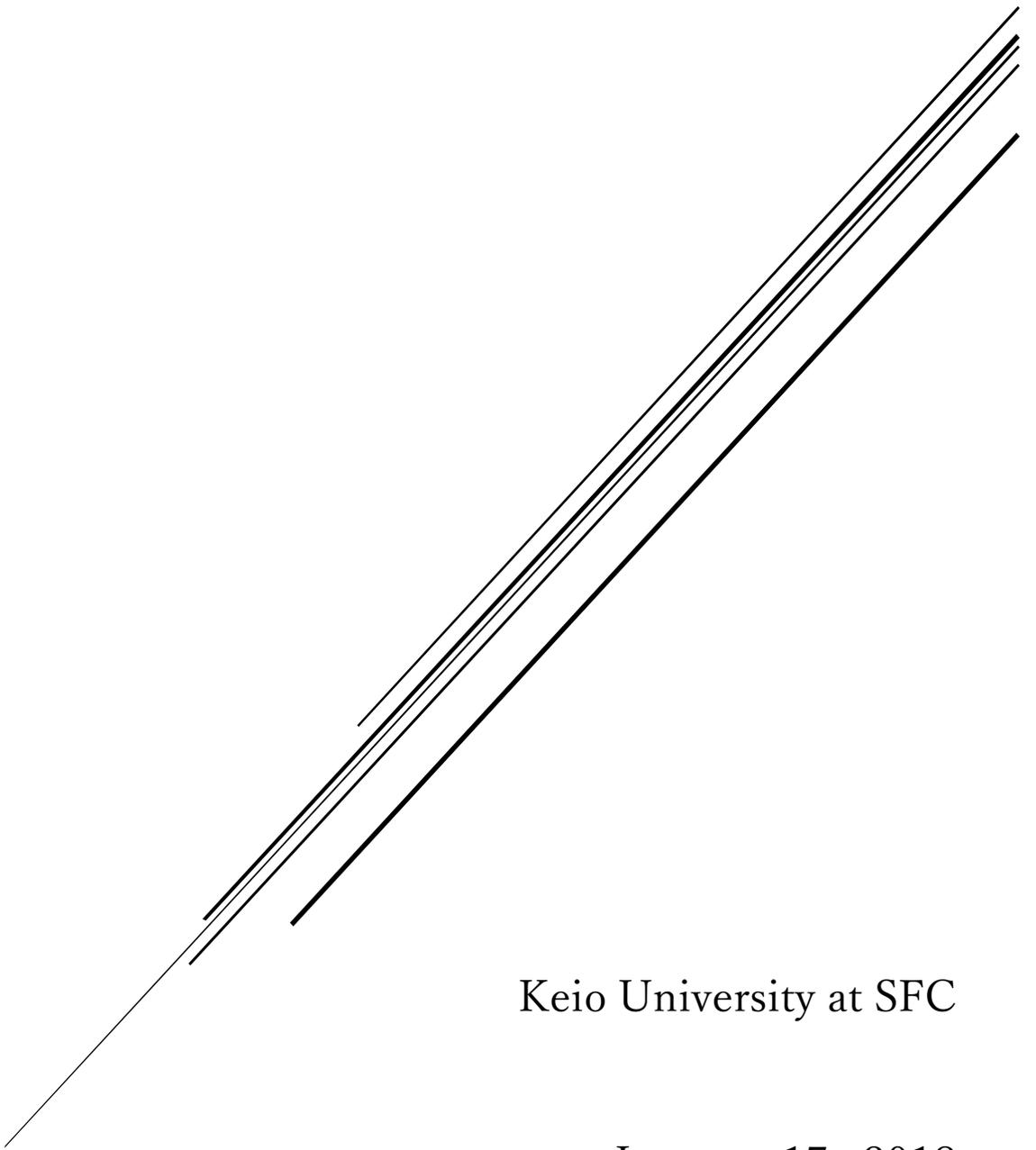


Should Operating Casino be Legal in Japan?

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Abstract

In Japan, there is debate over whether a casino should be legal or not. This paper argues for the merits of casino as Integrated Resort. It presents two reasons. The first reason is that it can promote Japanese economic, and the second reason is that the total revenue will increase. The paper also responds to the deterioration of the community and the problem of gambling addicts.

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On December 26th in 2016, Integrated Resorts Promotion Law took effect in Japan. Integrated Resort (IR) features hotels, convention facilities (MICE), entertainment show, theme park. However, this law made the public worried because IR includes casino. Most Japanese are about casino negative since gambling addicts have already existed in Japan. Kanagawa News Paper reported that 68.0% of the residents in Kanagawa prefecture were against IR including casino (“68% against casino. Poll conducted by the prefecture, especially women have feeling of rejection”, 2017). Kanagawa is the place proposed for IR. Nevertheless, casino is important for Japanese tourism. Among OECD countries only Japan and Ireland don't permit casino. The author believes that operating casino should be legal in that IR (include casino) promotes economic growth and makes Japan a better place.

First, casino in IR has impact on economic. From Japanese tourism perspective, it has a power to attract inbound tourists. In Singapore, two IRs bring not only tourists, but also office workers because it has many rooms for conventions, exhibitions and so on. As the statistics made by Singapore Tourism Board, when the IRs were open in Singapore,

the inbound increased by about 20% compared with before the year. Now, the Japanese government devises a strategy to top 40 million foreign tourists visiting Japan by 2020. But, according to Japan National Tourism Organization, the number of foreign visitors to Japan in 2016 was 24 million (2017, p.1). To goal the 40 million tourists, casino in IR is important for increasing the number. Moreover, the more the visitors come, the more employees are needed. Oxford Economics' report, "Beyond 2020: Tourism Growth and the Economic Impact of Integrated Resorts in Japan", shows that if IR is made in Tokyo and in Oosaka, the total job will be 10,3000 and 77,500 respectively (2015). Job creation gives great ripple effect to the economy of Japan. Also, the cost caused by casino in IR leads to enrich other industries like land developers and constructions. As the magazine written, economic effect of three IRs will be 2 to 3 trillion yen per year, compared with 3 trillion by Tokyo Olympic and Paralympic in 2020 ("A few trillions scale's economic effect!! IR is the last hope ① in Japan", 2017, p.34). As a whole, it will have a positive economic impact.

Second, the total revenue in Japan will be increasing. Because of official gambling, casino operators have to pay the extra tax, called casino tax. From a viewpoint shown

by the American Chamber of Commerce in Japan, a ten percent gaming tax rate will be suitable for Japan (2018, p.9) and white paper made by Global Market Advisors, Japan IR gaming revenue potential is \$12.5 billion (¥1.25 trillion) if two large integrated resorts are made in Osaka and Yokohama prefecture (2017, p.2-3), the casino tax revenue will be \$1.25 billion (¥125 billion). The Japanese government and the local government can contribute this budget for social welfare or to develop and protect Japanese cultures and arts. Thus, increase in the revenue is very important for Japan.

Opponents argue that the public security near casino will get worse. That's because most Japanese people associate casino with horrible incidents like 2017 Las Vegas shooting. But, casino would rather make Japan safer than more dangerous. Though the Japanese government hasn't approved operating casino in Japan, illegal casinos exist. If officially certified casino is built, there will be poor demand for them because people don't have to go illegal casino at the risk of arrest. In fact, when British government permitted casino, all of the more than 100 illegal casinos faded away (Matsui, 2016, p.41). Even more important, casino in IR keeps the place safe. As IR is 24-hour-operation, the surrounding is secured by a lot of monitoring cameras, lamp posts, and

guards. In addition, tight security teams for casino take action against money laundering and illegal money lending. This environment prevents crimes. From the magazine, “after IR was introduced in Singapore, criminal percentage was decreasing” (“Has casino led to the deterioration of security?”, 2017, p.84). The misunderstanding that many Japanese think that casino will deteriorate the community is false. Another common argument is that casinos will raise the number of gambling addicts. In Japan, there are many kinds of gamble such as horse racing, boat racing, and “Pachinko and Pachislots”. “Pachinko and Pachislots” are not officially gambling, but we can bet on money indirectly in the place. According to the Ministry of Economy, Trade, and Industry, the Pachinko industry was nearly a \$31 billion USD in 2016 (2017). Thus, the number of gambling addicts is more than 5 million. Consequently, Japanese are against gamble, including casino. However, even if a casino is made in Japan, the number of them is changeless. As Matsui states, when new gambling is set in the country existed gambling, it doesn’t lead to increase the number of gambling addicts (2016, p39). Conversely, a casino can decrease the number. Unlike non-official gambling “Pachinko and Pachislots” which cause most of the gambling addicts and take simple

countermeasures for this dependency just as corporate social responsibility, the government take drastic action to solve and prevent this dependency through the tax revenue from casino operators in Japan as official gambling, following the example of America. As stated by Torihata, legitimizing casino is more effective to prevent and heal gambling dependence (2015, p20). What is more, Japanese casino will restrict strongly not to make the people gambling addicts. For example, it should be managed as IR, be less than 5% on the ratio to the IR's total floor, and adopt self-exclusion programs. Furthermore, Japan is going to utilize My number system for admission not to permit pensioners or welfare recipients to enter. That's why Japanese shouldn't worry about the casino.

In conclusion, there are two benefits to permitting casino in Japan: Japan will be a good place in terms of economy and society. Of course, before creating casino as IR in Japan, the government should consider the impact and social systems carefully by referring to other casinos. Especially, the government has to convince Japanese people that the casino is a promising energy to trigger the next Industrial Revolution by 2018, when Integrated Resorts Implementation Law passes. Now, Japan places a bet on casino

for growing. To be a winner, the nation's understanding of the casino is essential.

Therefore, by knowing the merits of casino in IR, let's make Japan better!

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