in casinos.

Taiwan Government doesn’t enforce regulations/laws strictly

There were eight of the ten participants (**B, C, E, F, G, H, I, and J**) who mentioned that the Taiwan Government doesn’t enforce regulations/laws strictly. As participant **G** stated, “most officials and politicians care about their own profits, they are easy to be bribed by private organizations to relax the regulations/laws for them.” Participant **C** recalled the time when students were taken to Las Vegas for a field trip. “Before you entered the casino, the security personnel would ask everyone to show their ID to prove and make sure that they were over the legal age to gamble. If Taiwan has casinos, the owner of the casino would want more customers to gamble, so the security personnel may not check the age strictly. This would cause a lot of underage gaming to occur in Taiwan’s society.”

Outlier of this study

After reviewing all the testimonies of the ten participants, the researcher discovered that participant **F**’s testimony was essentially the outlier of this study. Borg and Gall (1989) defined outlier as “a research subject whose scores differ remarkably from the general pattern established by other subjects in the sample” (p. 368). In this study, participant **F** could be considered as an outlier from a qualitative study perspective, because the testimony was so unique and different from that of other

participants. Participant F's educational background was leisure studies. F conducted a lot of research on crime and illegal gaming and published the results of that research in the newspaper to suggest to the public and government officials that casino gaming should be totally prohibited. From Table 5.3, participant F didn't appear in any column of positive themes and patterns. In F's testimony, all themes and patterns were identified under the negative impacts of gaming.

Summary of the Interpretation

In interpreting the testimonies of the ten participants, the researcher found that every participant, except for participant F (who is the outlier of this study), thought that a gaming industry would have both positive and negative impacts on either the economics or society of the country in general. Some of them emphasized the political aspects of gaming while some emphasized the social or economic aspects of gaming. Many participants were also concerned about Penghu's local residents' lives. Of the ten participants in this study, three of them supported having a gaming industry in Penghu, and seven of them were against the opening of a Gaming Recreation District in Penghu, even though eight out of the ten participants had been to casinos and had good experiences. They admitted that they enjoyed casino gaming in the United States, but they didn't want to have one in Taiwan. Their reasons were that Taiwan was a very small country, and the United States has a huge territory. The impacts of gaming would be more serious or widespread in Taiwan because of this. Six of the ten participants who concluded in their testimonies that they would agree to have casinos if the Taiwan government could develop good regulations to manage a gaming industry.

Secondary Data Resources of the Study

The researcher reviewed well-written research studies as part of the secondary data in this study. This included journal articles which debated the positive and negative impacts of gaming in the United States. Some studies included research which had been conducted by the Taiwan Government and educational institutions. One study examined the perspectives of 1112 Taiwanese residents with 46.22% of the population sample believing that a gaming industry would have more negative impacts on Taiwan's society than positive impacts (29.95%). Over ten percent of the sample had no idea or no opinion, and 13.31% thought that a gaming industry would change nothing (see Figure 5.1). In other words, most Taiwanese residents in the sample thought that the introduction of a gaming industry would cause more social problems than economic benefits that it could bring.

The impacts of opening a Gaming Recreation District on Taiwan's society

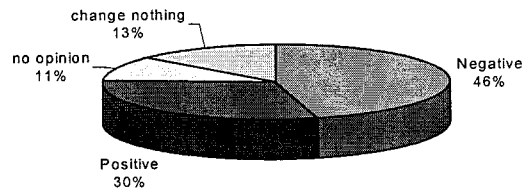


Figure 5.1. The impacts of opening a Gaming Recreation District on Taiwan's society

Another study reported that 38.13% of Taiwanese residents thought that opening a Gaming Recreation District in Penghu would create more social problem for Pehgnu's society than any positive economic benefits. Over twenty percent of the residents believed that the introduction of a gaming industry could benefit local residents, and 8.72% believed that a gaming industry wouldn't benefit local residents at all (see Figure 5.2).

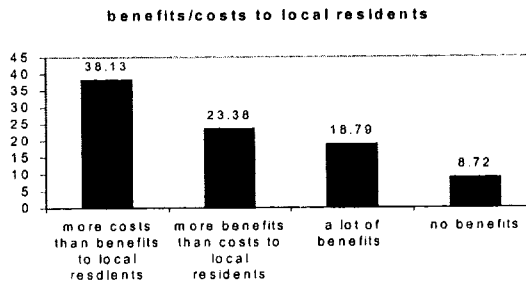


Figure 5.2. Benefits/costs to local residents

These statistics could be crucial for government officials to consider as they weigh the pros and cons of establishing gaming industry. These results definitely reflect the perspectives of Penghu’s residents and the government should seriously consider whether the introduction of gaming would overall be beneficial or harmful to Taiwan’s society.

Summary

The researcher identified twenty-nine key themes and patterns based upon the primary participants’ testimonies and secondary data resources. From ten participants’ testimonies, the researcher identified 26 themes and patterns and 16 from secondary data resources. The frequency of the themes and patterns are noted and meanings are provided. In the process of interpretation, the researcher specifically quoted some of the participants’ testimonies to more likely explore the true meaning of certain perspectives. Secondary data resources are also provided and help to support the participants’ testimonies and viewpoints.

Chapter six concludes this study by summarizing the pervious chapters to indicate the implications of some key potential social and cultural impacts of implementing a Las Vegas type casino in Penghu, Taiwan. Also, some recommendations for further study toward this topic are provided in Chapter Six. Ideally, as the findings in a qualitative

study should provide, policy-makers may become better empowered to make a more appropriate decision concerning the benefits/costs associated with gaming entertainment in Penghu.

CHAPTER SIX

Weighing the Pros and Cons

In the last third of the 20th century, casinos have changed from being perceived negatively by much of the general public to becoming a desired form of recreation and entertainment (Eadington, 1999). As an industry, casinos are present in the leisure economy of countries all over the world. Over eighty countries provide for casinos in their laws, and the number is still growing.

The main reason for this phenomenon is the great financial benefit it brings to the economy. The most often mentioned economic benefits associated with casino gaming included the creation of new jobs, attracting tourism, increasing business and tax revenues. For the great economic benefits of the gaming industry, some developing countries have recently tried to accept and establish this new form of entertainment in their countries. They consider casino gaming as an excellent economic development tool to quickly generate revenue for local communities and the country. Many government officials think that casinos could offer a seemingly “painless” method for collecting tax revenue (Christiansen, 1998). Similar to the considerations of the United States, some Taiwanese legislators began to seriously consider this issue in 1996. The Taiwan Tourism Bureau used the Strip District of Las Vegas as a precedent to Penghu’s “Gaming Recreation District”. The researcher recognized that the implementation of a Gaming Recreation District would have great effects on Taiwan’s society. The motivation for this study was to seek additional input that might offer useful contributions and perspectives on casino gaming to the Taiwan Government prior to opening a Gaming Recreation District in Penghu.

The emphasis for this study was to explore how casino gaming could affect Taiwanese people. Therefore, this study utilized qualitative methods to describe and explore the perceptions of ten Taiwan Hospitality and Tourism professors as it concerned the benefits/costs of a gaming industry. Also, this study provided a comprehensive literature review of the gaming history in the United States and focused specifically on gaming in Las Vegas. An overview of the developmental patterns of casino gaming as it occurred in the United States and some Asian countries was covered.

The process of methods which were utilized in this qualitative study was described in Chapter Three. The methods of data collection included not only the primary participants' testimonies, but also secondary data related to the casino industry in the United States and additional studies conducted in Taiwan.

In Chapter Four, the researcher provided general information about Taiwan and Penghu which included information regarding the location, economy, people, educational levels, tourism development, and society in general. This should help readers to obtain a better understanding regarding the nature of this study.

However, would the introduction of casino gaming in Penghu actually contribute to enhancement or destruction of the lifestyles of the local inhabitants? This is a question that this qualitative study considers. In considering the phenomena surrounding the lives of the Penghu's residents, and in examining the patterns and themes that emerged in this qualitative study, the results have certain implications, many of which can be related to the actual experiences of Las Vegas.

Implications of the Study

This chapter will discuss the implications of gaming as it relates to Las Vegas and Penghu. Either positive or negative impacts of gaming will have different effects on Las Vegas and Penghu due to differences in culture and society. The researcher examines the economical, social, cultural and moral implications of gaming in the following sections.

Economical implications

From the results of this study, most relevant studies showed that a gaming industry brings economic benefits due to expanded job opportunities, tax collection, and tourism revenues, and the primary participants generally agreed with the expected benefits of this study. Over half of the ten participants agreed with this statement. However, in consideration of the implications surrounding this result, expanded employment won't necessarily increase Penghu's economy. Casinos may provide a lot of low-paying jobs to local residents. However, higher level jobs, such as dealers and managers, will most likely be employed from Taiwan or the United States. People who receive the higher wages and salaries would spend their money in Taiwan or take it back to other countries and this would not benefit Penghu's economy.

Most of the primary participants in this study also stated that expanded job opportunities could solve Penghu's serious social problem, population outflow, as noted in Chapter Four. The implications of this study would suggest that if the casino industry could provide quality training for local residents, and hire them into management positions, the local residents' disposable income would increase, and entice more teenagers to stay in their own hometown.

As noted in Chapter Four, Penghu's tourism is not developed during the winter season because of its strong Northeast monsoon. According to the findings in Chapter Five, the secondary data also showed that one of the positive impacts of gaming was tourism revenue. The implication here is that a gaming industry might improve Penghu's winter tourism season because of its various forms of indoor recreation which could keep tourists in the casinos. However, another implication is that Penghu's tourism industry could be competing with other tourism in countries which have already developed famous casinos. Among Asian countries (Macau, Genting Highland of Malaysia, Philippines, Korea, and Australia), Penghu is the smallest area. These countries have developed their gaming industry over many years and have become very famous around the world. These countries will remain the first choice for foreign tourists to gamble, not Penghu. One of the initial considerations for the Taiwan Government is to try to expand Taiwan's tourism market into an international arena in order to more fully develop casino gaming. However, if Taiwan really opens a Gaming Recreation District in Penghu, most gamblers will probably still come from Taiwan itself. Taiwan's economy would not benefit if most revenues were from its own people.

Social implications

In Chapter Five, several participants and secondary data mentioned that gaming activities could be one form of recreation or entertainment. The implication is that most Taiwanese people won't regard gaming activities as one form of leisure activity. They gamble, because they want to become rich. For this reason, the Taiwanese won't consider the money they lose in the casinos as another way to relax from working stress. As a result, more and more people may become addicted to gaming, with tragic consequences

on Taiwan's society, with the possibilities of divorce and suicide. Therefore, the implications in this study would suggest that if the Taiwan Government could advocate the right attitude towards gaming activities prior to developing the gaming industry, gaming activities might conceivably become another form of recreation and entertainment for the Taiwanese.

Based on the results in this study, a majority of the participants worried about the potential high crime rate associated with gaming. The results of this study would imply that higher crime rates will result after the implementation of a gaming industry. As mentioned in Chapter Five, one survey conducted by the Taiwan Police Department showed that over 50% of the Taiwanese people were very dissatisfied with personal security in Taiwan's society. With the opening of a Gaming Recreation District, the security of Taiwan's society may deteriorate significantly. Policymakers should consider the effects of such actions with regard to crime.

Another serious negative impact of gaming is pathological gamblers. The implication is that Taiwan may have more pathological gamblers than the United States does. According to Cox et al. (1998) noted in Chapter Five, approximately one in five pathological gamblers attempts suicide. However, from a psychological standpoint, suicide is a very serious potential problem. When pathological gamblers have no way to resolve their debts, committing suicide may become one of the first solutions to be considered. The Taiwanese people do not have psychology counseling institutes, such as Gamblers Anonymous, to help them with this psychological problem. Therefore, the results of this study would imply that the Taiwanese people may very well become pathological gamblers.

Cultural and moral implications

A majority of the primary participants mentioned that the Taiwanese people are not known to observe laws, as was noted in Table 5.3 of Chapter Five. Compared to Americans, the human nature of Taiwanese people shows tendencies toward bad behavior and ignoring the law. The results of this study would also suggest that there could be a lot of cheating in casinos. The Taiwanese people may try many ways to cheat while they are gaming.

Another implication of this study evolves from a political standpoint. Almost ten participants mentioned the darkness of Taiwan's political system. Most Taiwanese government officials care more about their private wealth and can be easily bribed by organizations to relax the laws/regulations. The implication of this result is that it is possible that a Mafia style organization could get involved in the gaming industry. A Mafia style organization could use illegal ways to threaten or bribe some policymakers in an effort to obtain the privilege to operate and control casinos.

One of the main themes and patterns that emerged in this study was the concern that Taiwanese people don't strictly adhere to laws/regulations, and if avoidance of laws and regulations are common, it is quite possible that there will be more underage gamblers in Taiwan's society. In the United States, the security personnel in casinos carefully check each gambler's age. Everyone needs to show their identifications, driver licenses or passports (if gamblers are foreigners or tourists) in order to ensure that the age of the gambler is legal. The security personnel only allow the people who are over legal gaming age to enter the casinos. However, in Taiwan, it is possible that if the owners of the casinos wanted more customers to gamble in their casinos, they wouldn't ask the

security personnel to closely check the age of gamblers. Therefore, teenagers would enter the casinos and could ultimately become addicted to gaming. This implication would suggest that every Taiwanese person should become aware more of how serious this problem is and how it could negatively affect their society. Essentially, all Taiwanese people including Taiwanese government officials should behave themselves or enforce the laws/regulations strictly to ensure everyone's security in Taiwan's society.

Another implication is how the local residents' lives would change. Policymakers should consider the effects that a gaming industry could have on local residents' lives. Penghu's local residents really live a simple and sincere life. The shop streets are silent after 9:00 p.m, while most shops or stores in Taiwan are open 24 hours or close at 11:00 p.m. Even after 10:00 p.m at night, you still can see many people on the street. However, this is quite different from Penghu. Penghu's residents go to bed very early, and they get up very early, unlike Taiwan's main island, where there is a lot of night entertainment or places to go. With the introduction of a gaming industry, Penghu's local residents' lives would be altered by the tourists and this night time casino entertainment. The residents who might work in the casino would not go to bed early, nor would they get up early anymore. Their lives could become fashionable and complicated. The implication of this study suggests that policymakers should consider these impacts on the local residents' lives first, before they introduce a gaming industry into Penghu's culture. Changing local residents' life pattern could cost more than the benefits it would bring. Policymakers ideally should carefully weigh all the pros and cons related to gaming and its impacts in order to make the best possible decision for local residents.

Conclusion

In the new 21st century, recreational gaming is becoming one of the most popular and fastest-growing components of America's "entertainment economy" (Mandel et al., 1994). Obviously, Las Vegas is a very successful example of the gaming industry. However, because of its different cultural and social environment, this situation won't necessarily be true in Penghu's Gaming Recreation District. American President Clinton once said, "Too often, public officials view gaming as a quick and easy way to raise revenues, without focusing on gaming's hidden social, economic and political costs".

The results of the study show that the majority of participants felt that the social costs would greatly outweigh the questionable economic benefits. Therefore, the economical, social, and cultural implications noted in this study are presented to better "empower" Taiwan's decision-makers who are responsible for determining the future of Penghu's culture as compared to Penghu's economic growth and other pertinent issues related to life.

Further Studies

This study focused on the perceptions of ten Taiwanese Hospitality and Tourism professors towards opening a Gaming Recreation District in Penghu. Comparisons were made with Las Vegas style casino gaming. While a few quantitative studies have been done regarding the opinion of the Taiwanese people concerning the implementation of a Gaming Recreation District in Penghu, further studies should concentrate on the perceptions and opinions of Penghu's residents.

Since confidence in law enforcement efforts is questionable, additional studies could focus on ways to improve law enforcement. This would include developing laws

and regulations specific to the Gaming Recreation District and gaming prior to opening a casino in Penghu.

Additionally, studies also could be completed on the suitability of Penghu to handle the growth requirement associated with additional employment not just for casinos, but tourism and tourism related industries. One of the initial considerations for opening a casino in Penghu was to help reduce the outflow of teenagers to Taiwan. Therefore, a study which measures the opinions of teenagers themselves might help to determine whether or not a new gaming industry would serve to keep them from leaving Penghu.

APPENDIX-A
INTRODUCTORY LETTERS

Introductory Letter

To Whom It May Concern:

My name is Wan-Ching Chang. I currently study in the Hospitality and Tourism, University of Wisconsin-Stout. I am doing a thesis which concern opening a Gaming Recreation District in Penghu. The purpose of this study was to more fully understand the positive and negative impacts of introducing casino gaming in a Taiwan community-- Penghu. By examining your professional and educated opinions to help contribute to the alternative decisions of government officials regarding this new industry. This is a qualitative research. The participants in this study will be interviewed personally. The primary question is "what's your educated opinion toward opening a Gaming Recreation District in Penhu?" for one hour to freely express the any aspects of casino gaming. Hope to get your contributions and opinions toward this topic, I really appreciate it!

Sincerely yours,

Wan-Ching Chang

5/20/99

APPENDIX-B
CONSENT FORM

Consent for participation

I understand that by returning the/this question, I am giving my informed consent as a participating volunteer in this study. I understand the basic nature of the study and agree that any potential risks are exceedingly small. I also understand the potential benefits that might be realized from the successful completion of this study. I am aware that the information is being sought in a specific manner to that no identifiers are needed and so that confidentiality is guaranteed I realize that I have the right to refuse to participate and that my right to withdraw from participation at any time during the study will be respected with no coercion or prejudice.

RISKS

There is little or no risk to you in answering this question. Your responses are completely confidential.

BENEFITS

Although the results of this study may be of benefit to others in the future, there is no direct benefit to you by participating in this study.

CONFIDENTIALITY OF RESPONSES

Your answers are strictly confidential. Only the primary researcher or his or her designee will have access to the confidential raw data.

RIGHT TO WITHDRAW OR DECLINE TO PARTICIPATE

Your participation in this study is entirely voluntary. You may choose not to participate without any adverse consequences to you. Should you choose to participate and later wish to withdraw from the study, you may discontinue your participation at this time without incurring adverse consequences.

NOTE: Questions or concerns about participation in the research or subsequent complaints should be addressed first to the researcher or research advisor Dr. Sharon S. Giroux (GirouxS@uwstout.edu) and second to Dr. Ted Knous (Knoust@uwstout.edu), Chair, UW-Stout Institutional Review Board for the Protection of Human Subjects in Research, 11 HH, UW-Stout, Menomonie, WI. 54751, phone (715) 232-1126

I attest that I have read and understood the above description, including potential risks, benefits, and my rights as a participant, and that all of my questions about the study have been answered to my satisfaction. I hereby give my informed consent to participate in this research study.

Signature _____ Date _____

APPENDIX-C

PERSONAL INFORMATION FORM

Personal Information Form

Note: In order to qualify each participant of this study, please fill out this personal information form, thank you!!

Name:

English Name:

Educational Background:

Graduated from:

Teaching School:

Teaching Years:

Teaching Courses:

Hospitality or Tourism experiences:

APPENDIX-D

ABSTRACT OF THIS STUDY

Abstract

This study uses the qualitative research approach to describe the perceptions of Taiwanese Hospitality and Tourism educators toward introducing the Las Vegas style casino gaming in Taiwan. Ten Taiwanese Hospitality and Tourism educators are selected for interviewing to express their feeling and perceptions toward developing Gaming

Recreation District in Penghu. The primary research question examines their educated opinion about casino development in Penghu, and to understand why they feel this way or share their experiences with gaming in the United States.

The objectives of this study are to generally analyze the impacts caused by casino gaming, to provide an overview of the positive and negative social and cultural impacts on Penghu's residents, and to provide a greater understanding of the implications of Las Vegas style gaming activity in Penghu.

APPENDIX-E

THE PRIMARY RESEARCH QUESTION OF THIS STUDY

The Primary Research Question

The primary research question of this study is “**What’s your educated opinion about casino development in Penghu?**”

There are four additional probing research questions to help lead the participants to describe their feeling and perceptions toward developing Gaming Recreation District in Penghu.

APPENDIX-F
A MAP OF TAIWAN

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