

WHY THEY SAY “NO” (CASI—“NO”): COUNTRIES THAT REJECT LEGALIZED CASINO GAMBLING

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INTRODUCTION

Most world venues have legalized casino gambling. Indeed, the numbers of venues has been growing rapidly. In 1986, seventy-seven nations permitted legal casino gambling; in 1996, 109; while recent reports indicate 132 countries have casinos.¹ Nonetheless, there are several cases of jurisdictions rejecting the legalization of casinos.

This article seeks to find common reasons for the rejections, and examines the following ten venues: Bhutan, Brazil, Japan, Liechtenstein, Iceland, India, Ireland, Israel, Mexico, and Norway. The study utilizes a framework from the book *The Last Resort: Success and Failure in Campaigns for Casinos*, by John Dombink and William N. Thompson.² The authors developed a “Veto Model” for explaining why American states rejected casinos in the decades before 1990. Major veto factors influencing casino campaign outcomes included: (1) the economic conditions and state experiences with gambling, (2) the position of political and business elites, and other gaming interests; (3) campaign sponsorship; and (4) whether the dominant issue in a campaign was economics or crime and social problems. For successful campaigns (e.g. Atlantic City, 1976), all factors had to be supportive of casinos.

The model is adaptable for worldwide study. As such, the factors were first presented in a study of Ireland published by the *UNLV Gaming Law Journal* in its Volume 1, Issue 1 edition. “*Luck of the Irish: Will the Casinos Transform from Gaelic Grey to Gaelic Green \$\$*” presented the following veto factors: (1) personality factors; (2) poverty; (3) government corruption; (4) ambient violence; (5) lack of nearby casinos; (6) religious opposition; and (7) competition from rival interests. This article presents case studies for the ten venues. Each venue features at least one of these veto factors, with poverty, religious opposition, lack of nearby casinos, and rival interests being the most salient.

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¹ WILLIAM N. THOMPSON, *THE INTERNATIONAL ENCYCLOPEDIA OF GAMBLING*, xviii (2010).

² JOHN DOMBRINK & WILLIAM THOMPSON, *THE LAST RESORT: SUCCESS AND FAILURE IN CAMPAIGNS FOR CASINOS* (1990).

I. OVERVIEW: VICTORIES AND DEFEATS IN EFFORTS TO LEGALIZE
CASINOS—THE CRITICAL GATEKEEPING MILESTONE
FOR ONE INDUSTRY

In its legal contexts, gambling is critically different than other commercial enterprises. However, the essence of gambling operations is similar to other businesses because it involves details of property law, contract law, torts and product liability. Since the cessation of alcoholic prohibition in the United States, and many other nations in the early twentieth century, this one basic prescription—“Is the business legal?”—has not been placed upon any other business activity as it has been placed on gambling. Gambling entities can openly succeed only where they may operate under the positive expression of legal authority—constitutional, legislative, and regulatory authority. This article examines legal permissions and prohibitions of the most visible of commercial gambling establishments—the casino. Virtually no other industry finds its very existence so dependent upon the nexus of the legal and political forces considered here. The basic question asked is “why do some venues continue prohibition of casino gambling?”

Most world venues have legalized casino gambling. Indeed, the number of casino venues has been growing rapidly. In 1986, there were seventy-seven casinos worldwide. This article focuses on the following ten venues: Bhutan, Brazil, Japan, Liechtenstein, Iceland, India, Ireland, Israel, Mexico, and Norway (“the ten venues”). Left off the list are Islamic nations where religious condemnation of gambling dominates policy decisions regarding casinos. In countries of the Arabic and Islamic world, the few casinos permitted, do not allow play by local residents, or in the case of Malaysia, local Muslim residents.³ Also, the study does not consider enclave states and venues where other jurisdictions maintain a notable degree of control over their policy making. Examples include: Hong Kong, San Marino, Andorra, Samoa and Guam, as well as some smaller island countries (e.g., Barbados, The Caymans, [southern] Cyprus). China is excluded, as it now should be, in that its enclave Macao is a major casino center. Places that have tolerated open casinos, or have had them on an “off and on” basis, such as Bolivia, Guatemala, Venezuela, Sri Lanka and Turkey, are also excluded from the study. The ten venues this article focuses on allow forms of legalized gambling with horse racing in some (e.g., India, Japan, Mexico, and Norway), and lotteries or machine gaming in most. While restricting public access, a few of the ten venues permit casino operations on a private member basis only.⁴ Of the ten venues, most have witnessed active campaigns for legalization, and for instance, in Ireland, Japan, and Mexico, the campaigns remain “hopeful.”

³ THOMPSON, *supra* note 1, at 379-80.

⁴ See *id.* at 364-70, 446-50, 469-71, 490-91, 506-07, 513-17; *Liechtenstein Gambling*, WORLD GAMBLING REV., <http://onlinecasinosuite.com/gambling/Liechtenstein> (last visited Sept. 26, 2010).

II. VETO FACTORS DEFEAT CASINO LEGALIZATIONS: AMERICAN AND IRISH MODELS

The Last Resort developed a “Veto Model” explaining why American states rejected casinos before 1990.⁵ Major factors influencing casino campaign outcomes included: (1) economic conditions in the state and state experience with legalized gambling; (2) the position of political elites, business elites, and other gaming interests; (3) campaign sponsorship; and (4) whether the dominant issue was rooted in economics or social problems.⁶ For the campaigns to be successful,⁷ all factors had to weigh in favor of adoption: the state had to be facing difficult economic times, major elites and rival gaming interests had to support (or at least not oppose) the proposition for casino development, and sponsors had to be legitimate and have financial resources far above those of opponents.⁸ Moreover, rather than crime or other social problems such as compulsive gambling, the predominant issue driver had to be economic benefits.⁹

While the “Veto Model” is an appropriate point of reference explaining why casino efforts failed in the ten venues, the list of veto factors impacting the ten venues is distinguishable from those impacting U.S. states. The study of Irish casino efforts readily provides seven factors relevant to developing casinos in the ten venues: (1) personality factors; (2) poverty; (3) government corruption; (4) ambient violence; (5) lack of nearby casinos; (6) religious opposition; and (7) competition from rival interests.¹⁰ The factors will be referred to below as “Worldwide Veto Model” factors.

1. *Personality and the “All In” Spirit*

Political leaders feel a need to “protect” the Irish common folk from their own foibles—notably a desire to “fight on” regardless of the odds against them.¹¹ A spirit which won independence for the land may not be so desirable at casino gaming tables. Indeed, they might be tied to addictive behaviors.¹²

2. *Poverty*

Successful casinos exploit markets. Markets are comprised of people with money. A population engulfed by poverty must focus its energy upon finding resources for daily life—housing, food, necessities; there is neither time nor resources for leisure pursuits, especially those requiring the investment of

⁵ DOMBRINK & THOMPSON, *supra* note 2, at 93-97.

⁶ *Id.* at 94-95.

⁷ *See e.g., id.* at 29-37 (The successful 1976 New Jersey vote in favor of casinos for Atlantic City).

⁸ *Id.* at 95-96.

⁹ *Id.* at 176-77.

¹⁰ THOMPSON, *supra* note 1, at 132-38.

¹¹ *Id.* at 132-33.

¹² *Id.*

money. A government official offered that the law against casino gambling existed so that the poor would not be enticed to waste their limited resources.¹³

3. *Corruption in Politics and Legalized Casinos*

The political attention span of Ireland did not leave much time for things other than nationalism until recent years of prosperity.¹⁴ The consumption of the public mind with “what it is to be Irish,” caused a neglect of efficiency and honesty in public affairs.¹⁵ During Ireland’s first decades of independence, localism, nepotism, and outright corruption left its mark. Casino gambling presented a major threat to good government, and was rejected as a factor adding to bad practices.¹⁶

4. *A Culture of Violence*

People with wealth avoid places where their resources may be observed, if they feel that they could become victims of foul play.¹⁷ A culture of violence, as found in Irish history, is incompatible with casino development.¹⁸

5. *No Need to Defend Borders from Neighboring Casinos*

A primary rationale promoters use to win legalization is that neighboring venues have casinos, and as a result, are taking “our” money away.¹⁹ But there are no casinos in Ireland. In fact, while Scotland, Wales, and England have the nearest casinos, each one features only small operations catering to local, rather than tourist populations.²⁰

6. *Religious Influence*

In Ireland, the Catholic Church has dampened efforts to legalize casinos.²¹ The Church has been a major force in Irish politics. In 1935, Taoiseach Eamon de Valera stated: “Since the coming of St. Patrick, 1,500 years ago, Ireland has been a Christian and a Catholic nation. All the ruthless attempts made through the centuries to force her from this allegiance have not shaken her faith.”²² Before the exposure of sex scandals involving clergy and children in the past

¹³ *Id.* at 133 (quoting an interview with Michael Walsh, Ireland Dep’t of Just., Equal. and Law Reform, in Dublin, Ir. (Oct. 5, 2007)).

¹⁴ Deirdre Hennessey, *A Study of Political Corruption in Twentieth Century Ireland* (2004), (unpublished B.A. Dissertation. Univ. College, Cork (Ir.)); see generally DAVID MCWILLIAMS, *THE POPE’S CHILDREN* (2005).

¹⁵ Hennessey, *supra* note 14.

¹⁶ THOMPSON, *supra* note 1, at 134-35.

¹⁷ *Id.* at 135-36 (discusses how terrorism in Basque Country, Spain, negatively impacted the profits of the casino in San Sebastian. The unstable security situation throughout Europe in the late nineteenth century and early twentieth century severely affected casino development in that part of the world).

¹⁸ *Id.*

¹⁹ See generally *id.* at 518-98 (discusses how the factor of legalization of casinos in one U.S. state would propel the legalization of casinos in an adjacent state).

²⁰ *Id.* at 136.

²¹ *Id.*

²² *Id.* at 137.

two decades, the views of the Catholic Church leaders were not openly challenged.²³

7. *Competitive Businesses that Wish to Suppress Casinos: Gaming and Non-Gaming*

The addition of casinos could compromise the success of several existing Irish entertainment businesses. Two interests led policy makers away from legalizing casinos: Irish pubs and betting shops.²⁴ There are 11,000 privately-owned pubs in Ireland (three times the number per person as in England).²⁵ Betting shops emerged in the 1920s.²⁶ There are 1,100 licensed betting shops, and they are growing in numbers.²⁷ Many of the shops are owned by major companies.²⁸

The previous study of Ireland developed seven factors, which will be used when analyzing why each of the ten venues have rejected legalized casino gambling. The Worldwide Veto Model's veracity for explaining the rejection of casinos will be tested through an examination of events in each of the ten venues. The analysis that follows will assess each factor, and review the totality of factors for each venue. At the conclusion of the discussion, the analysis will review the model to gain a sense of its efficacy, and to seek an understanding of precisely which factors in the model have the greatest saliency for determining the likely demise of casino legalization policies.

III. THE IRISH EXPERIENCE: VETO FACTORS DISSIPATE, VETO FACTORS PERSIST

In Ireland the force of the factors identified in the Veto Model have been dissipating in recent decades.²⁹ For instance, following the Easter Peace Accord of 1998,³⁰ the Irish economy blossomed as a computer industry flourished at the turn of the century,³¹ the Catholic Church lost political influence amidst revelations of misconduct by priests,³² and interests rivaling casinos have either embraced more gambling (sports betting shops) or they themselves have lost political clout (the pubs).³³ Nonetheless, the forces pushing for legalized casinos have been stymied as concerns over corruption and the penchant

²³ McWILLIAMS, *supra* note 14, at 232-33.

²⁴ THOMPSON, *supra* note 1, at 137-38.

²⁵ *Id.* at 138.

²⁶ Gov't of Ir., Dep't of Just., Equal. & Law Reform, Review of the Gaming and Lotteries Acts 1956-1986, at 9 (2000).

²⁷ THOMPSON, *supra* note 1, at 137-38 (citing William N. Thompson, *Will Ireland Legalize Casinos in 2008?*, 4 CASINO LAW. 12, 14 (2008)).

²⁸ *Id.* at 138 n.195.

²⁹ *Id.* at 138-39.

³⁰ The Easter Peace Accord of 1998 muted violence between Catholics and Protestants in Northern Ireland after decades of violent struggle between them. McWILLIAMS, *supra* note 14, at 228-30.

³¹ Sean Dorgan, *How Ireland Became the Celtic Tiger*, BACKGROUNDER 8, 12 (2006), available at <http://www.heritage.org/research>.

³² McWILLIAMS, *supra* note 14, at 232-33.

³³ *Id.*

for the Irish personality to “not give up,” that is, to overindulge in the activity of the moment, persists.³⁴

As a matter of policy-making strategy, Ireland’s officials are conducting studies and issuing various “white papers” on the subject of gaming reform.³⁵ The thrust of their efforts seem to advocate a comprehensive overhaul of all laws dating back to the establishment of a national sweepstakes in 1931,³⁶ and the Irish Gaming and Lotteries Act of 1956,³⁷ as well as to advocate for a meaningful and effective law to deal with internet gambling services.³⁸ In their quest to “bite off” everything they wish to chew, policy makers may confront one another with a realization that it is “too much to chew” at one time, and accordingly, they may fall into a pattern of delaying action.

As we will see in this article, policy makers in several other venues are also bitten by the “manana” (that is, a “wait until tomorrow”) bug, including Mexico, Brazil, and Japan. Leaders in the venues often talk vigorously about issues, but then find it inconvenient to resolve issues by making actual decisions. The stories below illustrate how each venue employs this delaying strategy along with the seven veto factors in a generalized refusal to accept the legalization of casinos.³⁹

IV. BHUTAN

Bhutan is a small isolated land-locked country located at the end of the Himalayas, bordering the Indian state Sikkim and Tibet, China. The population of 690,000 displays lifestyles that have not changed much over many centuries. Of the population, seventy-five percent are Buddhists, and the remaining Hindu.⁴⁰ Bhutan holds its national identity and cultural heritage in such high regard that they severely restrict outside influences.⁴¹ One result of this restriction is that tourism, while important, is also very limited.⁴² The economy is largely tied to India’s economy, as citizens of each country have free access to the other. A major portion of the nation’s exports go to India, with hydroelectric power being the leading product.⁴³

Bhutan reveres national isolation as a means of preserving not only local values, but also “happiness.” In 1972, the King of Bhutan stated the country’s

³⁴ See THOMPSON, *supra* note 1, at 132-35.

³⁵ See e.g., Casino Committee, Dep’t of Just., Equal. & Law Reform, Regulating Gaming in Ireland (2008).

³⁶ *Id.*

³⁷ Gaming and Lotteries Act 1956 § 4 (Act. No. 2/1956) (Ir.), available at <http://222.irish-statutebook.ie/1956/en/pub/0002.index.html> (amended in 1979, Act 6, to set prize limits).

³⁸ Katie Byrne, Att’y at Law, A & L Goodbody, UK to Germany via Greece: A Journey Across Some European Jurisdiction in Change at IMGL 2011 Spring Conference (May 24, 2011); Interview with Grainne Bolger, Assistant Principal Officer, Dep’t of Justice Equality and Law Reform, in Dublin, Ir. (Oct. 5, 2007).

³⁹ Byrne, *supra* note 38.

⁴⁰ *Bhutan*, in CIA WORLD FACT BOOK 2011, at 699 (2010); see CAMBRIDGE UNIV. PRESS, CAMBRIDGE FACT FINDER 214-15 (David Crystal ed. 1993); see also *Bhutan Gambling*, WORLD GAMBLING REV., <http://www.wonlinecasinosuite.com> (last visited Sept. 21, 2011).

⁴¹ *Bhutan Gambling*, *supra* note 40.

⁴² FRANCOISE POMMARET, BHUTAN: HIMALAYAN MOUNTAIN KINGDOM 14 (2003).

⁴³ CIA WORLD FACT BOOK, *supra* note 40, at 77-78.

success was not measured by its “Gross National Product,” but rather “Gross National Happiness.”⁴⁴ Isolation has served this goal. Along with counting currency in economic transactions, the government’s Centre for Bhutan Studies uses surveys to measure the “level of well-being” of the population.⁴⁵ Cross-national surveys built on a Bhutanese format have found that on scales of “happiness,” Bhutan ranks comparatively near the top in the world.⁴⁶ The country wants to keep things that way.⁴⁷

Governmental policies have been consistent with the King’s desires and those of his people. For instance, television has been permitted only since 1999. Bhutan is the only country in the world to ban smoking. The environment is a major national concern. Happiness does not mean that the government frowns on all things celebratory, quite to the contrary. There are no serious threats to national security, so the approximate 6,000 troops in the military spend more time distilling alcoholic beverages than going through military drills.⁴⁸ Moreover, during its many holidays and festivals, Bhutan’s residents enjoy copious amounts of alcohol consumption and “tolerated gambling.”⁴⁹ Notably, residents engage in recreational gaming, and even serious wagering in homes throughout the country—quite illegally, but also quite openly.⁵⁰

With the exception of lotteries, gambling is illegal. In 1978 gambling was banned, and persons participating in games were subject to prison terms ranging from a month to a year.⁵¹ However, no efforts were made to enforce the law for the following two decades.⁵² But even after enforcement began, people continued to participate in games at private residences where law enforcement officers were reluctant to impede—especially when those residences were often the homes of leading government officials.⁵³ A state-run lottery has been established, and in 2004 a Department of the Lottery was created.⁵⁴ Bhutan lottery tickets were freely sold in India, but when the state of Sikkim began selling tickets in Bhutan, the government protested.⁵⁵ Subsequently, negotia-

⁴⁴ Nadia Mustafa, *What About Gross National Happiness*, TIME HEALTH (Jan. 10, 2005), www.time.com/time/health/article/0,8599,1016266,00.html.

⁴⁵ Centre for Bhutan Studies, *Gross National Happiness Pre-Test Questionnaire #3 November 2007*, <http://grossnationalhappiness.com/GNHSurvey/gnhquestionnaire.pdf>.

⁴⁶ *Bhutan Gambling*, *supra* note 39; *see generally* ERIC WEINER, THE GEOGRAPHY OF BLISS 49-95 (2008).

⁴⁷ POMMARET, *supra* note 42, at 14-15.

⁴⁸ *Bhutan*, LYCOS RETRIEVER, <http://www.lycos.com/info/Bhutan.html> (last visited Sept. 13, 2011); *Catching a Buzz in Bhutan*, CHAMPACA JOURNEYS (July 13, 2010), http://champaca.journeys.com/catching_a_buzz.html.

⁴⁹ Kinzang Choden, *When Gambling Habit Takes Root*, BHUTAN OBSERVER (Feb. 21, 2009), <http://bhutanobserver.bt/when-gambling-habit-takes-root/>.

⁵⁰ *Id.*

⁵¹ Rinzin Wangchuk, *Another Ban on Gambling*, KUENSEL NEWSPAPER (Jan. 16, 2007), www.kuenselonline.com/modules.php?name=News&file=print&sid=7970.

⁵² *Gambling Away*, BHUTAN OBSERVER (Nov. 11, 2011), www.bhutanobserver.bt/gambling.

⁵³ *See* Wangchuk, *supra* note 51.

⁵⁴ Ministry of Finance, *Bhutan History*, www.mof.gov.bt/index.php?deptid=2 (last visited Nov. 16, 2011).

⁵⁵ Jay Sayta, *Recent Kerala HC Decision on Lotteries*, GAMBLING LAWS IN INDIA (Nov. 4, 2010), <http://glaws.in/2010/11/recent-kerala-hc-decision-on-lotteries/>.

tions allowed trade routes between Sikkim to open.⁵⁶ Indian lottery operators seized the moment and began selling a lottery called Playwin.⁵⁷ This Mumbai-based online lotto game enticed much play to the consternation of Bhutan officials.⁵⁸ Bhutan imposed very high taxes on the game causing it to close down marketing in 2007.⁵⁹ The King of Bhutan also abdicated his throne in 2006, and the following year, the nation established a parliamentary democracy.⁶⁰ The lottery and other gambling has remained an issue of contention for the new policy makers. However, they have not seen fit to authorize and license casinos. This issue has not been presented for consideration.

On the other hand, casino activity has been initiated in nearby Sikkim. Not very long after the formerly separate protectorate became a state of India in 1975, it set its eyes on casino gaming. The Sikkim Casino Games Act was passed in 2004 and four years later a small, fifteen table casino opened within the Indian state.⁶¹

The Worldwide Veto Model provides a few salient factors for analysis here. Bhutan's central religious ideologies have not operated as a barrier to casino development. Religions emphasize tolerance. Prior to the advent of democratic rule, the King had no desire for gambling activity to exist in Bhutan. Yet his adherence to Buddhist principles led him (and the police) to be tolerant of the limited gambling activities in which his subjects engaged.⁶²

There is a developing network of home casinos in which many citizens, indeed leading citizens, participate. Gambling activity brings funds into many households—including those of several high officials. This “private” activity represents a major competitive force standing against efforts for legalization of state-controlled casinos. At the same time home-based gambling is not available for tourists, and tourism is a minor activity. In any event, the Bhutanese government does not appear interested in encouraging tourism through gambling.

The new casinos of Sikkim may appeal to some Bhutan residents, but roads and transportation are very rugged and uninviting between the regions of Bhutan and Sikkim. Casinos have not been close to Bhutan's borders before, and the Sikkim facilities are unlikely to entice members of a new parliament to welcome casinos. Leaders of Bhutan may seek to protect their citizens, not out

⁵⁶ Amiti Sen, *Sikkim to Gain Most as Trade via Nethula Takes Off*, THE ECON. TIMES (July 12, 2006, 2:51AM), http://articles.economictimes.indiatimes.com/2006-07-12/news/27421780_1_nathula-trade-basket-border-trade.

⁵⁷ Wangchuck, *supra* note 51.

⁵⁸ Tenzing Lamsang, *Bhutan Cuts Ties with Lottery Don Santiago Martin*, BUS. BHUTAN (May 6, 2011), <http://www.businessbhutan.bt/?p=5863>.

⁵⁹ *Bhutan Gambling*, *supra* note 40.

⁶⁰ *Bhutanese King Steps Down Early*, BBC NEWS, http://news.bbc.co.uk/2/hi/south_asia/6184349.stm (last updated Dec. 15, 2006); Mehdi Hassan, *Bhutan's New King*, SOUTH ASIA BIZ. (Dec. 16, 2006), http://www.southasiabiz.com/2006/12/bhutans_new_king.html.

⁶¹ *Sikkim all Set to Roll*, INDIAN REALTY NEWS, <http://www.indiarealitynews.com/real-estate-india/sikkim-all-set-to-roll-its-roulette-for-great-gamblers.html> (last visited Sept. 12, 2011); *see also Features*, CASINO MAHJONG, SIKKIM, www.casinomahjongikkim.com (last visited Dec. 5, 2011).

⁶² For a discussion of Buddhism and tolerance see Daya Hewapathirane, *Spirit of Tolerance, Harmonisation and Assimilation in Buddhism* (Sept. 6, 2007), <http://www.buddhistchannel.tv/index.php?id=8,4808,0,0,1,0>.

of obligations to guard their happiness from addictions, but in recognition that most are poor. For all of these reasons, Bhutan is not likely to legalize commercial casino games in the foreseeable future.

V. BRAZIL

Brazil is the fifth largest country in the world, both in population and in land area.⁶³ It is the largest country in Latin America, with a population of 190 million and a landmass slightly smaller than the forty-eight contiguous states of the United States.⁶⁴ The country boasts two of the world’s largest cities: Rio de Janeiro and São Paulo.⁶⁵ In the early twenty-first century, the economy was booming with expanding exports. However, this situation is of recent duration only. For the latter years of the twentieth century, the country was economically weak and poverty levels were very high.⁶⁶ Things did not improve much until the 1990s. In 1992, thirty-five percent of the population lived in poverty; however, concerted governmental efforts have since pulled that number down to sixteen percent in 2008.⁶⁷ Nonetheless, poverty is pervasive, and there is a wide gulf between the rich and the poor.⁶⁸

Casino gambling is currently illegal in Brazil; however, the people participate in illegal casino-type games and several other forms of gambling.⁶⁹ The wealthy citizens of Brazil support casinos in the surrounding countries with their business.⁷⁰ Casinos near Brazil’s border are found in Argentina, Paraguay, Uruguay, and Venezuela.⁷¹

Casino gambling was successful during the 1930s and 1940s; however, it was banned by presidential decree in 1946 when a military coup established a new reform government.⁷² Since then, remnants of casino-type games have remained. Video machines are prevalent in many bingo halls.⁷³ Sports betting and football pools are popular, as are cockfighting, horse racing, and all forms of lotteries.⁷⁴ A private lottery called *jogo do bicho* (“the animal game”) is held to support the Mardi Gras carnival in Rio de Janeiro.⁷⁵

⁶³ *Background Note: Brazil*, U.S. DEP’T OF STATE (Mar. 8, 2011), <http://www.state.gov/r/pa/ei/bgn/35640.htm>.

⁶⁴ *Id.*

⁶⁵ CAMBRIDGE UNIV. PRESS, *supra* note 40, at 217-18.

⁶⁶ Bruno Bocchini, *Brazil Believes it can Have Social Indicators of Rich Country in 6 Years*, BRAZZILMAG (Jan. 12, 2010), <http://www.brazzilmag.com/component/content/article/81-january-2010/11686-brazil-believes-it-can-have-social-indicators-of-rich-country-in-6-years.html>.

⁶⁷ *Focus Brazil*, THE ECONOMIST (Nov. 1, 2011, 15:14), www.economist.com/blogs/daily/chart/2011/11/focus.

⁶⁸ OECD Secretariat, *Growth, Employment and Inequality in Brazil, China, India and South Africa: An Overview*, www.oecd.org/dataoecd/16/59/45282661.pdf (last visited Dec. 5, 2011).

⁶⁹ THOMPSON, *supra* note 1, at 490.

⁷⁰ *Id.*

⁷¹ *See id.* at 508-12.

⁷² *Id.* at 490-91.

⁷³ *Id.*

⁷⁴ *Id.*

⁷⁵ *Id.*

Efforts to legalize casinos began to mount in the 1990s as a new democracy replaced military rule. In 1991, the efforts were narrowly defeated in the national legislature.⁷⁶ In 1995, a special study committee examined the question of legalization.⁷⁷ Nothing was done; the issue remains open and controversial today.⁷⁸

There is support for the reconsideration of legalizing casinos, but there is also opposition.⁷⁹ The government of President Lula de Silva was elected in 2002 and embraced an anti-gambling social reform posture. President Lula de Silva ordered the closing of hundreds of bingo halls in 2004.⁸⁰ However, in 2005, the national senate reversed his decree and the halls reopened.⁸¹ The Supreme Court in 2007 found that corrupt officials and organized crime elements were linked to bingo halls.⁸² The halls were closed down again; however, the issue remained unsettled.

The Lula de Silva government was active in seeking to control government corruption, but it found the task to be a daunting one. Corruption has permeated governmental offices from the top down for generations.⁸³ In addition, there is a strong anti-casino lobby led by Catholic Church forces advancing moral arguments.⁸⁴ Lula's successor in office, Dilma Rousseff, remains an anti-casino force in Brazil's government. Casino legalization proponents persist with their efforts, but they witnessed legislative defeats in both 2009 and 2010.⁸⁵

Three veto factors have been most notable as resisting pressure to legalize casinos: (1) the Catholic Church's influence over legislation, (2) general concern that casinos pose a threat to a relatively impoverished population, and (3) the fact that many officials not adverse to bribery and corrupt activity, would ultimately provide oversight to the casino industry.

VI. ICELAND

Iceland has 318,000 residents and occupies the second largest island in the North Atlantic Ocean.⁸⁶ The general policy is that gambling is illegal. The

⁷⁶ Larry Dandurand, *Brazil*, in *GAMBLING IN AMERICA* 29 (2001).

⁷⁷ THOMPSON, *supra* note 1, at 490-91.

⁷⁸ *Id.*

⁷⁹ *Id.*

⁸⁰ *Brazil: A Regulatory Report*, *GAMBLING COMPLIANCE*, 5 (May 28, 2010), www.gamblingcompliance.com/files/Brazil_Reg_Report.pdf.

⁸¹ *Id.*

⁸² *Id.*

⁸³ See generally Claudia Ferraz & Frederico Finan, Preliminary Draft, *Exposing Corrupt Politicians: The Effect of Brazil's Anti-Corruption Program on Electoral Outcomes* (Apr. 2005), <http://are.berkeley.edu/~sberto/AuditExp1.pdf>; Stuart Grudgings, *Analysis: Brazil's Rousseff Rides Anti-Graft Wave, for Now*, *REUTERS* (Nov. 7, 2011, 10:31AM), <http://www.reuters.com/article/2011/11/07/us-brazil-corruption-idUSTRE7A63G420111107>.

⁸⁴ Dandurand, *supra* note 76, at 29.

⁸⁵ *Brazil Gambling Debate Shifts to Casinos*, *GAMBLING COMPLIANCE* (May 13, 2011), www.gamblingcompliance.com/search/site/?f%BO%5D=im_7_field_geography%3A2.

⁸⁶ *Population*, *STATISTICS ICELAND*, <http://www.statice.is/Statistics/Population> (last visited Dec. 5, 2011); *Iceland*, *NOVAMEDIA GAMING & LOTTERY FILES*, <http://www.gamingandlotteryfiles.com/novamediafile.php?file=Iceland.htm#1> (last visited Dec. 5, 2011). Also, about

country banned all lotteries in a 1926 parliamentary Act.⁸⁷ In 1940, the parliament amended the criminal code to make it a “punishable offense” to engage in gambling or to encourage others to do so.⁸⁸ Essentially, individuals could no longer receive income from gambling activities.⁸⁹ Gains from gambling could be confiscated, and the person engaging in gambling could be imprisoned for up to one year, as could a person providing gambling facilities.⁹⁰

But in Iceland, the exception is the rule, as reality is not consistent with the general laws. The Icelandic nation is a “gambling nation.” The population experienced gambling losses to the equivalent of \$99.6 million in 2005. This represents over \$440 per adult, which is considerably more than gaming losses of \$350 per adult in the United States.⁹¹ The losses were from a variety of lottery games, sports betting, slot machines, and bingo games.⁹²

“Exceptions” to the general law on gambling began in 1933. That year Parliament authorized funding for the construction of a large building for the University of Iceland. However, the encroaching depression found the state short of funds for the project.⁹³ Lawmakers seized the moment and granted the University permission to use a lottery to provide the capital necessary to finish construction.⁹⁴ Moreover, they allowed continuing games to finance more construction and the purchase of research equipment.⁹⁵ The University of Iceland Lottery is the world’s only continuous lottery used for university financing.⁹⁶

The University’s monopoly over lottery games soon came to an end. First, in 1949 the Association of Tuberculosis and Chest Patients won the right to operate a lottery.⁹⁷ Then, in 1954, the lottery privilege was extended to an association for Elderly Seaman’s homes.⁹⁸ Next, the Heart Association started a lottery in 1959.⁹⁹ Sports betting games followed in 1972, and slot machines operated on behalf of the Red Cross and an Association for Search and Rescue

two-thirds of the population is over twenty years old. *Iceland: Age Distribution*, NATIONMASTER, http://www.nationmaster.com/country/ic-iceland/Age_distribution (last visited Dec. 12, 2011).

⁸⁷ *Iceland Gambling*, WORLD GAMBLING REV., <http://onlinecasinosuite.com/gambling/iceland/> (last visited Sept. 12, 2011).

⁸⁸ GENERAL PENAL CODE NO. 19, Art. 183-184 (Feb. 12, 1940) (Ice.).

⁸⁹ *Id.*

⁹⁰ *Id.*

⁹¹ See Daniel Olason, Univ. of Iceland, *Iceland: Gambling and Problem Gambling – Results from the Icelandic Gambling Project at the 7th European Conference on Gambling Studies and Policy Issues* (July 2, 2008), available at http://www.easg.org/media.file/conferences/novagorica2008/Wednesday/1400-ses2/olason_daniel.pdf. The approximate exchange rate at mid-year in 2005 was \$1.20 dollars for one Euro. US gambling figures from Thompson, *supra* note 1.

⁹² See Olason, *supra* note 91.

⁹³ Annemarie Prein & Fanka Pals, *University of Iceland Lottery*, NOVAMEDIA GAMING & LOTTERY FILES, www.gamingandlotteryfiles.com/novamediafile.php?file=Iceland.htm#35 (last visited Dec. 12, 2011).

⁹⁴ THOMPSON, *supra* note 1, at 470.

⁹⁵ *Id.*

⁹⁶ *Id.*

⁹⁷ *Id.*

⁹⁸ *Id.*

⁹⁹ *Id.*

teams.¹⁰⁰ There are now 600 machines in 280 locations throughout the country.¹⁰¹ In 1986, Parliament created a government enterprise called Islenk Getspa to conduct lotto games.¹⁰² The University of Iceland Lottery initiated the use of online video lottery terminals for gambling in 1993.¹⁰³ Today these machines produce fifty-seven percent of the lottery's revenue.¹⁰⁴ In 2004, parliament permitted a website for interactive casino gaming.¹⁰⁵

The "people pleasures" are enjoyed—perhaps to an excess. The society is reported to have heavy alcohol use.¹⁰⁶ Over ninety percent of adults over twenty years in age indulge in alcoholic beverages, often with weekend binges.¹⁰⁷ This behavior has been ongoing for generations, even while the nation maintained a partial prohibition from 1915 until the 1980s.¹⁰⁸

While strong in the past, religious influence has waned. Although over eighty percent of the population formally belongs to the national Lutheran church, there is strong support for separation of church and state.¹⁰⁹

The Icelandic people enjoyed a good economy prior to an economic collapse in 2008. Recently privatized banks overindulged in the world credit bubble. What was called "a casino economy," which was in reference to reckless government financial policies, had devastating economic consequences. The eruption of the Eyjafjallajökull volcano in April 2010 also hurt the economy. These economic disruptions have generated some feelings in favor of casino development.¹¹⁰

In February 2010, two entrepreneurial brothers, both former football stars, proposed that Parliament allow a casino in the Hotel Nordica, owned by Icelandic Airlines, in the capital of Reykjavik.¹¹¹ The National Center of Addiction Medicine opposed the idea, as they feared that a casino would add to problems with addiction in the country.¹¹² The brothers countered with the notion that the casino could be open only to tourists from other countries.¹¹³ As the proposal was put forth to the administration, it received swift opposition

¹⁰⁰ *Id.*

¹⁰¹ *Id.*

¹⁰² *Id.*

¹⁰³ *Id.*

¹⁰⁴ *Id.*

¹⁰⁵ *Id.*

¹⁰⁶ See Ministry of Health & Social Security, *The Icelandic National Health Plan to the Year 2010*, at 9 (May 20, 2001), <http://eng.velferdarraduneyti.is/media/Skyrslur/heilbenska5mai.pdf>.

¹⁰⁷ *Id.*

¹⁰⁸ See Helgi Gunnlaugsson & John F. Galliher, *Prohibition of Beer in Iceland: An International Test of Symbolic Politics*, 20 *LAW & SOC'Y REV.* 335, 339-45 (1986).

¹⁰⁹ Austin Cline, *Iceland: Religious Freedom Report (2002)*, http://atheism.about.com/library/irf/irf02/blirf_iceland.htm (last visited Dec. 5, 2011).

¹¹⁰ Ake Westerlund, *Victim of Casino Economy*, *SOCIALIST WORLD* (Oct. 10, 2008), <http://www.socialistworld.net/doc/3274>.

¹¹¹ Paul Nikolov, *Casino Drama Continues: "We Have Gullfoss and Geysir and Not Much More,"* *THE REYKJAVIK GRAPEVINE* (Feb. 10, 2010), <http://grapevine.is/News/ReadArticle/Casino-Drama-Continues> [hereinafter Nikolov, *Drama Continues*].

¹¹² *Id.*; See also *Casino Plans Divide Iceland, Gambling Compliance* (Feb. 12, 2010), <http://www.gamblingcompliance.com/node/41300>.

¹¹³ Nikolov, *Drama Continues*, *supra* note 111.

from the Minister of Health who feared it would result in more addictive behaviors.¹¹⁴

There are several veto factors from the Worldwide Veto Model present in Iceland. Their force is strong. First, the island is quite removed from other locations that have casinos. Second, there are concerns over addictive behaviors of the local population. Third, rival interests including many bars as well as a lottery establishment (with gambling machines) all seem to be lined up against the proposition of legalizing full-scale casinos. Casinos will not be coming soon to Iceland.

VII. INDIA

India is the second most populous country in the world with 1.1 billion people.¹¹⁵ India is a very poor country. Over 40% of its population may be classified as “poor.”¹¹⁶ However, a rapidly growing middle class consists of two hundred million people.¹¹⁷ Poverty has been a major factor in the country’s decision to outlaw most forms of gambling.¹¹⁸ The Public Gambling Act of 1867 was passed while the British had rule over India’s politics.¹¹⁹ The Act applied to all games with the exception of private games and games of skill.¹²⁰ Over the years, horse racing developed with betting considered a skilled activity.¹²¹

A new federal act was passed in 1998, which permitted each of India’s twenty-eight states to create lotteries; fourteen states have done so.¹²² Lottery drawings may not take place more than once a week.¹²³ Casino gambling has been banned nationwide since 1867, but the 1998 law opened the door for states to permit the activity.¹²⁴ The states of Goa and Sikkim, both of which were under foreign influence until the mid-twentieth century, now permit lim-

¹¹⁴ Paul Nikolov, *A Casino in Iceland?*, THE REYKJAVIK GRAPEVINE (Feb. 8, 2010), <http://www.grapevine.is/News/ReadArticle/Casino-in-Iceland> [hereinafter Nikolov, *A Casino in Iceland*].

¹¹⁵ *India*, WORLDSTATESMEN.ORG, <http://worldstatesmen.org/India.htm> (last visited Sept. 16, 2011).

¹¹⁶ *Revised Poverty Estimates: What Does This Mean for India?*, THE WORLD BANK, <http://www.worldbank.org.in> (last visited Sept. 15, 2011).

¹¹⁷ Oxford Analytica, *India, Middle-Class Nation?*, FORBES (Sept. 8, 2010), <http://www.forbes.com/2010/09/07/india-economic-reform-prosperity-markets-economy-oxford-analytica-middle-class.html>.

¹¹⁸ THOMPSON, *supra* note 1, at 364.

¹¹⁹ The Public Gambling Act, Act No. 3 of 1867, INDIA CODE (1867), available at http://www.dhudhisaqilawassociates.com/major_criminal_laws/Public%20Gambling%20Act%201867.pdf.

¹²⁰ *Id.* § 12.

¹²¹ *India Gambling*, WORLD GAMBLING REV., <http://www.onlinecasinosuite.com/gambling/india/> (last visited Sept. 16, 2011).

¹²² THOMPSON, *supra* note 1, at 364.

¹²³ The Lotteries (Regulation) Act No. 17 of 1998 § 4(h), INDIA CODE (1998), available at <http://mha.nic.in/pdfs/LotteriesAct-1998.pdf>.

¹²⁴ *Id.* § 1(2).

ited forms of casino gaming.¹²⁵ Other states have defeated the efforts.¹²⁶ Moreover, hopes for casinos in union territories under federal rule in the Kashmir region were dashed as bombings and violence erupted in the area where India and Pakistan have long disputed control.¹²⁷

The two states with limited casino gaming are Sikkim and Goa. Sikkim was ruled as a separate British protectorate from 1861 until the time of Indian independence in 1947.¹²⁸ At that time, the British gave India control over the remote area in the far northeast, which borders China, Nepal and Bhutan. Subsequently, India ruled it as a territory.¹²⁹ In 1975, Sikkim became a state.¹³⁰ In 2004, Sikkim passed state casino legislation, but a casino was not licensed until 2008 when gaming began in a four star hotel.¹³¹ Near the Chinese border, the casino is the only land-based casino in India.¹³² However, only persons holding foreign passports are allowed to gamble.¹³³

Goa was a Portuguese colony on the west coast of India for 450 years; in 1961, 40,000 military troops from India took possession of the land.¹³⁴ India governed Goa as a “union territory” until 1987, when it became one of the country’s twenty-eight states.¹³⁵ By 1987, Goa had a new reputation for its nightlife and its alternative “hippie” lifestyle, which added to its established reputation as a land of temples and world heritage architectural sites.¹³⁶

Local authorities welcomed tourists, but they also had to maintain a balance with the desires of the central government, which were strongly influenced by Hindu religious traditions. Therefore, they passed a law in 1976 that prohibited all gambling.¹³⁷ After achieving full statehood however, Goa allowed slot machine gaming in five-star hotels. Machines may simulate blackjack, baccarat, and roulette games, but there may be no live dealers. In 1996, the state authorized table games and machines on ships.¹³⁸ However, when the law was implemented in 1997, only the machines were allowed.¹³⁹ In 2001, tables with live dealers were permitted for the M.V. Carvela, a ship, which was located just off of the shore near the main city of Panji.¹⁴⁰ The operator pays

¹²⁵ *Sikkim All Set to Roll its Roulette for Great Gamblers*, INDIAN REALTY NEWS, http://www.indianrealtynews.com/real-estate-india/sikkim-all-sest-to-roll-its-roulette-for-great-gamblers.html?wmp_switcher=mobile (last visited Sept. 17, 2011).

¹²⁶ THOMPSON, *supra* note 1, at 364.

¹²⁷ *Id.*; see *India Gambling*, *supra* note 121.

¹²⁸ *History of Sikkim*, NATIONAL INFORMATICS CENTRE, SIKKIM, http://www.wikkim.nic.in/sws/sikk_his.hitm (last visited Sept. 17, 2011).

¹²⁹ *Id.*

¹³⁰ *Id.*

¹³¹ THOMPSON, *supra* note 1, at 365.

¹³² Barun Roy, *Sikkim: The Dice is Set – Casino Games Rolls from the Royal Plaza*, THE HIMALAYAN BEACON (Mar. 2, 2009), http://www.sikkim.nic.in/sws/sikki_his.htm.

¹³³ THOMPSON, *supra* note 1, at 365.

¹³⁴ *Id.* at 364.

¹³⁵ *Id.*

¹³⁶ *Id.*

¹³⁷ *Id.*

¹³⁸ *Id.*

¹³⁹ *Id.*

¹⁴⁰ *Id.*; *India Gambling*, *supra* note 121.

an annual license fee, and the operator charges players a high entrance fee.¹⁴¹ Since 2001, several other ship operators have also begun offering casino games.¹⁴²

Among others, religious groups have severely criticized gambling as not being regulated effectively.¹⁴³ As a result, efforts to limit gambling have been enforced through state policy measures increasing taxes on player winnings.¹⁴⁴ Hopes that Goa would become a special gambling enclave along the order of China’s Macau have been set aside for the near future.¹⁴⁵

Several factors in the Worldwide Veto Model have retarded development of casinos in India. Poverty leads the list. Violence in the north of Kasmir has precluded casino development within the region. Moreover, after the bombings in Mumbai in 2008, general concerns about violence have put a damper on development elsewhere. Religious authorities both from Hindu adherents and Catholics in Goa have used political lobbying pressure to stop gaming growth. While entrepreneurs recognize that massive gambling developments in Macau and Singapore beckon to high rollers from India, neither the national nor the state governments experience border pressure sufficient to cause them to respond with the legalization of gaming. Macau and Singapore are rather far away. Also, limited gaming in Nepal does not present border pressures for Indian legalization; and to the west of India, Muslim countries have no casinos.

VIII. ISRAEL

Located beside the eastern shores of the Mediterranean, the small country of Israel has only 8,000 square miles of land and 7.3 million people,¹⁴⁶ holding one-third of the Jewish population worldwide.¹⁴⁷ While twenty percent of the population is not Jewish, Israel has been the world’s only western-style democracy that is closely tied to a religious ideology, Judaism.¹⁴⁸ The modern nation began in 1948 as a realization of Zionism—the philosophy that there be a homeland for Jewish people.¹⁴⁹

Israel is a gambling country. The country has maintained a lottery since 1951.¹⁵⁰ However, allowing casinos has been a controversial issue. With a brief two-year exception when a casino was permitted in the Palestinian Authority area, as discussed below, there have been no legal casinos.¹⁵¹

¹⁴¹ *Casinos in Goa*, MAKE MY TRIP, http://www.makemytrip.com/travel-guides/india/casinos_goa-goa (last visited Dec. 12, 2011).

¹⁴² THOMPSON, *supra* note 1, at 364-65.

¹⁴³ *Id.*

¹⁴⁴ *Id.*

¹⁴⁵ *See id.* at 364.

¹⁴⁶ *Israel*, INFOPLEASE, <http://www.infoplease.com/ipa/A0107652.html> (last visited Sept. 12, 2011).

¹⁴⁷ ALAN ARIAN, POLITICS IN ISRAEL: THE SECOND REPUBLIC 3, at 1-22 (2004).

¹⁴⁸ *Id.*

¹⁴⁹ Asher Friedberg et al., *Gambling in Israel and the Jericho Casino: Moralistic Political Culture Bends Toward Pragmaticism*, 5 GAMING L. REV. 25, 25-26 (2001).

¹⁵⁰ *Israel Lottery – New Lotto*, GLOBAL-LOTTERY-REV., <http://global-lottery-review.com/Israel-lottery.html> (last visited Sept. 12, 2011).

¹⁵¹ Friedberg et al., *supra* note 149, at 28.

Casino gaming may be an important economic issue, but the dominant issue facing Israel has been national defense. Jews began serious efforts to escape persecution by forming their own state in the nineteenth century.¹⁵² When the modern state of Israel was formed ultimately in 1948, neighboring non-Jewish Arab countries immediately declared war. Israel has since fought wars with the surrounding nations in 1956, 1967, 1973, and 1982.¹⁵³

In 1993, the Oslo Accords provided for peaceful relations between the Israelis and bordering Palestinians.¹⁵⁴ The Accords proved short-lived and gave rise to the Intifada in 2000, which was largely characterized by pitched battles targeting civilians.¹⁵⁵ As of 2011, those hostilities persist.¹⁵⁶

Gaming has deep roots in the life of Jewish people. Early Jewish scripture suggests that forms of lotteries were used as a common way for Hebrew people to solve social and legal disputes.¹⁵⁷ Some contend that the first gamble was by Eve as she picked the fruit from the forbidden tree in the Garden of Eden.¹⁵⁸ Others say the first use of a lottery may have been Aaron appealing to God to help him decide which of two goats to kill for a sacrifice.¹⁵⁹ Other examples of drawing lots to determine how land would be distributed,¹⁶⁰ military tactics, and other public issues appear throughout the Hebrew books of the Bible (the Christian Old Testament).¹⁶¹ Whether these are examples of “real” gambling is open to dispute as often there was no consideration offered by players of the game.¹⁶² The goals of Israeli lotteries have changed and they are now aimed at national targets, such as purchasing land for the public and supporting welfare programs.¹⁶³

There are many examples of Israeli gambling today. There are lottery kiosks located in every neighborhood selling tickets for the twice-weekly national game, soccer pools, and instant games.¹⁶⁴ The government takes most of the revenues from the games, and player winnings are not subject to income taxes.¹⁶⁵ Gambling vessels with both slot machines and table games operate on international waters sailing from Haifa and Eilat.¹⁶⁶ Advertisements in Israeli

¹⁵² ARIAN, *supra* note 147, at 1-22.

¹⁵³ *Israel Wars*, ISR. MINISTRY OF FOREIGN AFF., <http://mfa.gov.il/mfa/modern%20history/Israel%20wars> (last visited Sept. 13, 2011).

¹⁵⁴ *The Oslo Accords*, MIDDLE EAST RES. & INFO. PROJECT, http://www.merip.org/Palestine-israel_primer/oslo-accords-pal-isr-prime.html (last visited Sept. 13, 2011).

¹⁵⁵ *The Fall 2000 Uprising*, MIDDLE EAST RES. & INFO. PROJECT, <http://www.merip.org/fall-2000-uprising> (last visited Sept. 13, 2011).

¹⁵⁶ THOMPSON, *supra* note 1, at 513.

¹⁵⁷ *See id.* at 195.

¹⁵⁸ *See* Bereshit 2-3; *see also* Genesis 2-3.

¹⁵⁹ *See* Leviticus 16; *see* Vayikra 16; *see also* THOMPSON, *supra* note 1, at 195.

¹⁶⁰ *See* Joshua 17; *see* Y’hoshua 17; *see also* THOMPSON, *supra* note 1, at 195.

¹⁶¹ THOMPSON, *supra* note 1, at 195.

¹⁶² The definition of gambling includes three elements: consideration (an element of all contracts), chance, and prize. *Id.* at 683.

¹⁶³ *Id.* at 513.

¹⁶⁴ Friedberg et al., *supra* note 149, at 27.

¹⁶⁵ *Id.*

¹⁶⁶ *Id.* at 28.

newspapers tout floating casinos, including the provision of kosher food, and entertainment.¹⁶⁷

A sizeable number of Israelis travel abroad in order to participate in casino gambling.¹⁶⁸ While it has been opened and closed with the changing winds of violence, a casino in nearby Lebanon was one of the most popular in the world.¹⁶⁹ Egypt also caters to Israeli gamers, offering a casino in the border town of Taba, to which players can walk from the Israeli town of Eilat.¹⁷⁰ In addition, illegal casinos operate in various locations and receive only occasional attention from the police.¹⁷¹

A survey in the 1970s found gambling to be a more prevalent behavior among those of the Jewish faith than of members of many other religions.¹⁷² An article in *The Jerusalem Report* carried the title, *The Jewish Vice*, and the subtitle, *Gambling is the ‘drug of choice’ for the Chosen People*.¹⁷³ Rabbi R. Bernal Wein writes,

Gambling to too many Jews has become an addiction, no less so than drugs or alcohol. Gamblers’ Anonymous is as busy as Alcoholics Anonymous [in Jewish communities]. . . The rabbis sensed all of the problems inherent in gambling and thus wisely attempted to distant Jews from being caught in gambling activities. Playing dreidel or cards on Chanuka (the Jewish Holiday) is one thing. Gambling on a daily basis is quite another matter, one that is contrary to the traditions and principles of halacha and Judaism.¹⁷⁴

The legalization of casino gambling in Israel has been discussed since the 1990s. During its meeting in 1990, the Economic Committee of the Knesset recommended the establishment of a casino in Eilat.¹⁷⁵ The committee wished the casino to be operated by the National Lottery.¹⁷⁶ A second committee, meeting in February 1991, also recommended establishing a casino in Eilat, because the Egyptians were operating a casino in Taba.¹⁷⁷ Efforts failed in the Knesset in 1994 and 1995.¹⁷⁸ According to University of Haifa Professor Asher, the purpose of the proposed legalization was to stem the growth of illegal gambling as well as competition with nearby casinos.¹⁷⁹

The national government appointed another committee of inquiry to consider a legal casino in 1995.¹⁸⁰ The committee deliberated for five months. It

¹⁶⁷ *Id.*

¹⁶⁸ *Id.* at 27.

¹⁶⁹ THOMPSON, *supra* note 1, at 516.

¹⁷⁰ Friedberg et al., *supra* note 149, at 28.

¹⁷¹ *Id.* at 27.

¹⁷² COMM’N ON THE REV. OF THE NAT’L POL’Y TOWARD GAMBLING, GAMBLING IN AMERICA, FINAL REP. 59 (1976).

¹⁷³ Friedberg et al., *supra* note 149, at 27.

¹⁷⁴ R. Berel Wein, *Gambling*, TORAH.ORG, www.torah.org/features/secondlook/gambling.html (last visited Dec. 5, 2011).

¹⁷⁵ Friedberg et al., *supra* note 149, at 29.

¹⁷⁶ *Id.*

¹⁷⁷ *Id.*

¹⁷⁸ *Id.*

¹⁷⁹ Interview with Asher Friedberg, Professor Univ. of Haifa, in Jerusalem, Isr. (June 24, 2001); see PUBLIC COMM. TO EXAMINE THE ISSUE OF CASINO IN ISR., REPORT, at app. 5 (Dec. 1995) [hereinafter ISRAEL PUBLIC COMM.].

¹⁸⁰ *Id.*

surveyed the legal and illegal options facing Israeli gamblers, problem gambling, economic issues, and before ultimately proposing the development of legal casino gambling with safeguards.¹⁸¹ The report generated opposition, most prominently from political parties identified with the Orthodox and ultra-Orthodox religious community.¹⁸² Despite the committee's recommendations, the government took no further action.¹⁸³

A reference point for much of the subsequent debate over casinos involved a political anomaly: a casino in Jericho, located in the land of Palestinian Authority.¹⁸⁴ The 1993 Peace Accords gave the Palestinian Authority a degree of sovereignty in much of the former Jordanian lands (called the West Bank) that Israel had conquered, and then occupied, in the 1967 war.¹⁸⁵ The Israeli government was seeking stability for the Accords, so in 1994 they agreed to a plan for the Palestinians to put a casino at the Israeli border in the city of Jericho.¹⁸⁶ At first glance, it seemed to be an inspired choice. Jericho is one of the oldest cities in the world,¹⁸⁷ and the Palestinians had hopes of making the city a major tourist destination. Their leader, Yassir Arafat, also maintained a home there.¹⁸⁸ Yet even though the Palestinians established the Oasis casino in Jericho, no Palestinians were permitted to gamble there; thus, almost all the players were from Israel.¹⁸⁹ Moreover, Jericho is approximately a one-hour drive from Jerusalem.¹⁹⁰

The Oasis Casino began operations in September 1998. However, it closed in September 2000 after the Intifada took power. The casino building was in the direct line of fire between Israeli and Palestinian combatants. However, the Israeli military relayed a message to the Palestinians that the casino building would not be a target.¹⁹¹ Instead of recognizing it as "off limits," Palestinian snipers took advantage of the gesture by sheltering themselves on the roof of the building and firing upon nearby Israeli settlements.¹⁹² After repeated warnings remained unheeded, an Israeli tank simply moved into position and fired on the casino building, essentially ruining the structure. No lives were lost in the shelling, but casino activity was over.¹⁹³

The facility had served to meet the desires of many citizens of Israel who wished to participate in gambling activities. Three thousand visitors came to the casino every day for two years. Of the casino visitors, ninety-seven percent were Israeli citizens, while only three percent were tourists visiting Israel. The

¹⁸¹ *Id.* These safeguards included elements such as age requirements and identifications, alcoholic beverage restrictions, and limited hours.

¹⁸² *Id.*

¹⁸³ See ISRAEL PUBLIC COMM., *supra* note 179.

¹⁸⁴ Asher Friedberg & William N. Thompson, *Politics of Casino Gambling: Israel and the Palestinian Authority – An Update*, 7 GAMING L. REV. 421, 421 (2003).

¹⁸⁵ See *Details of the Oslo Accords*, PALESTINE FACTS, http://www.palestinefacts.org/pf_1991to_now_oslo_accords.php (last visited Dec. 5, 2011).

¹⁸⁶ THOMPSON, *supra* note 1, at 514.

¹⁸⁷ *Id.*

¹⁸⁸ *Id.*

¹⁸⁹ *Id.*

¹⁹⁰ Friedberg et al., *supra* note 149, at 28.

¹⁹¹ *Id.*

¹⁹² *Id.*

¹⁹³ *Id.*

average player was middle-class and middle-aged. Each spent on average \$225 per casino visit.¹⁹⁴ The casino was very profitable and provided a major source of revenue from Israel to the Palestinian Authority. It was the largest, and most lucrative investment of the Palestinian Investment Fund.¹⁹⁵ In its mere two years of operation, the casino took in the cash equivalent of \$1.5 billion U.S. dollars from the pockets of its players.¹⁹⁶ Operating profits amounted to \$328 million, or well over 60% of the play. As their leading source of revenue, this money financed many Palestinian Authority activities.¹⁹⁷

Israeli leaders saw many benefits in the existence of the Jericho casino.¹⁹⁸ First, they realized that the casino met demands for gambling among many Israelis. The casino drew Israeli players away from illegal casinos and also casinos in other countries.¹⁹⁹ Second, the creation of the Oasis Casino lessened pressures to establish casinos in Israel—pressures that brought political conflict and confrontation with strong moral interests as well as members of the Labor Party.²⁰⁰ Because the Jericho casino was under Palestinian Authority jurisdiction, it muted opposition from those sources.²⁰¹ Third, the existence of the Jericho casino allowed Israeli money to go to Palestinians without direct appropriations.²⁰² These investments helped to lessen hostility between Palestinians and Israelis. The countless jobs the casino provided to Jericho residents allowed them to build careers that in turn, built a more vibrant local community.²⁰³ It was believed by many that strong Palestinian communities would be more likely to wish peaceful relations with Israel, as they would have a lot to lose in an atmosphere of hostility.²⁰⁴

On the other hand, the two-year existence of the Jericho casino did present some downsides for Israel. For instance, there were questions about where the casino profits went. Money intended for the community of Jericho and the Palestinians purportedly went to the Palestinian leader, Yassir Arafat instead; he may have used the money to plan attacks on Israel, while also adding to his personal wealth.²⁰⁵

Israeli policymakers asked parenthetically “We have our own needs, why should Israeli money flow to a Palestinian casino?” Instead, they reasoned that if the money went to an Israeli casino in the desert, it would save the outflow of foreign currency, provide tax revenues, and help the economy of a depressed region.²⁰⁶ Nonetheless, arguments about casinos were trivial in comparison

¹⁹⁴ *Id.*

¹⁹⁵ *Id.* at 28-29 (citing William A. Orme, Jr., *Palestinian Investment Fund, No Longer Secret, Will Close*, N.Y. TIMES (July 7, 2000) <http://nytimes.com/2000/07/07/world/palestinian-investment-fund-no-longer-secret>).

¹⁹⁶ *Id.* at 29 (citing INFO. & INVESTIGATIVE SERV., JERICHO CASINO SURVEY (Mar. 2001)).

¹⁹⁷ *Id.* (citing INFO. & INVESTIGATIVE SERV., JERICHO CASINO SURVEY (Mar. 2001)).

¹⁹⁸ Friedberg & Thompson, *supra* note 184, at 422.

¹⁹⁹ *Id.*

²⁰⁰ *Id.*

²⁰¹ *Id.*

²⁰² *Id.*

²⁰³ *Id.*

²⁰⁴ *Id.*

²⁰⁵ *Id.*

²⁰⁶ Friedberg et al., *supra* note 149, at 30.

with other problems facing the nation. The Prime Minister (Ehud Barak, 1999-2001) faced more serious concerns: negotiations with the Syrians and Palestinians, troop deployment in Lebanon, and turmoil regarding the funding of religious schools and activities during Sabbath.²⁰⁷ For all of these reasons, the prospect of a domestic casino was comparatively low on the list of national priorities.

Even in this political atmosphere, the Barak administration nonetheless did consider a Labor Party proposal to create a casino in the depressed Negev Desert town of Mitzpe Ramon.²⁰⁸ The nation's first Prime Minister, David Ben Gurion, established settlements there, directed tens of thousands of immigrants to them in the 1940s and 1950s, and chose a desert site for his permanent retirement home.²⁰⁹ Continued poverty and chronic unemployment of the desert towns was a national embarrassment. The proposals did not have enough support to be brought forth in the Knesset for final votes.²¹⁰

Despite past failed attempts by others, one prominent businessman kept pushing for casinos. Milton Schlaff, who had been an owner of the company that managed the Oasis Casino, purchased a large ship, and used it as a casino training facility for dealers.²¹¹ He also wished to anchor the ship at Eilat and gain permission to operate his casino just off the shore.²¹² Although the Mayor of Eilat was very much in favor of the idea, the Israeli Attorney General vetoed the project.²¹³

The demands for gambling in Israel have also been made evident by one proposal to have a casino on an airplane. In May 2002, the transport ministry had authorized a Boeing 747 to be operated by Icelandic airlines with a casino aboard.²¹⁴ Israeli investors were prepared to provide as much as \$30 million to convert the jumbo jet.²¹⁵ Once ready, the jet would take 230 gambling passengers on four-hour flights from the Israel Ben Gurion International Airport out into the skies above the Mediterranean Sea before ultimately returning home.²¹⁶ The plan won approval from the transport ministry; however, it was doomed by objections from the legal advisor to the prime minister as well as the Israeli Supreme Court.²¹⁷

A continuing opposition to gambling comes from a variety of sources reflecting the political culture in Israel. Newspapers report both religious and secular Jewish and Arab members in the Knesset who, while usually in competition with one another on basic issues of national security and economic pol-

²⁰⁷ *Id.* at 30-31.

²⁰⁸ *Id.* at 31.

²⁰⁹ *Id.*

²¹⁰ Amir Efrati, *MKs Work to Prevent Casinos*, JERUSALEM POST, June 17, 2003, available at 2003 WLNR 229133; see Calev Ben-David, *A Gamble Worth Taking*, JERUSALEM POST, June 18, 2003, available at 2003 WLNR 228626; see also Interview with Asher Friedberg, *supra* note 179.

²¹¹ Friedberg & Thompson, *supra* note 184, at 423.

²¹² *Id.*

²¹³ *Id.*

²¹⁴ *Id.*

²¹⁵ *Id.*

²¹⁶ *Id.*

²¹⁷ *Id.*

icy, sit around a table and share stories about individuals led to personal ruin because of gambling.²¹⁸ A day after the prime minister and finance minister proposed a casino for Mitzpe Ramon, thirteen government ministers indicated their opposition and only seven supported it.²¹⁹ The floor leader of the prime minister’s party in the Knesset said that he would cut off his right hand before raising it in support of a casino.²²⁰ The plan did not have a chance.

Continued hostilities and violence make it highly unlikely that Israel will permit casinos for some time.²²¹ Regional violence is the major veto factor stopping casinos in Israel, although the strong religious sentiment among many members of the Knesset represents a veto force as well. On the other hand, while there is little political concern about protecting the poor from gambling, there is considerable feeling among politicians that casino gambling in Israel would hurt many people subject to gambling addictions. While there is no veto factor due to a lack of nearby casinos, an underground gambling establishment might just favor the status quo of no legal competition. An opposition from the illegal operators could be a silent veto factor.

IX. JAPAN

Forces in favor of legalizing casinos have been at work in Japan for two decades. Members of the national parliament (the Diet) have prepared legislation, and ten to fifteen sites throughout the country have been designated as potential casino locations in their plans.²²² While legislative votes in favor of casinos have been tallied, and leaders in the Diet have been on the brink of bringing a bill up for debate, at crucial moments they pause.²²³ The word goes out to the nation through the press, “They are almost there,” but then, the word is amended, “just wait until the next election is over,” or “wait until the new Prime Minister is installed,” or “wait until next year.”²²⁴ Major decisions regarding many different matters are made very slowly in Japan.²²⁵

A reluctance to decide is imbedded into the national character. Responsibility is something that is taken very seriously. Those who decide, become responsible. There is only one way to avoid responsibility: do not decide. Consensus is also prized very highly. While debates in the halls of the United

²¹⁸ Friedberg et al., *supra* note 149, at 31.

²¹⁹ *Id.*

²²⁰ *Id.*

²²¹ THOMPSON, *supra* note 1, at 516.

²²² William N. Thompson, *Gambling in Japan*, in CASINO INDUSTRY IN ASIA PACIFIC: DEVELOPMENT, OPERATION, AND IMPACT 59, 75 (Cathy H.C. Hsu ed. 2006) [hereinafter Thompson, *Gambling in Japan*]. Also the author attended a seminar that was more of a “rally of support for casinos” sponsored by proponents at the Dai-Ichi hotel in Tokyo, Nov. 8, 2011 where proposals were discussed.

²²³ *Id.*

²²⁴ These general observations as well as those pertaining to Pachinko games were gained by the author during six visits to Japan, including one sabbatical semester at Osaka University of Commerce sponsored by University President Ichiro Tanioka, which occurred from 1993-2011. The visits included many interactions with Prof. Tanioka, other academics, gaming industry and government personnel.

²²⁵ See BOYE LAFAYETTE DE MENTE, JAPAN UNMASKED: THE CHARACTER AND CULTURE OF THE JAPANESE 152-55 (2005).

States Congress become very acrimonious, and deals are made feverishly in order to secure the last vote needed to achieve a fifty-one percent majority, nothing ever comes to a vote in Japanese parliament unless approval is expected to be nearly unanimous.²²⁶ If there is a sixty percent majority, an issue is not brought up for a vote. Backroom talks go on until approval reaches seventy percent, then more talks. At a critical point, usually somewhere above eighty percent, the opposition realizes that it may be seen as breaking the pattern of consensus, and may go silently away, allowing the proponents of change to pass a bill unanimously, or nearly so. While majorities make noises suggesting they may want casinos, they do not bring forth bills for consideration.²²⁷ And so it has been for many years. The *Casino Journal* commented in February 2011 that “legalization of casinos has been reported as imminent in Japan since at least 2002, and nothing has happened so far.”²²⁸ Still casinos seem to lurk just around the corner. It may be when the new prime minister takes office. Now that a new natural disaster has fallen upon Japan, maybe the casinos will come after the country deals with the disaster. On the other hand, some see the disaster as propelling the casino matter toward acceptance.²²⁹

Under the law, gambling is illegal in Japan. During the nineteenth century unregulated gambling thrived throughout Japan. Families were destroyed through losses of all their resources and even suicides, motivation to work declined, and there was general corruption of the public morals. In 1882, the government finally put its foot down by passing a law strictly prohibiting gambling.²³⁰ The law was re-passed in 1907, but with the addition of the following escape clause: “Provided, however, that, [this] shall not apply to a person who bets a thing which is provided for momentary entertainment.”²³¹

Exceptions to the law came after World War II, as policy makers looked toward possible economic opportunities attached to gambling. In 1948, Lottery legislation was passed.²³² A mixture of governmental units—national, prefectural (regional) and municipal—came together with banks to operate lotteries. The Dai-Ichi Kangyo Bank gained a leading role in ticket sales.²³³ In 1996, the lottery sold the equivalent of \$6.5 billion U.S. dollars in tickets, making it a world leader.²³⁴ Their products mirrored those of all other lotteries, except,

²²⁶ These are the author’s observations based upon visits to Japan and also fifty years of graduate studies of political science and academic inquiries into political science as a Political Science and Public Administration professor.

²²⁷ *Id.*

²²⁸ *The Wild Wild East*, CASINO JOURNAL (Feb. 1, 2011), http://www.casinojournal.com/Articles/Cover_Story/2011/02/01/The-Wild-Wild-EAST.

²²⁹ Interviews with Professor Kazuaki Sasaki, Nihon University, Tokyo, in Las Vegas, Nev. (Mar. 22, 2011), and in Tokyo, (Nov. 5, 2011). The notion that the March 2011 earthquake and tsunami in the Sendi region of Japan will lead to passage of a casino bill was articulated by many voices at the November 8, 2011 rally.

²³⁰ Keiho [Keiho] [Crim. C.] 1182, ch. XXIII, art. 185-87 (Japan); Thompson, *Gambling in Japan*, *supra* note 222, at 59.

²³¹ Keiho [Keiho] [Crim. C.] 1182, ch. XXIII, art. 185 (Japan).

²³² Thompson, *Gambling in Japan*, *supra* note 222, at 72.

²³³ *Id.*

²³⁴ Shannon Bybee & William N. Thompson, *Japan*, in A. CABOT ET AL., INTERNATIONAL CASINO LAW 520.

interestingly, their major lotto game did not have a single super prize.²³⁵ Instead, whenever someone hit all the winning numbers, many prizes were given to all those coming close.²³⁶ For example, in one drawing, seventy-seven persons were given jackpot prizes, each worth about \$2 million U.S. dollars.²³⁷

The horse racing law was also passed in 1948, as was legislation for betting on motor boat racing.²³⁸ Japan is the only venue in the world with motor boat race betting.²³⁹ There are twenty-four government-owned courses.²⁴⁰ In 1950, motorcycle racing was allowed with pari-mutuel betting, and bicycle racing followed in 1951.²⁴¹ There are six motorcycle tracks and forty-nine velodromes for bicycle racing.²⁴² Currently, horse tracks are owned by either the national government or by prefectures.²⁴³ The racing event of the year is the “Japan Cup.” Betting on the race exceeds total bets on all the American Triple Crown races combined.²⁴⁴

While these several forms of betting came about with new legislation, the major form of wagering—pachinko—has had no direct legislative underpinnings.²⁴⁵ Instead, police authorities have considered pachinko gaming subject only to the broad controls of the 1948 Law on Control and Improvement of Amusement Businesses.²⁴⁶ A pervasive cultural legal fiction promotes the idea that pachinko is not gambling, because the three elements of gambling are found missing: (1) consideration (a wager of value), (2) chance, and (3) a prize of value. First, players “rent” pachinko balls, using plastic cards to activate their placement into machines.²⁴⁷ No money is directly “bet.” Second, players use “skills”—not chance—to activate a shooting mechanism that propels the balls around the playing surface of a board.²⁴⁸ Third, if they are successful, the machine returns more balls to them, and they can exchange these balls for non-cash prizes.²⁴⁹ However, reality belies the notion that the elements of gambling are missing. The players advance cash to get the balls.²⁵⁰ They use very

²³⁵ Thompson, *Gambling in Japan*, *supra* note 222, at 72.

²³⁶ *Id.*

²³⁷ *Id.*

²³⁸ *Id.* at 73.

²³⁹ *Id.*

²⁴⁰ *Id.*

²⁴¹ *Id.*

²⁴² *Id.* at 74.

²⁴³ *Id.* at 73; see also Kimihisa Kittaka, *Toward Rebirth: “Keirin” Bicycle and Motorcycle Racing to Introduce Private Business Resources*, IIST WORLD FORUM (June 3, 2002), http://www.iist.or.jp/wf/magazine/0089/0089_E.html.

²⁴⁴ Thompson, *Gambling in Japan*, *supra* note 222, at 73.

²⁴⁵ *Id.* at 63.

²⁴⁶ Fuzoku Eigyo no Kisei oyobi Gyomu no Tekiseka to ni Kansura Horitsu (Law on Control and Improvement of Amusement Businesses), Law 122, 1948, Art. 23, *cited in* I. TANI-OKA, *PACHINKO AND THE JAPANESE SOCIETY* 80 (2000).

²⁴⁷ Thompson, *Gambling in Japan*, *supra* note 222, at 73; Eric C. Sibbitt, *Regulating Gambling in the Shadow of the Law: Form and Substance in the Regulation of Japan’s Pachinko Industry*, 38 HARV. INT’L L.J. 568, 569 (1997).

²⁴⁸ Thompson, *Gambling in Japan*, *supra* note 222, at 73; Sibbitt, *supra* note 247, at 569.

²⁴⁹ See Thompson, *Gambling in Japan*, *supra* note 222, at 73; Sibbitt, *supra* note 247, at 569. Author’s personal tour of Hinomara and P-Ark Pachinko Parlors of Kawasaki and Tokyo, in Kawasaki and Tokyo, Japan (Apr. 4-5, 1995).

²⁵⁰ Thompson, *Gambling in Japan*, *supra* note 222, at 73.

little skill to activate the balls (although there is some skill in finding machines that may have boards that are more friendly for returning more balls than played).²⁵¹ Ultimately, the players take their non-cash prizes outside of the pachinko halls where they are exchanged for cash.²⁵²

Pachinko became popular in Japan for reasons that keep pachinko play uniquely Japanese. The game is a spin-off of a game developed in the United States in the 1920s.²⁵³ The American game was played on a horizontal board at a tilted angle. Balls—typically marbles—were “shot” upward (actually outward) and fell down a slope into areas where they would be judged to be winning or losing balls.²⁵⁴ Over time the game developed into what are now called pinball machines.²⁵⁵

The game idea came to Japan in the 1930s where it was adapted to the lack of space in commercial amusement centers. While American pinball machines are six feet in length and three feet in width,²⁵⁶ the pachinko board is vertical, requiring only two feet of lateral space. At first, the game was played only for amusement. The game became very popular, but during World War II, it was discouraged as it was considered a waste of valuable time, which could otherwise be spent on wartime pursuits. In addition, the pachinko machines used parts and metals (especially the balls), which were needed for the war effort.²⁵⁷ The machines were also seen to be devices that would waste valuable time that should be spent in more meaningful and productive pursuits.²⁵⁸

After World War II, new incentives made pachinko popular once again. There were certain shortages, and there were certain surpluses.²⁵⁹ While Japan had an active manufacturing sector during the war, the Allies sustained bombing campaigns that destroyed a significant number of Japanese factories.²⁶⁰ The result was that Japan faced certain shortages of manufactured products.²⁶¹ Interestingly though, they found that an essential element in their machinery—the ball bearing—was not destroyed. In fact, they had a surplus of millions of ball bearings, for which they had no practical use.²⁶² In response, manufacturers started making pachinko machines to specifications that could use the ball bearings, essentially manufacturing a demand for something that was otherwise useless.²⁶³

²⁵¹ William N. Thompson, *Japan and Pachinko*, in *GAMBLING IN AMERICA: AN ENCYCLOPEDIA OF HISTORY, ISSUES, AND SOCIETY* 202, 203-04 (2001) [hereinafter Thompson, *Japan and Pachinko*]; Thompson, *Gambling in Japan*, *supra* note 222, at 64.

²⁵² Thompson, *Japan and Pachinko*, *supra* note 251, at 203-04; Sibbitt, *supra* note 247, at 569.

²⁵³ Thompson, *Japan and Pachinko*, *supra* note 251, at 203.

²⁵⁴ *Id.*

²⁵⁵ *Id.*

²⁵⁶ Thompson, *Gambling in Japan*, *supra* note 222, at 70.

²⁵⁷ *Id.*

²⁵⁸ *Id.*

²⁵⁹ *Id.*

²⁶⁰ *Id.*

²⁶¹ *Id.*

²⁶² *Id.*

²⁶³ *Id.*

Manufacturers also began to finance pachinko halls. The American army supported those decisions.²⁶⁴ Indeed, the Americans and the Japanese supported any productivity that led to greater levels of employment after the war.²⁶⁵ Stability was returning to a “new” Japan. The pachinko game also became a device for rationing the items people wanted or needed, all of which were in short supply.²⁶⁶ Things people wanted included chewing gum and chocolate, while the things they needed included soap and home cleaning materials.²⁶⁷ The winners of the pachinko games received these types of goods.²⁶⁸

With time the economy improved and many of these consumer items became available. Machines were no longer needed to dispense the goods. A new prize structure was developed involving an exchange of prizes for cash.²⁶⁹ The exchange system offered an avenue for crime elements to come into the picture.²⁷⁰ The pachinko parlors increased their number of machines to the average 250 machines at each parlor.²⁷¹ However, the Japanese economy hit difficult times, and the number of parlors, as well as pachinko revenues, has since decreased.²⁷² Today there are about 15,000 halls and over three million machines.²⁷³ Profits earned in 2006 from pachinko exceeded the equivalent of \$25 billion U.S. dollars, equating to an excess of \$215 billion U.S. dollars wagered.²⁷⁴ The average Japanese adult bets and loses double the amount than the average American at the games played.²⁷⁵

The wagering today in Japan comes almost exclusively from local residents. There is no tourism quality to the domestic gambling product. In the many decades since World War II, few Japanese have been attracted to casinos in other countries, although Japanese gamblers traveling to places like Las Vegas are considered to be good gamblers by casino hosts.²⁷⁶ Due to its island nature, casinos in other countries are not close to the Japanese borders. However, this veto factor is losing its effect, as Macau has undergone considerable expansion, and new Singapore and Korean-based casinos now look for patronage from Japanese players.²⁷⁷

Several veto factors do not operate to prevent casino development in Japan. For instance, widespread poverty is not a major government concern, and religion has not been a force in Japanese politics for many decades. Furthermore, the society is tranquil with little overt violence and governmental

²⁶⁴ *Id.*

²⁶⁵ *Id.*

²⁶⁶ *Id.* at 70-71.

²⁶⁷ *Id.* at 70.

²⁶⁸ *Id.* at 71.

²⁶⁹ *Id.*

²⁷⁰ *Id.*

²⁷¹ *Id.*

²⁷² *Id.*

²⁷³ *Id.* at 59.

²⁷⁴ *Id.*

²⁷⁵ *Id.*

²⁷⁶ Interview with Roy Kawaguichi, Interpreter for Japan Tour Bureau and former casino host, Las Vegas, Nev. (July 20, 2011).

²⁷⁷ See generally Thompson, *Gambling in Japan*, *supra* note 222.

corruption.²⁷⁸ Two veto factors remain, as there is concern about compulsive gambling and there are those in the pachinko industry that see casinos as a threat to their livelihood.²⁷⁹

X. LIECHTENSTEIN

Landlocked Liechtenstein is one of the smallest countries in the world, having a population of only 32,000 people, and a landmass of sixty-two square miles.²⁸⁰ The nation is the only contemporary country that was owned by a family.²⁸¹ It is also the only country named for a family, the Liechtenstein's.²⁸² The small principality represents the only remaining monarchy that was once part of the Holy Roman Empire. Today, the Roman Catholic Church is the national church of Liechtenstein. The Church maintains strong ties to both Rome and the government of the principality. The Church seeks to uphold morality with its influence, and is one force against the legalization of casinos.²⁸³

In 1868, with Liechtenstein mired in considerable public debt, a casino was proposed to usher it out of its financial woes. The parliament supported the project. However, ruling Prince Johann II nullified the action. The Prince then advanced his personal funds to pay the country's creditors.²⁸⁴ The Prince vetoed the establishment of another casino in 1872. In that instance, the Baden Baden company had applied to open a casino in Liechtenstein following the closure of its German casino the preceding year.²⁸⁵

Forty-nine years later, Liechtenstein was once more facing financial disaster. The country had been closely aligned with Austria in the early twentieth century. By agreement, Austria controlled Liechtenstein's borders with respect to trade and customs, and postal functions.²⁸⁶ In turn, Austria gave Liechtenstein a handsome grant that often amounted to over fifty percent of its national budget, and once even ninety percent.²⁸⁷ With the onset of World War I however, Liechtenstein declared its neutrality, thus siding with Switzerland. Austria was not pleased, and as the war took its toll on the country, the grants to Liechtenstein dwindled, as postal and customs agreements ended.²⁸⁸ The victorious Allies, including the French and the British, also showed no gratitude for Liechtenstein's neutrality, and they refused to come to its aid with food or other needed supplies, during the war or afterwards.²⁸⁹

²⁷⁸ Interview with Kazuaki Sasaki, *supra* note 229.

²⁷⁹ *Id.*

²⁸⁰ *Liechtenstein*, in 17 ENCYCLOPEDIA AMERICANA 413 (2003).

²⁸¹ R.MEIER, LIECHTENSTEIN xvi (1993).

²⁸² THOMAS ECCARDT, SECRETS OF THE SEVEN SMALLEST STATES OF EUROPE 176 (2005).

²⁸³ *See generally* HERBERT WILLE, STATE AND CHURCH IN THE PRINCIPALITY OF LIECHTENSTEIN (1992); *see also* DAVID BEATTIE, LIECHTENSTEIN: A MODERN HISTORY 265 (I.B. Tauris ed. 2004).

²⁸⁴ *Liechtenstein Gambling*, *supra* note 4.

²⁸⁵ *Id.*

²⁸⁶ BEATTIE, *supra* note 283, at 25-26.

²⁸⁷ *Id.* at 30-35, 51.

²⁸⁸ *Id.* at 51.

²⁸⁹ *Id.* at 42.

The solution to Liechtenstein's economic difficulties was a casino. A single conglomerate of Swiss and French finance interests proposed a casino monopoly, promising generous tax revenues, improvements in roads, a new tram, and a drinking water supply system²⁹⁰—an offer it could not refuse? At least the parliament thought so. However, once again, Prince Johann II stepped forth with a counterproposal.²⁹¹ He would furnish the funds for the needed improvements—if there was no casino.²⁹² Parliament accepted the counterproposal.²⁹³ Johann II had reigned for over seventy years until he died in 1929.²⁹⁴ As a matter of habit, it seems he opened his family's treasury and paid off debts, and he personally established new transportation services.²⁹⁵

As the Austrian alliance and trade treaty was now defunct, Liechtenstein had little choice but to turn to the Swiss for mutual aid agreements. In 1923, these agreements culminated in new treaty agreements giving the Swiss rights to participate in Liechtenstein's postal system.²⁹⁶ For the first time, Liechtenstein would have its own postage stamps—money-making products marketed worldwide to philatelists.²⁹⁷ Under the treaty, Liechtenstein maintained the right to control internal taxation, but Switzerland controlled the borders and international customs, and it participated in authorizing Liechtenstein's passports.²⁹⁸ Moreover, Liechtenstein agreed to abide by many Swiss domestic laws. The agreement was applied generally to all Swiss laws (unless there was a specific exception); therefore, it included an agreement to abide by Swiss law not to allow casino gambling.²⁹⁹ The agreement was continuous but after the first five years could be cancelled by either country with a year's notice.³⁰⁰

As general economic conditions improved, Liechtenstein found its success tied to low taxes and very liberal incorporation laws.³⁰¹ The new economic formula led the country to mandate its own constitutional provision against almost all gambling in 1949.³⁰² In the ensuing years, Liechtenstein became the antithesis of Monaco.³⁰³ Rather than having any casinos of its own, Liechtenstein was surrounded by German, Italian, Yugoslavian, and Austrian casinos.³⁰⁴

²⁹⁰ *Liechtenstein Gambling*, *supra* note 4.

²⁹¹ *Id.*

²⁹² *Id.*

²⁹³ *Id.*

²⁹⁴ BEATTIE, *supra* note 283, at 384.

²⁹⁵ *Liechtenstein Gambling*, *supra* note 4.

²⁹⁶ BEATTIE, *supra* note 283, at 51, 53.

²⁹⁷ *Id.* at 53.

²⁹⁸ *Id.* at 52-53.

²⁹⁹ *See id.* at 52-57.

³⁰⁰ *Id.*

³⁰¹ ECCARDT, *supra* note 282, at 180-81. For example, over the past nine decades, 73,000 companies have established their corporate offices in the country—that is over two companies per resident. *Liechtenstein Gambling*, *supra* note 4.

³⁰² *Casinos and Gambling in Germany*, THE GERMAN WAY & MORE, <http://www.german-way.com/casinos-germany-spielbank.html> (last visited Dec. 5, 2011).

³⁰³ *See generally* THOMPSON, *supra* note 1, at 455-57. In the mid-nineteenth century, tiny Monaco was an enclave on the Mediterranean Sea surrounded by French lands. It gained prominence by becoming the only territory in Central and South Europe that permitted casino gambling. *Id.* at 456.

³⁰⁴ *See generally*, THOMPSON, *supra* note 1 for a discussion of casinos in each country.

In 1995, Liechtenstein entered the gambling foray as it established a government-run Internet lottery marketed to foreign countries.³⁰⁵ When Switzerland authorized casinos in 1994, and then approved their operations in nineteen locations beginning in 2002, Liechtenstein authorities began to rethink casinos.³⁰⁶ The 1923 Customs Union Treaty prohibition against casinos was predicated on the notion that Liechtenstein would be abiding by the social laws of Switzerland. Those laws had been altered. Moreover, the 1923 edict operated at first on a five-year timetable with a provision that it would continue on a year-by-year basis after that as long as neither country affirmatively withdrew from any provision.³⁰⁷ Liechtenstein could back out of the no-casino provisions when Switzerland authorized its own casinos.

The government set up a parliamentary commission in 1999 to survey the issue and set forth ideas for a casino law. Because the government had become aware of significant money laundering activities in its banks throughout the 1990s, one of the commission's primary concerns involved the effects a casino might have on money laundering activities in its domestic banking system.³⁰⁸ There was also concern that very strict bank privacy laws in Liechtenstein seemed to have opened the door to money laundering schemes for Islamic terrorists to hide and secretly transfer money to their operatives.³⁰⁹ Other "crooks, crime syndicates, [and] tax evaders," purportedly did the same, as did fronts for nefarious businesses.³¹⁰

Nonetheless, in 2006, the prime minister opened the door to legislation that could drive casino development. In 2009, members of parliament proposed a draft of a casino act.³¹¹ The legislation will allow the government to grant licenses to private casino companies.³¹² Other provisions seem to mirror policies for the nineteen new casinos in Switzerland.³¹³ Ultimately, the drafted legislation was not brought forward for a vote.³¹⁴ One internet source indicates that it did pass in 2010, but that that the legislation has not been implemented at this time.³¹⁵

After examining the factors of the Worldwide Veto Model as applied to Liechtenstein, we can dismiss several. First, Liechtenstein has not been a society subject to violence, nor have residents displayed personality attributes tending toward addiction. Second, gaming policy has not been driven by feelings

³⁰⁵ *Casinos and Gambling in Germany*, *supra* note 302; *Liechtenstein Gambling*, *supra* note 4.

³⁰⁶ THOMPSON, *supra* note 1, at 477-81.

³⁰⁷ BEATTIE, *supra* note 283, at 52, 54.

³⁰⁸ *Id.* at 305.

³⁰⁹ Conal Walsh, *Trouble in Banking Paradise as Uncle Sam's Sheriffs Ride In*, THE OBSERVER (Oct. 27, 2002), <http://www.guardian.co.uk/business/2002/oct/27/theobserver.observerbusiness9/>.

³¹⁰ *Id.*

³¹¹ James Kilsby, *Liechtenstein Casino Consultation Drawing to a Close*, GAMBLING COMPLIANCE (July 9, 2009), www.gamblingcompliance.com/node/37613.

³¹² *Id.*

³¹³ See *Liechtenstein Gambling*, *supra* note 4.

³¹⁴ Kilsby, *supra* note 311.

³¹⁵ *Casinos and Gambling in Germany*, *supra* note 302; *Two to Compete for Liechtenstein Licenses*, INT'L CASINO REV., May 2011, at 8, available at <http://publishing.yudu.com/A1rz7e/CasinoReview103/resources/8.htm>.

that the “poor” must be protected from gambling. The present-day residents have levels of wealth among the highest in the world. Third, there are no competing gambling enterprises that would otherwise work to block casino development. On the other hand, in very recent years the people have been exposed to border-area casinos. But even so, the small population of 35,000 residents is not a targeted market for casinos in either Switzerland or Austria. The notion that the country may be used by criminal elements or terrorist-related elements for banking purposes, also makes policy makers nervous. Furthermore, Liechtenstein is very much a Catholic country, and the Church’s influence has operated to produce a dampening effect on casino development. However, whether the Church will continue to provide a strong veto force will be observable through the manner in which contemporary casino development legislation fares in the national parliament.

XI. MEXICO

With a population exceeding 110 million and an active tourist industry, Mexico might expect to be a lucrative market for casino gambling; and so it was during much of the nineteenth century and for many decades in the early twentieth century.³¹⁶ Formal casinos came onto the scene during the time of a French intrusion (called the War of the French Intervention) in the 1860s, and then flourished from 1876 to 1911 under the government of Porfirio Diaz.³¹⁷

When liberal forces ousted Diaz from power in the Mexican Revolution of 1911, casinos were closed, and remained so until the 1920s.³¹⁸ Then during the years of American Prohibition—the “Roaring Twenties” (also a time when casinos in Nevada were closed)—it became quite lucrative for entrepreneurs to establish casinos and nightclubs on the Mexican border near southern California cities and the “Hollywood” crowd.³¹⁹ Times were very exciting, but unfortunately, government officials overseeing conditions were corrupt.³²⁰

A peaceful “Revolution Rekindled,” occurred in 1934 with the election of reform President Lázaro Cárdenas.³²¹ He ousted corrupt officials and exiled the previous president.³²² He also declared casinos illegal and closed them by presidential decree.³²³ In 1947, the national legislature ratified the Cárdenas decree by making slot machines and other gambling illegal.³²⁴ The 1947 law remained in effect for nearly sixty years, but governmental authorities never-

³¹⁶ THOMPSON, *supra* note 1, at 506.

³¹⁷ *Gambling in Mexico*, WORLD GAMBLING REV. (Oct. 9, 2008), <http://www.onlinecasinosuite.com/gambling/mexico>.

³¹⁸ *Id.*

³¹⁹ *See id.*

³²⁰ *See* Andre Castillo, *Terror and Corruption in Mexico – Part One*, Center for a Just Society (Jan. 21, 2010), <http://www.centerforajustsociety.org/2010/01/21/27765/cjs-forum/terror-and-corruption-in-mexico-part-one/>.

³²¹ Jim Tuck, *Mr. Clean: The Phenomenon of Lázaro Cárdenas (1895-1970)*, MECONNECT, <http://www.mexconnect.com/articles/310-mr-clean-the-phenomenon-of-lazaro-cardenas-1895-1970> (last visited Dec. 5, 2011).

³²² *Id.*

³²³ *Gambling in Mexico*, *supra* note 317.

³²⁴ *Id.*; THOMPSON, *supra* note 1, at 506.

theless permitted licensing of sports betting and pari-mutuel wagering.³²⁵ Moreover, a national lottery in operation since 1770 continued.³²⁶

Many discussions about legalizing casinos became common among members of the casino industry after the 1980s. However, popular fears that organized crime, corrupt government officials, and drug cartels would become involved in casinos hindered their development.³²⁷ The politically powerful Catholic Church also opposed casinos.³²⁸

Nonetheless, talk persisted. In the 1990s, the discussions became increasingly urgent, driven by the country's worsening economic troubles.³²⁹ In 1996, a legalization plan was put forward in the National Congress.³³⁰ The plan called for ten casinos, one each to be located in a tourist city or border town. Selected sites included Tijuana, Juarez, Mexico City, Acapulco, Cancun, Cabo San Lucas, Cozumel, Monterrey, Puerto Vallarta, and Reynosa.³³¹ American companies rushed representatives to Mexico City to offer proposals. The Mexican Tourism Agency studied the issue and concluded that the gambling would benefit the tourist economy.³³² As with prior proposals, forces of resistance intervened just when action was about to be taken, Governmental corruption and an increasing drug trade was reported in the press, and organized crime operatives close to the government were identified.³³³ Congressional leaders expressed fears that casinos could aid drug dealers with money-laundering services.³³⁴ Consequently, in 1997, the proposal was not passed by the legislature, but talks continued.³³⁵

While casino legalization has been stalled, a public tolerance for gambling in Mexico has included bingo hall licensing.³³⁶ Entrepreneurs in Mexico took note as Native American tribes won the right to operate certain gambling machines.³³⁷ Inspired by tribal success in the United States, entrepreneurs began efforts in Mexico for the legalization of "Bingo Machines."³³⁸ In 2004, the Minister of the Interior issued regulations permitting the machines.³³⁹

³²⁵ THOMPSON, *supra* note 1, at 506-07.

³²⁶ *Id.* at 507.

³²⁷ Paul A. Lofgren, *Mexico, So Little is Known, So Much to Tell*, INT'L GAMING AND WAGERING BUS., Oct. 2008, at 1, 23.

³²⁸ See Miguel Kim, *Online Gambling in Mexico*, FAMILIE KONTORET (Nov. 10, 2011), <http://www.familiekontoret.net/online-gambling-in-mexico>, which reports: "Mexico was largely against gambling for one clear reason: religion. The people are deeply rooted in Catholicism. The religion does not believe that gambling is a way that God would like His children to use money and they do not allow it."

³²⁹ THOMPSON, *supra* note 1, at 506.

³³⁰ *Id.*

³³¹ *Id.*

³³² *Id.*

³³³ *Id.*

³³⁴ *Id.*

³³⁵ *Id.*

³³⁶ *See id.* at 507.

³³⁷ The machines the tribes won the right to operate functioned like slot machines. Nevertheless, U.S. officials declared them instead to be legal Class Two "Bingo Machines." *Id.* at 143.

³³⁸ *Id.*

³³⁹ Anna Cearley, *In Tijuana, Gambling Makes Noise*, SAN DIEGO UNION-TRIB., Aug. 14, 2006, at A1; *Gambling in Mexico*, *supra* note 306.

While traditional slots were still banned, bingo games could be conducted on freestanding machines. Thus, the Minister issued a number of permits for machines located in arcades, bingo parlors and racetracks with sports betting.³⁴⁰ An eager gambling industry stepped forward to test the luck of the Mexican players, and racetracks with machines and mini-casinos have since proliferated.³⁴¹ American slot manufacturers descended on Mexico to sell their equipment. By 2008, 35,000 machines were in use for play in Mexico.³⁴² There are now around 300 slot machine locations.³⁴³ False starts had turned into a real start toward casino gambling. Moreover, although Mexican law still prohibits live table games, machine parlor operators have adjusted to this reality by utilizing electronic roulette, blackjack, craps and other varieties of electronic table games.³⁴⁴

While the Mexican government exercises few controls over the machines—beyond licensing—a large group of operators established an association, which set forth both machine testing requirements and integrity controls widely followed by all operators.³⁴⁵ It is hoped by the association that legislation can establish formal rules that can then lead to more widespread gambling.³⁴⁶ Casino industry expectations are that this will in turn appeal to visitors from the United States. However thus far, almost all the gamers are local Mexican residents.³⁴⁷

In 2009, authorities relaxed policies and began allowing regular—class three type— slot machines for gaming.³⁴⁸ Proposals, which would have provided for greater casino development, again were scheduled to come before Congress. However, this time the crisis generated by the Swine Flu caused the national congress to shut down the bill before considerations could be made.³⁴⁹

Subsequently the spread of violence due to a growing illegal drug trade kept forces in favor of casinos from advancing their cause.³⁵⁰ The cry of “wait until next year,” continues to be heard as casinos appear to be vetoed by corruption, violence, the Catholic Church, and competition from established bingo

³⁴⁰ THOMPSON, *supra* note 1, at 507.

³⁴¹ For example, “the Caliente racetrack in Tijuana has undergone a \$40 million restoration and now offers 1,000 machines, live bingo, as well as a race and sports book. Another large racino is at the Hippodrome in Mexico City; it has 400 machines. A racino in Guanajuato may be the largest machine parlor with 1333 machines in operation. The leading company in Mexican gaming is a Spanish company, Codero, which has more than 100 machine outlets. Another Spanish company, Zitto, controls 6500 Mexican machines.” *Id.*

³⁴² *Id.*

³⁴³ James Marrison, *Mexico’s Gaming Growing Pains*, CASINO ENTERPRISE MGMT. (Aug. 1, 2011), <http://www.casinoenterprisemanagement.com/articles/august-2011/mexico’s-gaming-growing-pains>.

³⁴⁴ *Caliente*, LAND CASINOS, <http://www.landcasinos.org/mexico/caliente.html> (last visited Sept. 14, 2011); *see also* Lofgren, *supra* note 327, at 23.

³⁴⁵ THOMPSON, *supra* note 1, at 507.

³⁴⁶ *Id.*

³⁴⁷ *Id.*

³⁴⁸ Jeff Blum, *At Last, Mexico (Legally) Welcomes Casino-Style Slots*, CASINO JOURNAL (Dec. 1, 2009), http://www.casinojournal.com/Articles/Article_Rotation/2009/12/01/At-Last-MEXICO-Legally-Welcomes-Casino-Style-Slots.

³⁴⁹ *Id.*

³⁵⁰ *Id.*

halls, which fear that the addition of full-scale casinos could significantly temper their success.³⁵¹

XII. NORWAY

Norway is a prosperous and peaceful country. It is the home of the Nobel Peace Prize. It rests at the northeastern top of Scandinavia, it has not engaged in wars for several centuries, albeit it was occupied by Nazi Germany in World War II.³⁵² Norwegians enjoy a healthy economy with high living standards, and a very high Gross Domestic Product per capita.³⁵³ A politically aware population also enjoys a government with a highly favorable ranking on the scale of anti-corruption among nations. Transparency International placed Norway tenth on the ranking of governmental corruption among a list of 178 nations in 2010.³⁵⁴ The Norwegian Constitution established for a state Evangelical Lutheran religion. The state church was very influential in political affairs, especially during World War II, but that influence waned in post-war years.³⁵⁵

Norway has a history marked by gambling activities. Yet still, the country has shown a genuine reluctance to embrace gambling. Legal gambling was established with a lottery in 1719 while the land was under control of Denmark.³⁵⁶ This short-lived lottery raised funds for charities, and the Danish King gave land away as prizes.³⁵⁷ Norway then came under control of Sweden,³⁵⁸ and gambling activity persisted as those in control took a laissez-faire attitude toward its existence.³⁵⁹ Playing cards became widely used in the nineteenth century leading to excessive play and personal tragedies.³⁶⁰

The national government of Norway gained complete independent status in 1905. At the time, the state church and public raised concerns about excessive drinking and gambling.³⁶¹ There were feelings that protections were needed amidst national conditions of poverty.³⁶² Thus, Parliament enacted legislation prohibiting such behavior. For much of the early twentieth century, Norway's puritanical society and church condemned gambling. Moreover,

³⁵¹ Paul, *Mexican Close to Legalizing Gambling*, ONLINECASINO NEWS, http://www.online-casinonews.com/ocnv2_1/article/article.asp?id=1902 (last visited Sept. 18, 2011).

³⁵² CAMBRIDGE UNIV. PRESS, *supra* note 40, at 295.

³⁵³ *Norway – Poverty and Wealth*, ENCYCLOPEDIA OF THE NATIONS, <http://www.nationsencyclopedia.com/economies/Europe/Norway-POVERTY-AND-WEALTH.html> (last visited Sept. 13, 2011).

³⁵⁴ *TI Perception Index*, TRANSPARENCY INT'L, http://www.transparency.org/policy_research/surveys_indices/cpi/2010/results (last visited Sept. 13, 2011).

³⁵⁵ T.K. DERRY, *A HISTORY OF MODERN NORWAY, 1814-1972*, at 9, 440 (1973).

³⁵⁶ Lotteritilsynet (Norwegian Gaming Board), *Proposal for an Action Plan to Prevent Problem Gambling and Reduce the Harmful Effects of Excessive Gambling*, at 10 (2004).

³⁵⁷ Hans Olav Fekjaer, *Gambling and Gambling Problems in Norway* (Sept. 12, 2003), <http://www.fekjaer.org/warsaw.html>.

³⁵⁸ CAMBRIDGE UNIV. PRESS, *supra* note 40, at 295.

³⁵⁹ Interview with Dr. Hans Olav Fekjaer, in Oslo, Nor. (Sept. 12, 2003).

³⁶⁰ Fekjaer, *supra* note 357.

³⁶¹ *Id.*; DERRY, *supra* note 355, at 176-77.

³⁶² Interview with Dr. Hans Olay Fekjaer, *supra* note 359.

gambling was forbidden by statute.³⁶³ The Norwegian penal code said, “Any person who in a public place arranges or provides accommodation for gambling shall be liable to fines or imprisonment.”³⁶⁴ Nevertheless, a lottery received parliamentary approval in 1913.³⁶⁵ Subsequently in 1927, horse race betting was also permitted.³⁶⁶

Following World War II, the Norwegian Sports Federation, by law, was allowed to accept a limited amount of money from gambling. This led to the creation of the national lottery company, Norsk Tipping, and to the introduction of football (soccer) pools.³⁶⁷

The Norwegian gambling market was stable for decades following the end of World War II. Then in the 1960s, Norsk Tipping permitted bingo halls.³⁶⁸ In addition, in the 1970s the government lottery introduced instant tickets as well as the mega-prize lotto games. Norsk Tipping also gave the Red Cross the right to operate slot machines, which proliferated to over 30,000 by the turn of the century.³⁶⁹ Although the Red Cross’ beneficiaries arguably were all good causes, there was a fear from some public leaders that problem gambling was again getting out of control, and the Red Cross was contributing to it.³⁷⁰ The 1980s and 1990s also saw a spread of betting shops. By 1999, per person spending on gambling approached \$530 U.S. dollars a year.³⁷¹

Concerns about problem gambling prompted both the existing Ministry of Culture and Church Affairs, and a newly created separate Norwegian Gaming Board, to act together and prepare a report.³⁷² They issued a report entitled, *An Action Plan to Prevent Problem Gambling and Reduce the Harmful Effects of Excessive Gambling* (hereinafter “Report”).³⁷³ The Report noted that although there were several forms of gaming in the country, electronic games were the most dominant form played by individuals and the instruments of choice among problem gamblers.³⁷⁴

The Report revealed that eighty percent of the adult Norwegian population participated in betting games and about forty percent of those surveyed took part relatively frequently.³⁷⁵ Approximately 50,000 people in Norway are considered either pathological or problem gamblers.³⁷⁶ The Report estimated that 3.2% of Norwegian teenagers show clear signs of problem gambling.³⁷⁷ To

³⁶³ GEN. CIV. PENAL CODE ch. 298-99 § 29 (1902:10) (Nor.); *Id.* ch. 383 § 38.

³⁶⁴ GEN. CIV. PENAL CODE ch. 298-99 § 29 (1902:10) (Nor.); *Id.* ch. 383 § 38.

³⁶⁵ Fekjaer, *supra* note 357; *see also* THOMPSON, *supra* note 1, at 469.

³⁶⁶ The Totalisator Act of 1927 (July 1, 1927) (Nor.); *see* Lotteritilsynet, *supra* note 356, at 10.

³⁶⁷ *Id.*

³⁶⁸ *Id.*

³⁶⁹ THOMPSON, *supra* note 1, at 469.

³⁷⁰ *Id.*

³⁷¹ *Id.*; *see also* Fekjaer, *supra* note 357.

³⁷² In 2003, Parliament created a Norwegian Gaming Board to have supervisory authority over all gambling. Lotteritilsynet, *supra* note 356, at 6.

³⁷³ *Id.*

³⁷⁴ *Id.*; *see also* *Not Everyone Has Their Dream come True*, NORSK TIPPING REP. at 10 (2003).

³⁷⁵ Lotteritilsynet, *supra* note 356, at 6.

³⁷⁶ *Id.*

³⁷⁷ *Id.*

address these problems, the Norwegian Gaming Board proposed the following goals: (1) the knowledge base concerning gaming and gaming problems must be increased; (2) the number of people developing gambling problems must be reduced; and (3) the extent of damage caused by gambling problems must be reduced.³⁷⁸

In light of these goals, in 2003, the parliament moved to limit the number of machines in operation. They decreed that the government lottery company—Norsk Tipping—was to have full control over the machines.³⁷⁹ Parliament instructed Norsk Tipping to drastically cut the number of machines.³⁸⁰ Moreover, parliament indicated precisely that there would be no casinos in Norway.³⁸¹ As a result of that decree, the Norwegian Gaming Board was given control over all gambling.³⁸² Nationwide, the number of machines in operation dropped from the peak of 30,000 to 11,000.³⁸³ Efforts to maintain restrictions continue.³⁸⁴

While some veto factors have little to no effect on Norway, others are very influential. On the one hand, religion has not been a barrier, as the population is no longer as strongly tied to church-going activities as they were for much of the early twentieth century.³⁸⁵ Furthermore, Norway is a peaceful land, poverty has for the most part been defeated, according to international corruption indexes the government is honest, and the major gaming operation—Norsk Tipping—does not act as a force seeking to end economic competition within the country. On the other hand, there are no foreign casinos along foreign border areas near Norwegian cities, and casinos in Sweden, Denmark, and Germany are not readily accessible.³⁸⁶ In addition, there is a strong perception that the population is susceptible to addictive behaviors. Thus, casinos would only encourage bad outcomes for many in the population.

³⁷⁸ *Id.* at 7.

³⁷⁹ *Id.* at 11; *see also* THOMPSON, *supra* note 1, at 469.

³⁸⁰ Lotteritilsynet, *supra* note 356, at 11; *see also* THOMPSON, *supra* note 1, at 469.

³⁸¹ Lotteritilsynet, *supra* note 356, at 11; *see also* THOMPSON, *supra* note 1, at 469.

³⁸² THOMPSON, *supra* note 1, at 469.

³⁸³ *Id.*

³⁸⁴ *Id.*; I.J.Bakken, Norway: Slot Machines and Problem Gambling, Presentation to the European Association of Gambling Studies, Vienna, Austria (June 25, 2010).

³⁸⁵ DERRY, *supra* note 355, at 440; Ingvill Thorson Plesner, *State Church and Church Autonomy in Norway*, in CHURCH AUTONOMY: A COMPARATIVE SURVEY (Gerahard Roberts ed. 2001), available at <http://www.strasbourgconsortium.org/document.php?DocumentID=3854> (last visited Dec. 5, 2011).

³⁸⁶ THOMPSON, *supra* note 1, at 485.

SUMMARY AND CONCLUSION

	Addiction	Poverty	Corruption	Violence	Borders	Religion	Competition
Ireland	x	(x)	x	(x)	x	(x)	x
Bhutan		x			x		x
Brazil		x	x			x	
Iceland	x				x		x
India		x		x	x	x	
Israel	x					x	x
Japan					x		x
Liechtenstein					(x)	x	
Mexico		x	x	x		x	x
Norway	x				x		

The review of gambling developments in ten nation venues without casinos today suggests the veracity of the Worldwide Veto Model. This article offers a model, which has been used to explain public decision-making on the issue of legalization of casino gambling. It was called the “Veto Model” as it was applied to explain the results of campaigns for casinos in a multitude of American states from the 1960s through 1990, and in addition to decisions on the casino question in Ireland over the past three decades. Here the model is called the “Worldwide Veto Model.” It builds upon the veto factors influencing casino development in Ireland, and in turn is applied to that country and nine others. The ten case studies look at how seven veto factors may have influenced decisions to ultimately reject casino development in each venue.

The notion inherent in the “Worldwide Veto Model” is that the presence of one or more strong veto factors in any jurisdiction will result in negative decisions on legalization. The rejection will occur even if many or most of the veto factors are absent. The model manifests itself with results similar to those found in the study of casino legalizations in American state venues.

In applying the model in the ten case studies presented here, what emerges is unanimous rejection of casinos. At least two of the worldwide veto factors are present in nine of the venues. One strong factor is present in the other. At the same time, a majority of veto factors are found in only three of the ten case studies—Ireland, India, and Mexico. In seven of the ten venues, a majority of the factors are absent—Bhutan, Brazil, Iceland, and Israel. Each of these venues has three factors present and four missing. In Japan and Norway, two factors are present and five are missing, while in Liechtenstein only one factor remains today.

This revelation strongly suggests that the notion of the veto strength of the factors overcomes the idea that policy makers are subject to a rival model—called the “Gravity Model.” This rival model is not used in our analysis; however, it was discussed in Dombrink and Thompson’s *The Last Resort*, as in American politics it was seen to have application to proposals for other gambling such as lotteries and horseracing.³⁸⁷ In such a rival model, policy makers would in essence weigh all factors together and take positions in the direction

³⁸⁷ DOMBRINK & THOMPSON, *supra* note 2, at 131, 164-65, 186-87.

suggested by their cumulative weight.³⁸⁸ In such a rival “Gravity Model”, four positive factors would outweigh three negative factors.³⁸⁹

Several factors stand out as the most salient. In seven venues, religion is a force against legalization—the Hindu faith in India, Judaism in Israel, and Catholicism in Ireland, Brazil, Liechtenstein, and Mexico. Six venues have the “passive” veto factor of having no other casino venue on their borders or close to their population centers. These are Bhutan, Iceland, India, Japan, and Norway. Until Switzerland legalized casinos recently, Liechtenstein also had this factor. Competitive entertainment forces are present in six venues (Bhutan, Iceland, Ireland, Israel, Japan, and Mexico). Poverty appears as a worldwide veto factor in one-half of the venues: Ireland (in the past), Bhutan, Brazil, India, and Mexico. Fears of addiction appear as a factor in four venues (Ireland, Iceland, Israel, and Norway). Sensitivity toward political corruption appears in three (Ireland, Brazil, and Mexico), as does the violence factor (Ireland—in the past, India, and Mexico).

The case study of Ireland shows that shifting conditions among the veto factors can keep the question of legalization on the active political agenda. In many jurisdictions—Japan being the leading case—a consensus must be reached before major decisions can be made in that public arena. This condition seems to apply to the issue of legalization of casinos while it does not apply to all decisions on all questions concerned with gambling issues—for example, “should we have a lottery?” Casinos are considered differently. They are major commercial institutions carrying a special symbolism for communities. They give a label to a community as they have a special attraction for gamblers with their continuing action (which is quite different from lottery play, or betting on horse races). That continuing action can also be a draw for corrupt elements of society, especially when those elements are found in government. The image of a casino is such that policy makers seem to be very careful when they offer approval for legalization. In fact, the nature of the political decision-making process and the need for consensus—as illustrated in the Japan case—further support the validity of the Worldwide Veto Model. Therefore only a few veto factors—or simply one strong veto factor—are necessary for venues to say “No” to casinos.

³⁸⁸ *Id.*

³⁸⁹ *Id.*