

Introduction of Casino Gaming in Okinawa, Japan: A Case Study of Challenges and Opportunities

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Abstract: *Tourism is the largest and leading industry in Okinawa, Japan, and it has been increasing over the past few years. Okinawa's entire economic situation however, has faced unprecedented challenges. Consistently with the lowest average salaries in Japan and a high unemployment rate as well as the local government dependence on subsidies from the Japanese government, economic sustainability is a major issue facing Okinawa. One facet of the tourism industry that could be offered in Okinawa for an alternative source of economic prosperity for the area is the introduction of Casino gambling. Considering the current uncertain economic circumstances, the Okinawan prefectural government introduced a casino concept as one possible solution for economic transformation. One of the challenges is that Japan is the only industrialized nation without legalized casino gaming. This study examines and discusses the topic of the introduction of casino gaming in Okinawa.*

Keywords: *Okinawa; casino gaming; tourism; development; and, impacts.*

Introduction

Okinawa is part of a small chain of sub-tropical islands formerly called the Ryukyu, located in the southernmost part of Japan. With a mild climate, pristine beaches, beautiful and distinct natural landscapes, Okinawa also possesses a very unique culture which is different and distinct from most of Japan. With a wealth of tourism

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resources, Okinawa is one of the most popular destination areas in Japan among domestic tourists. The number of visitors was 5.9 million with tourism income over 424 billion yen (about 4.3 billion US dollars) in 2007, and both of these numbers have increased consistently over the past few years (Okinawa Prefecture, 2008a). As a tourist destination, Okinawa has a strong brand image, and its brand awareness in Japan is substantially high. According to market research conducted by the Japan Travel Bureau Foundation (JTBF) in Japan, Okinawa ranked in first place as a “Resort destination people want to go” when Hawaii is available as one of the choices (JTBF, 2008). In addition, Okinawa holds strong brand loyalty among the Japanese while maintaining a high percentage (71.8 percent) of repeat guests annually (Okinawa, 2008b).

On the basis of gender, males (49.4 percent) and females (50.6 percent) were close to even with regards to who is visiting the island for vacation (Okinawa Prefecture, 2008b). On the basis of age, those in their 50’s (24.5 percent) were the largest group to visit Okinawa; the second largest group was those in their 40’s (20.2 percent), and the third was the 30 years old group (19.3 percent), followed by those in their 60’s (18.4 percent) according to a 2007 study (Okinawa Prefecture, 2008b). These figures indicate Okinawa’s high popularity among middle-aged Japanese people. On the subject of tourists’ nationality, more than 96 percent of visitors were domestic tourists (Okinawa Prefecture, 2008a). Over 60 percent of foreign travelers to Okinawa were Taiwanese, with the remainder of visitors coming from Korea, U.S., Hong Kong, and other countries (Okinawa, 2008b). In a report by *Nikkei Net*, most foreign tourists to Okinawa were from nearby Asian countries, while visitors from Western countries were merely less than 1 percent of the total visitors (“Okinawa ken”, 2008). Although Okinawa hosted the G8 Summit in the year 2000 and made itself better known globally, its awareness as an attractive tourist destination has not been developed to its full potential.

The average duration of stay by tourists in Okinawa was 3.72 days in 2007, and this trend has remained

stagnant over the past few years (Okinawa Prefecture, 2008b). The purpose of travel to Okinawa were varied, but the majority of respondents in a recent travel survey indicated that 68.2 percent of them, answered “strolling tourist sites,” 39.9 percent answered “local cuisine”, 37.7 percent reported shopping”, 24.5 percent were for “marine leisure,” and only 19.1 percent replied “rest and recreation” (Okinawa Prefecture, 2008b). The numbers indicate a distinct shortness of duration for visitors’ to the islands, although tourists’ reasons to visit are varied. There is a need to develop an attraction to encourage tourists to extend the number of days they stay in Okinawa.

Another noticeable trend in Okinawan tourism is that there are a distinct cyclical number of visitors during different times of the year. Okinawa has a large number of visitors in the spring (March to April) and summer (July to October) due to the comfortable climate in spring and the typical Japanese holiday season during the summer. On the other hand, early summer (May and June), fall, and winter (November to February) tend to be a low season for Okinawa’s tourism because of the unsettled rainy weather and the cloudy winters (Okinawa Prefecture, 2008a). One way to close the gap of tourists visiting Okinawa during the low period is to increase the number of indoor attractions with casinos being suggested as a possible solution. However, seasonality would still be a major factor when it comes to examining Okinawa’s tourism.

Inside Japan, there are a number of competitive tourist destinations. In a recent study of “Domestic tourism destinations people want to visit” by the Japan Travel Bureau Foundation (JTBF), reported that the most popular beach resort area in Japan was Okinawa (JTBF, 2008). Outside Japan, there are numerous competitors in the tourism market. When it comes to popular beach resort areas among Japanese, Okinawa competes against Hawaii, Saipan, Bali, Phuket, Australia’s Gold Coast, and many other destinations. In terms of the awareness of Okinawa as a beach resort, Okinawa’s visibility among other countries is extremely low. In addition, even as a region in Japan, it is easy to assume that Okinawa does not have a strong

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presence in the international community that Tokyo and Kyoto possess. However, for neighboring countries, such as Taiwan, Korea, and China, Okinawa is a known tourist destination because of its unique culture and geographical closeness, but not as well known as Tokyo ("Resort chi", 2009). Okinawa's current competitiveness as a tourist destination within the domestic market, especially as a beach resort, is comparatively high, but very low in the foreign markets because of its low level of awareness within the international marketplace.

Okinawa is a paradise endowed with a rich and thriving natural environment. The islands are enclosed by beautiful coral reefs that are vibrant with life, and because of its isolated location from other continents and islands, Okinawa has its own unique ecosystem, which embraces many indigenous rare plants and animals. However, the continuous growth of Okinawa's population coupled with constant urban construction is disrupting the habitats of precious fauna and flora. Also, the United States military construction, and growth has also paved the way for more land consumption and pollution. Because of the damage to the environment, a number of local people and conservationists have opposed developments such as beach resorts, hotels, and the development at Awase tideland where a number of newly discovered types of fish, seashells, and dugongs subsist (The Nature Conservation Society of Japan, 2001). Such a growing pro-environmental movement is a big concern for the local people and the developers. It is one of important aspects of Okinawa's tourism development, as protests are becoming routine.

In addition, after World War II, the island had been under the occupation of American Military Government until 1972, with many United States military forces still stationed there today. This historical background can be attributed to the development of Okinawa's unique culture. However, Okinawa has lost its inherent dignity in many ways by the rapid modernization and Americanization. The Okinawan people's lifestyle is similar in many respects to other large cities' ways of life. Only senior citizens can speak the pure Okinawa language, while the majority of youth speak mainly

Japanese. Its food culture has also been affected by Western culture, and the changing dietary habits have damaged Okinawa's reputation as a healthy island known for lifespan longevity. In fact, according to the prefectural longevity statistics in 2005 released by the Ministry of Health, Labor and Welfare of Japan, "the average lifespan for women in Okinawa stood at 86.88 years, topping the nation, but the average male lifespan of 78.64 years brought Okinawa in at 26th place" within 47 prefectures in Japan (Hoshino, 2008). The losses in Okinawa's uniqueness, which are magnified by the aforementioned changes in the environment, may adversely affect the tourism industry in Okinawa.

Compared to other prefectures in Japan, Okinawa falls behind in its economic progress due to a number of reasons such as the geological isolation from the main islands of Japan, and the aftermath of the domination by the US military. To resolve the regional differences, the Cabinet Office of Japan (COJ) has implemented "Special Measures for the Promotion and Development of Okinawa (SMPDO)" since Okinawa's return to Japan in 1972 (COJ, 2006). Under those measures, industrial development, job promotion, educational and cultural development, welfare reform, and other plans have the goal of furthering Okinawa's economic independence. Specifically, budgeting for related organizations, introducing registration processes for those organizations, and preferential treatment for specific businesses such as taxation incentives, have all been implemented for the betterment of the Okinawan people and businesses (COJ, 2006). Regarding tourism, the local and national governments have a key role in the beach resort and waterfront development, infrastructure improvement, human resource cultivation, environmental protection, and other important measures (Okinawa Prefecture, 2002). Thus, Okinawa has received generous monetary aid from the national government, and the islands will be able to maintain that support in accordance with the SMPDO Law.

To implement measures for tourism development more definitively, the Okinawan prefecture has plotted out annual strategic tourism plans called the "*Visit Okinawa Plan*," since 2007 (Okinawa Prefecture, 2007a). In this plan, the

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Okinawan prefecture sets numerical targets for growth such as the number of visitors and tourism revenue. In order to achieve those targets, the government develops policies with overriding priority such as promotion for foreign tourists, enticement of MICE, the building up of the renewed ideal tourism model, and the encouragement of resort weddings on the islands (Okinawa Prefecture, 2007a). One goal of this plan aims to grow the number of Okinawa's inbound tourists to 10 million by the year 2017. However, even though Okinawa has recorded favorable growth in years past, it is not easy to reach the set goal without drastic actions and the help of local public figures. This goal of tourism growth is shared by the prefectural governor who has a great deal of business experience, and he has been striving to introduce new business methods to public projects. The "Visit Okinawa Plan" provides a concrete schedule and tangible data to help local business development by creating a vision for the future that is driven by common goals.

Okinawa has a unique situation when it comes to military presence since there are a number of US military bases throughout the tiny islands. Because of its strategic geographical location in the Pacific, the islands have played an important role in keeping a military balance in the Far East even after Okinawa's return to Japan from the US government post-WWII. According to the Military Base Affairs Division of Okinawa, the total number of US military facilities on Okinawa is 37 and the total area of facilities is 23,681 hectares, which is 11 percent of the prefectural land of Okinawa – the main island of Okinawa, a density inhabited area, lends 19 percent to the US military (Okinawa, n.d.). Not only the land, but also part of the surrounding ocean and air space are of limited use for the Okinawan people. This adversely affects tourism because there is a limit of land use directly and indirectly – there is a limitation for inbound/outbound flights and cruises, difficulty in overland access to some areas, and land-use regulations. However, with recent base realignments, partial closing and shifting of US troops to Guam, and the subsequent handover of the land to local residents there have been progressive changes. When the land is eventually given back to the Okinawan people, the effective utilization of that area is a key aspect for

encouraging an economic boost. Effective utilization of this land may mean more tourist destination development and other related industries which might contribute to an economic solution.

In terms of public safety and security, Japan's well-maintained public peace is a great strength. Concerning internal comparison of crime rates within Japan, Okinawa's crime rate in 2007 was 25th out of 47 prefectures (Gunma Prefectural Police Department, 2008). These low crime statistics indicate the relative level of safety and is one of Okinawan tourism's strengths.

The Japan National Tourism Organization (JNTO) reported that the number of visitor arrivals in February 2009 decreased 41.3 percent from the same period in 2008 (JNTO, 2009). JNTO indicated that the series of decreases was mainly caused by the worldwide economic downturn and holding off on purchases, the value appreciation of the Japanese Yen, the shrinkage of the number of flights to Okinawa, and the high fuel surcharge (JNTO, 2009). Regarding Okinawa tourism, the number of visitors in February 2009 declined 12.6 percent in domestic visitors and a staggering 69.8 percent in foreign visitors for the same period (Okinawa Prefecture, 2009). There is a fear that this downward trend will continue at least until late 2010. On the other hand, there is a possibility of an increase of visitors from Taiwan, Shanghai, and Hong Kong due to the release of new package tours by airline companies and major tour agencies, along with the prospective fuel surcharge reduction (Okinawa Prefecture, 2009). As a result of China's economic boom, there is still hope that Okinawa's tourism can hold up when it comes to international visitors. Nonetheless, more than 96 percent of visitors to Okinawa are domestic tourists (Okinawa Prefecture, 2008b). Therefore, the demand creation within the domestic market and the economic recovery of Japanese businesses are critical for the short-term tourism objective. The expansion of the foreign market and the diversification of risk are important aspects of long-term objectives for Okinawan tourism.

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Okinawa's economy is heavily dependent on government subsidies. In 2006, 46.2 percent of Okinawa's revenue was from subsidies from the Japanese Government while 18.3 percent was from tourism, which was the second largest income source for the area (Okinawa Prefecture, 2008c). To break away from the dependence on subsidies, the Cabinet Office of Japan and the Okinawa local government have implemented a number of strategic measures to alleviate such economic dependence on subsidies, such as the promotion of tourism and the development of the information technology (IT) industry (COJ, 2007). However, since the IT industry is a relatively newer developing field, the contribution margin is not yet high enough to compare with tourism. While the IT industry will contribute to the economy, tourism has been the major source of income for Okinawa and as a result, the government has focused more attention to developing the tourism industry.

Another important concern regarding the Okinawan economic situation is Okinawa's income level, which is the lowest in Japan. COJ reported that Okinawa's income per capita in 2006 was 2,089,000 yen (approximately 20,100 US dollars), meanwhile, the national average income was 3,069,000 yen (approximately 31,000 US dollars) while Tokyo, having the highest income at 4,820,000 yen (approximately 48,200 US dollars) (COJ, 2009). Okinawa's rank as having the lowest national income has been maintained since 1990, and the gap has continued to widen (Sankei Shimbun & Sankei Digital, 2008).

Okinawa's unemployment rate has been the highest in Japan at 7.4 percent in 2009, whereas the national average was only 4.0 percent (Ministry of Internal Affairs and Communications, 2009). The Bank of Japan Naha Branch indicated that the main reason for the high unemployment rate in Okinawa is the mismatch of employers' needs and those of job seekers, which is from Okinawa's industrial structure (Bank of Japan Naha Branch, 2007). Thus, Okinawan economic development is an urgent issue and needs support from a human resource perspective so that the employer demand is balanced with the skills and

knowledge of the work force. In this regard, as the largest industry in Okinawa, tourism should play an important role.

Casino Business: The Japanese Context

According to the research of the Policy Affair Research Council of the Liberal Democratic Party of Japan and the Committee of Casino Entertainment (PARCLDP & CCE), more than 120 countries including all of the G8 nations have legalized casinos except Japan (PARCLDP & CCE, 2006). There are a number of reasons to develop a casino industry in Okinawa with a few primary considerations. To generate new tourism attractions and entertainment, second, the contribution to economics, employment, and public finance, and lastly, the elimination of illegal casinos (Local Government Conference for Casino [LGCC], 2004). As one major example city, which aimed to increase public revenue, is Las Vegas, and many cities of the world promote a casino business modeled after the Las Vegas model (PARCLDP & CCE, 2006).

Economic, Political, and Societal Implications

Okinawa should look at what has worked in other areas of the world and put those positive attributes to use in legalizing casino gaming. Regarding control of casino gaming, Okinawa can use examples from precedent cases. First, the government could limit the number of casino licensees. For example, the State of New Jersey set the Casino Control Commission, and under the Casino Control Act and the Commission Regulations, the commission regulates approvals and licenses of casino owners, monitors those licensees, and collects tax charges (State of New Jersey, 2007). Also, by reducing organized crime and individuals who have criminal records from not only being casino owners but employees as well. In addition, limiting hours of operation may limit harmful effects on the local society (Okinawa Prefecture, 2007b). Furthermore, with the territorial regulation for the construction sites of casinos,

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Okinawa would keep adverse impact on the local community to a minimum.

Regulation in Japan

Although many nations regard the oversight and controls of the legalization of casinos as an appropriate measure for their socio-economics, in Japan, casinos have been banned by the criminal code (PARCLDP & CCE, 2006). On the other hand, the Japanese government has legalized horse races, bike races, motor boat races, auto races, lotteries, and soccer lotteries by establishing special acts with these methods of gaming being publicly owned (Mihara, 2008). In addition, there is also a “gray zone” in Japanese gaming, pachinko parlors. While casino gaming is banned, there is an illegal casino market in Japan, and its scale of operation in 2001 was estimated to be about 210 billion yen (about 2.1 billion US dollars); and valued at 54 billion yen (540 million US dollars) in potential tax revenue (“Casino Workshop”, 2004). Furthermore, there is also an illegal online casino gambling market that prevents the Japanese government from regulating and generating tax revenues.

Pachinko Culture

“Pachinko” is a Japanese pinball-like gaming device, which “indirectly” involves the conversion of metal balls into cash. After the invention of the original model in 1925, it became one of the most popular forms of amusement in Japan (Rollins, n.d.). Although reported that the popularity of pachinko has been declining, sales in the pachinko industry was 23 trillion yen (230 billion US dollars), and its participants totaled 14.5 million people in 2007 (Japan Amusement Business Association, 2008). The gambling which involves conversions into cash is illegal in Japan, except in the licensed public-owned form. The pachinko business uses a “three-store system.” After the game, since pachinko parlors cannot give cash to players, they give “prizes” that correspond to how many balls the players won. Players can win clothes, electrical goods, and other prizes, including “special goods” (often plastic cards, also known as ‘Junk cards’). These plastic cards are worth nothing for

normal use; however, they have some value at certain “junk stores”, which specializes in junk cards. These junk stores are often located behind the pachinko parlors, so it is convenient that they buy those special cards from the Pachinko players. After the players cash in the junk cards for yen, pachinko parlors buy back those junk cards from the junk stores; therefore the winner ends up with cash. By using the three-store system, pachinko parlors can indirectly pay out cash to players. Because of the current system, the pachinko business is called a “gray zone” business.

Even though some believe that pachinko is essentially gambling, the Japanese government “sees pachinko as a form of leisure, not gambling” (Hirano & Takahashi, 2003). In fact, as it was mentioned above, the pachinko industry has generated a huge amount of money, and in 2002, “it had employed 340,000 workers and paid a total salary of 1.2 trillion yen (10 billion US dollars), which is almost same amount of money that the US gaming industry pays for all of its employees” (Hirano & Takahashi, 2003). These numbers show that the industry is already a large part of the Japanese economy. Additionally, pachinko is designated as part of “Japanese culture” because of its long history. According to the Social Security Research Foundation ([SSRF], 2003), 44.5 percent of Japanese have experience playing pachinko, and 26.2 percent said they have played it in the past year. The average frequency of playing pachinko was 2.7 times per a month, and 23 percent of the people surveyed stated they play pachinko more than one to two times a week (SSRF, 2003). These factors make it more difficult to eliminate the gray zone gambling businesses from Japanese society.

Japanese Perceptions

When it comes to gambling, many Japanese have varied perceptions and opinions. In the past, Japanese had a negative perception of casino gaming, and recently, their perceptions have changed to be more socially acceptable (Agrusa, Lema, & Tanner, 2008; Agrusa 2000). Therefore, destination planners have to take this changing trend into consideration. According to a recent survey conducted in

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Japan by SSRF, males and the younger generations comparatively enjoyed gaming (SSRF, 2003). In another study of Japanese visitor opinions to gaming in Hawaii, respondents were in agreement that they enjoyed gaming (Agrusa, Lema, & Tanner, 2008). Interestingly, even though some respondents dislike gambling, they have no negative opinions about somebody else's participating in gambling (SSRF, 2003). Considering these results and the fact that a large number of Japanese are entertained with pachinko, Japanese may want to see legalized gambling in Okinawa.

Research on the image of casinos in Japan indicates that almost half believe that casino gambling is a form of entertainment (Kimura, 2002). Additionally, another survey, conducted by Hakuhodo, one of the major advertisement agencies in Japan, reported that 64.0 percent of Japanese agreed with the introduction of the casino industry in Japan, and 53.8 percent answered that they would want to visit casinos if they opened (Hakuhodo, 2007). Also, 60.2 percent of them were interested in visiting resort type casinos, and 24.5 percent of respondents would go to casinos in Okinawa, (Hakuhodo, 2007). According to the survey conducted by the Okinawa Convention & Visitors Bureau (OCVB) in 2001, 31 percent of Okinawan respondents agreed with introducing casinos to Okinawa and 41 percent expressed qualified agreement ("Casino donyu", 2001). Nearly half of Japanese residents and more than 70 percent of Okinawans agree with introducing casinos to Japan.

From a global standpoint, many Japanese tourists travel to sightseeing resorts with casinos. For example, the U.S. Department of Commerce reported that 217,000 people from Japan visited Las Vegas in 2004, and that was a 29 percent increase over 2003 (Velotta, 2006). Furthermore, nearly 300,000 Japanese tourists visited Macau in 2007, which dramatically increased by 36 percent from the previous year (Huxtable, 2008). With increasing competition and market expansion of gaming among tourism destinations that have casinos, a considerable number of Japanese go to cities with casinos in foreign countries every year.

By examining the amount of subsidies that the Japanese government has to provide Okinawa on a yearly basis, and having an already established base for tourism in the area, the legalization of casino gambling will provide an excellent compliment to the Okinawa resort country. Furthermore, having an inside activity would help bring tourists to Okinawa during the rainy season as well as the slow tourism months.

Methodology

The population of this study consisted of Japanese resident's attitudes toward casino gambling in Okinawa. The methodology that was applied in this research was the use of the survey method. A research instrument was designed where Japanese residents were requested to rate their attitude on the legalization of casino gambling.

The research questionnaire included items of attitudinal or behavioral characteristics of Japanese residents visiting Okinawa. Questionnaires were written in Japanese for the respondents. In designing the questionnaires, the double translation method (back translation) was utilized prior to distribution (McGorry, 2000). Even though occasions exist where the literal translation process may have missing information, the double translation method is one of the most adequate translation processes (Lau & McKercher, 2004).

The survey was initially written in English and then translated into Japanese. An independent bilingual individual then translated the Japanese version back into English in order to check for inconsistencies or mistranslations. Finally, the English version is translated back into Japanese addressing any inconsistencies.

To avoid ambiguity in the questions, and to ensure that all of the questions written on the survey instrument were clearly understood, a pilot test of 20 Japanese residents was completed prior to data collection. The author and four

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native Japanese speakers administered the surveys. A sample of 500 Japanese residents who completed the survey instrument set the basis for the data in this study. The final sample size of 423 surveys was reached by deleting incomplete questionnaires. Major cities such as Tokyo, Kyoto & Okinawa were used to survey the Japanese residents.

Participation in this study was completely voluntary and insurance of absolute confidentiality of answers to all questionnaire items was given to respondents. It is believed that all respondents answered the survey instrument honestly as the survey was anonymous and self-administered.

The specific objectives of this study were to (1) determine Japanese resident's attitudes toward having legalized gaming in Okinawa; and to (2) determine Japanese resident's perceptions of the impact of legalized gaming in Okinawa.

Findings

By analyzing the midpoint from each of the responses (and assuming the same ratio for the low- and high-end responses), it was possible to develop an overall weighted average from the respondents. Furthermore, by assigning a Likert scale value to each of the respective response categories; it was possible to develop an overall weighted average level of impact for the respective responses. With respect to other demographics, 54% of the Japanese residents were male and 46% female. The weighted average of the Japanese residents' household income was \$76,000. With respect to education level, the weighted average of the Japanese residents had over 4 years of college after high school.

Importance of Gaming on Destination Decision

This segment of the survey questionnaire was administered to understand how important legalized gaming

was on the respondents' decisions to visit another state or country for pleasure or business. One of the first questions for respondents was regarding whether they had ever taken a trip for pleasure or business to a country or one of the states in the United States where riverboat gambling or casinos were legal. A large majority of respondents had visited a country where gaming was legal, with Las Vegas being the number one destination.

The respondents who indicated they had visited a country or state where gaming was legal were then asked to determine how important the presence of gaming was on their decision to visit this destination for either business or pleasure travel. A significant amount of respondents felt that gaming had either a slightly strong positive impact or a strong positive impact on their decision to visit a destination that had gambling. The next question asked respondents to explain their gambling habits while visiting a country or a state in the United States that has legalized gaming.

With regard to the responses almost 90% (89.2%) did choose to gamble and wagered (won or lost) a weighted average of \$1750 USD. With respect to the favorability of legalizing gaming in Okinawa, 72.6% of the respondents stated they would favor legalized casino gaming in Okinawa, and 68.9% stated they would favor legalized casino gaming in Okinawa. Thus the percentage of respondents who favor legalization of casinos in Okinawa has more than doubled since Hakuodo Study in 2007. Certainly this dramatic increase should be an item of paramount interest to both tourism and government officials in diversifying the tourism product mix in Okinawa

Respondents reported their impressions of the impact legalized casino gambling in Okinawa would have on tourism. Respondents groups felt that legalized casino gaming would help job availability (either slightly or greatly), and significantly increase tourism to Okinawa. Other community impact related questions were asked of the Japanese residents through the surveys. One question asked about the impact on the cost of running the prefecture of Okinawa. Respondents indicated that legalized casino

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gaming in Okinawa would have a “positive impact” on the cost of running Okinawa and lower the amount of subsidies the national government of Japan has to provide Okinawa. Also, respondents reported legalized casino gaming in Okinawa would “not harm” ethical, moral, and religious values of local residents.

Conclusion

According to the results of this research, the majority of responses from this study were in favor of legalized casino gambling in Okinawa. These results are in line with other articles indicating that over the past few years there are a record number of Japanese tourists that are being drawn to locations that have casinos such as Las Vegas (Bier, 2001; Choo 2000; Hokudoko 2007; Las Vegas Sun, 2005). Recently, a record number of Japanese tourists are traveling to Macau & Korea, which indicates that contemporary Japanese residents seek out destinations that offer a variety of activities including casino entertainment (JTB Corporation, 2004; Takamatsu & Hopkins, 2004).

The majority of the research group indicated that gaming would have a positive impact and lower the cost of running Okinawa. Also, the greater part of respondents felt that casinos would help with job availability. While proponents suggest that residents stand to benefit by new jobs and city services that will be funded by the gaming revenues, there are still a small percentage of opponents that arguing that gambling is detrimental to the moral fiber of a community. Increased tax revenues from the legalization of casinos can provide opportunities for Okinawa to be more self-sufficient and not be dependent so on the Japanese national government for financial assistance.

Although Okinawa has withstood the temptation to legalize gambling, increasing competition in tourist markets is causing pressure to find additional sources of tourism revenues, especially for Okinawa. In the fiscal year of 2008, Macao posted record revenues of over \$15 billion US dollars from casinos. With these types of record-setting figures, Okinawa may need to reevaluate the Japanese government’s

position on the legalization of casinos on the island and try to acquire a part of this very lucrative tourism sector. The potential introduction of legalized casino gaming in Okinawa may cater to different and unique segments of the gaming market (specifically the Japanese market) compared to destinations such as Macao & Korea.

If this research is any preliminary indication, present-day Japanese residents have significantly changed their opinion on casino gambling, and now appear to approve the legalization of gaming in Okinawa. The government leadership in Japan may consider the legalization of gaming on some level to help diversify Okinawa's tourism product and potentially attract more Japanese tourists, especially during the slow tourism periods such as the rainy season where an indoor activity such as casino gaming which would be a solution to the rainy weather conditions. Determining what kind of competitive advantage the legalization of casino gaming will have for Okinawa compared with other tourist destinations and Okinawa's ability to sustain it in the long run, should be examined in future studies.

It may be advantageous to examine other segments of the tourism market and identify areas that will complement legalized casino gaming. Gaming facilities that can compliment the island of Okinawa with other unique forms of entertainment and attractions may be beneficial to consider in terms of sustainability.

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