

Research Proposal (3): Qualitative orientation

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PROPOSED TITLE

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Proposed Title

The Casino State and Crime - Macau: A Case Study

INTRODUCTION

In this research, I would like to investigate the relationship between gambling and crime. Let me first define my research topic, a casino state means a state or city where gambling, such as blackjack and fantan, has been legalized by the government; by the word crime I mean violent crimes which include murder, aggravated assault and robbery. I have chosen Macau as a case study because Macau is properly known as a casino state in Asia and has been called the "Monte Carlo of the Orient". A vast amount of government revenue in Macau is collected from the casinos in the form of taxes. Since 1988 more than 30% of government's public revenue and expenditure has been derived from gambling taxes (Table 1). In addition, I also think that there is some specific link to Hong Kong. Firstly, many Hong Kong residents come to Macau to gamble since gambling is prohibited in Hong Kong; secondly, some triads in Hong Kong do fight for profits gained from the casinos in Macau. Moreover, the concerns about crime associated with the Macau casinos is a sensitive topic during the handover of Macau because of the need to demonstrate stability and order. In this study, I will focus on the link between gambling and crime in Macau. I will also investigate other issues such as the problems of the regulation of gambling and policing. The followings are some hypotheses (H) that I would like to investigate in this research:

H1 Casinos enhance violent crime.

H2 Less casino revenue and profits produce more violent crime.

H3 More violent crime in a casino state, like Macau, reflects weak law enforcement.

H1, H2 and H3 investigate the socio-economic (macro) aspects of gambling. In order to research H1, I will compare Macau with another casino state, such as Monte Carlo or Las Vegas. H2 reveals the idea of competing for scarcity. As there is less casino revenue, the intensity of crime will increase so that the social costs will increase. H3 has something to do with the reporting theory and policing. Macau has a special characteristic in which there is a strong

community and people usually know each other very well, as a result, the people in Macau don't depend very much on the law enforcement system. The relationship between the police force and triads in Macau is perhaps similar to Hong Kong during the 60s and 70s.

Another option is to investigate the psychological and sociological (micro) aspects of gambling and I have set the following hypothesis.

H4 Gambling behavior (addiction) of adults produce more juvenile delinquency.

In doing H4, I may use the method of self-reported crime in investigating the juvenile delinquency. I will also need to look at the cultural and sociological values.

BRIEF INTRODUCTION OF MACAU AND STDM

The Portuguese came to Macau as early as 1535 and they traded in Macau, then finally China ceded Macau to Portugal in 1887 under some treaty terms. It is located on the western side of the Chu Chiang (Pearl River) Estuary, at the head of Kwang Chou (Canton) and stands opposite to Hong Kong. Together, they are called the Pearl River Delta. Macau has a total area of 23.5 square kilometers consisting of the Macau Peninsula, Taipa Island and Coloane Island. The total population today is about 650,000.

Since gambling is prohibited in Hong Kong and China, Macau attracts a large number of tourists to its casinos, and is called the "Monte Carlo of the Orient". All gambling is controlled by a government-licensed syndicate, Sociedade De Turismo E Diversoes De Macau S.A.R.L. (STDM), which pays an annual tax of more than 4 billion dollars to the Macau government.

The history of gambling in Macau goes back as early as 1875. However, gambling has not been legalized until 1937 and it is not franchised at that time. Only in 1962, the government has granted STDM with the Gambling Franchise. Sociedade De Turismo E Diversoes De Macau S.A.R.L (STDM), founded by Dr. Stanley Ho, plays a key role in the development, prosperity and growth of Macau. STDM is the largest commercial employer in Macau providing jobs for more than 10,000 people. The company was granted the exclusive Gambling Franchise in Macau since 1962, which was extended in 1986 for another 15 years to 2001. The nine casinos operated by STDM have become the backbone of Macau tourism. The casinos offer games such as pai kau, fantan, blackjack and dice. There are also horse racing, dog racing and lottery. The annual income of STDM during 1978 and 1993 is given in Table 2.

THE RECENT TREND OF CRIME IN MACAU

Some crime statistics in Macau is given in Table 3. Over the last decade, the total number of crime in Macau has increased from 4,717 in 1987 to 8,576 in 1996, the increase is more than 80%. Crime rate per capita has increased from 14.11 per 1,000 people in 1987 to 20.62 per 1,000 people in 1996. The major problem is public order offense as the percentage increase is almost 6 times in 1996. This creates a serious social problem, as these crimes will directly affect the residents' daily life. They are worried about their life and property. The second highest percentage increase is robbery in buildings as it has increased for almost 3 times in 1996, then followed by other crimes which has increased for more than 2 times in 1996. The smallest increase is street robbery with only 8.39%.

There is an upward trend in the number of crimes in Macau. The crime in Macau has become more publicized, serious, vice and organized. There are more juvenile delinquents and female criminals. In addition, the triads who are fighting for the profit of the casinos commit most of the serious crime (especially murder) in 1997 and 1998.

However, the crime statistics may not be able to reflect the reality as some people may not report the crime because of the complicated procedures and time wasted; some victims may be tourists and they will just stay in Macau for a short period of time; some victims may be illegal immigrants so they don't report the crime.

LITERATURE REVIEW

SOCIO-ECONOMIC ASPECTS OF GAMBLING

The literature review in this part is mainly about the socio-economic (macro) aspects of gambling and is related to the first three hypotheses that I have set.

Some studies on "Casinos, crime, and real estate values: Do they relate?" were done in 1989 by Andrew J. Buck, Simon Hakim and Uriel Spiegel. The studies show that gambling can serve as the engine for growth in the Atlantic City region, but on the other hand, casinos will increase the level of crime significantly in that region. According to the studies, the sources of casino-related crime include the temporary visitors, criminals who realize the new crime opportunities offered by the casinos and the employees of the casinos. In addition, crime did not show a particular spatial pattern in the pre-casino years 1972 to 1977 but this emerged in the post-casino years 1978 to 1986. Andrew J. Buck has suggested in his article that some follow-up studies may lead to important policy implications and public security measures.

Joseph Friedman, Simon Hakim and J. Weinblatt did another study in 1989 on "Casino gambling as a 'growth pole' strategy and its effect on crime." The studies show that crime in Atlantic City grew from 100.6 per 1000 people in 1977 to 353.7 in 1984. The highest percentage increase is in violent crimes, followed by burglaries and vehicle thefts. The lowest increase is in larcenies. In addition, the increase in crime was not limited to Atlantic City itself; there was also a significant crime increase in the neighboring communities. Joseph Friedman has raised an interesting question: Does crime increase due to normal growth or does the particular nature of the industry (casino gambling) cause additional crime? On the other hand, Friedman has suggested that casinos can serve as a "growth pole" device from an economic point of view. Between 1978 and 1984, the casinos attracted many visitors to Atlantic City. This had both direct and indirect income and employment effects. Consumption by the tourists increases and the revenue of hotels also increased. The casino industry has invested more than \$2.2 billion in property and equipment, and \$199 million for economic redevelopment and housing investment in Atlantic City. Friedman has concluded that casinos can boost the economy but also increase the level of crime. He suggested that a social cost-benefit analysis on casinos and crime should be done and might lead to a different conclusion: that the social cost of crime may be high enough to outweigh the economic gain obtained from the casino. Besides, casinos may cause redistribution effects. Residents of localities far away from the casinos may suffer from crime spillover, while they may gain none or little development benefits generated by the casinos.

These two studies support my first hypothesis: Casinos enhance violent crime.



PSYCHOLOGICAL AND SOCIOLOGICAL (MICRO) ASPECTS OF GAMBLING

A study on "Adolescent machine gambling and crime" is done by Tim Yeoman and Mark Griffiths in 1990. This survey was done in Plymouth with the aim to find out whether there was any relationship between criminal activity (theft) and gambling machine use. The police officers collected information from 1851 juvenile offenders. The results show that there is little evidence showing that children and adolescents who gamble on fruit machines may engage themselves in stealing in order to fund their habit. The study also showed that many juveniles with heavy gaming machine use came from families who are less fortunate and they usually have poor relationships with their families.



METHODOLOGY AND TIMETABLE

I intend to use secondary analysis and interviews for the data collection of my research. The reasons for that are direct observation will be dangerous and difficult because I may need to deal with the triad members who are in charge of the gambling tables, surveys will be quite difficult as well since it may involve doing surveys on the triad members who have dominated most of the casinos in Macau.

SECONDARY ANALYSIS

Since direct observation is not very accessible in the casinos, secondary analysis is more preferable. The sources that

I would use include archives, newspaper, magazine articles, and law enforcement agency files. I will try to choose the sources which are more objective. I will adopt the econometric methods to find the correlation between crime and gambling revenue and profits in accordance to my second hypothesis.

INTERVIEWS

Interviews will enable me to do most of the qualitative part of my research, and the information gained here is usually more realistic. I plan to interview some police officers, some owners of gambling tables in the casinos, some administrative employees of STDM, some reporters and journalists, some officers in the *Autoridade Monetaria E Cambial De Macau* (Gambling Authority), some prisoners who have some connections with the casinos, some gambling addicts in Macau and Hong Kong and if possible, the ex-triad members in Macau and Hong Kong.

I have chosen to interview the above people that I have mentioned because of the following reasons:

- * the police officers can provide further data that I cannot get from the Macau Census and Statistics Department. They can also help me to examine the law enforcement system and give me some ideas on the organized crime of Macau.
- * the owners of gambling tables in the casinos and the administrative employees of STDM serve as the insight sources and enable me to understand how the casinos operate.
- * the reporters and journalists can give me some information from a different point of view since they represent the communication media.
- * the officers in the AMCM (Gambling Authority) can give me some ideas on the regulation of gambling and how the government manage the Gambling Franchise.
- * the prisoners and ex-triad members can give some information on the illegal activities associated with gambling and also enable me to understand more about organized crime in Macau, and maybe some of the secret rules of those triads. (Subject to permission to do so)
- * the gambling addicts can help me to understand more about the idea of addiction and morality of gambling and also the effects on the gamblers' family and society.

TIMETABLE

I will spend about 200 hours per month on my studies. I plan to spend the first nine months developing my proposal and methodology and completing the literature review. During this time, I will also attend some relevant courses in the Master of Social Sciences in Criminology suggested by my supervisor. Then I plan to spend about four to six months in Macau obtaining statistics and doing interviews. I will spend four months in Macau so as to do some intensive fieldwork, then I may go to Macau again in 2000 for a few months to do some follow-up jobs as well.

Since I may be doing part of my research in Macau, I would like to apply for the research grant so as to assist me in the transportation costs.

September 1998 - May 1999

- * Develop proposal and methodology and complete the literature review
- * Attend some relevant courses in the Master of Social Sciences in Criminology
- * Obtain relevant published statistics

June 1999 - September 1999

* Intensive fieldwork in Macau

October 1999 - December 1999

* Analysis the statistics and data obtained

January 2000 - February 2000

* Follow-up interviews and fieldwork in Macau

March 2000 - August 2000

* Mainly work on the thesis



DISCUSSION

Since the past studies have suggested that casino gambling has a positive effect on crime, especially on violent crimes so I would like to investigate this issue in Macau. In my opinion, although Macau is a casino state, it is not like other countries since the government, the police, the triads and Dr. Stanley Ho have some kind of hidden agreements so that Macau may appear to be more peaceful compared with Atlantic City.

I think those news and issues about murdering committed by the triads in the casinos, and the war between the triads and the police officers in Macau are important for my study and the questions I raise. Another issue that interests me is the arresting of Wan Kuok Koi who has almost all the control of the gambling tables in the casinos in Macau.

Macau begins to have published official statistics on crime only in 1987 and there has been very little research and analysis on crime in Macau. The crime statistics obtained from the Macau Census and Statistics Department are not detailed and are very limited. Therefore, I will try to contact other government departments such as the Police Department and the AMCM for their annual reports for additional data. If possible, I will try to go further back and find data in the 1950s, 60s and 70s.

But I believe that I would have an advantage of obtaining more insight information about STDM and the casinos because my mother has been working in the casinos for 27 years and my grandparents are also ex-employees of STDM.



CONCLUSION

To conclude, Macau is a casino state which is quite different from those in Australia and America because the government revenue in Macau depends very much on the gambling taxes and most of the infrastructure projects (international airport, deep-water port, new Macau-Taipa bridge and reclamation and development in Praia Grande Bay) are financed by STDM. As a result, the government may sometimes need to compromise with the casinos and triads so as to maintain its revenue. Besides, some police officers may also corrupt and profit from the casinos. Recently, the relationship between the triads and the police officers seems to be upset because of less revenue in the casinos and the handover of Macau in 1999. My research will mainly concentrate on the relationship of crime and gambling in Macau. I may also investigate other issues such as the problem of regulation of the Gambling Franchise and the policing in Macau.

I have set three hypotheses on the macro aspects of gambling and also an option hypothesis on the micro aspects of gambling. Past studies have showed a positive relationship between casino gambling and crime and that casinos can stimulate economic growth. The methods that I plan to use are mainly secondary analysis and interviews. Some current events in Macau concerning the war between the police officers and the triads and the arresting of Wan Kuok Koi are also important for my studies because they may have hidden agreements in the past. The triads usually have some connections with the casinos or other associated illegal activities. Since not much research on crime is done in Macau, the major difficulty will be data collection.



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