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LABOR AND LUCK

in the *New Economy*

JEFFREY J. SALLAZ

Two announcements from major U.S. corporations during December 2005 effectively captured the past and future of work in America.¹ The first was made by the Ford Motor Company, and it concerned yet another round of layoffs and plant closings in Michigan. Like most of the Midwest and Northeast, Michigan has undergone extensive deindustrialization in the past two decades as manufacturing firms have downsized or moved production to jurisdictions where labor costs are lower and unions weaker. The second announcement came from Biloxi, Mississippi, a city still digging its way out of the devastation wrought by hurricane Katrina. In 1991 the state had legalized thirteen casinos, which by 2004 employed 15,000 Mississippians and generated nearly \$200 million in taxes annually. All but one were destroyed by the storm, but the “gaming” companies now pledged to fast-track construction on new and even bigger casinos. By late December, before basic utility service had been restored to all of the Gulf Coast, Mississippi’s casino dealers and cocktail waitresses headed back to work.

The automobile assembly line was the iconic workplace of America’s “age

of affluence,” which followed the end of World War II. It is no coincidence that scholars coined the term “Fordism” to describe the system of mass production that characterized these decades. But the era of the manufacturing-based “old economy” has passed. As the above comparison of Michigan and Mississippi attests, the “new economy” is a service economy. Today, approximately 80 percent of America’s workers labor in service jobs rather than in agriculture or manufacturing.²

The service sector, of course, is not monolithic; it includes a wide range of occupations and industries. Lawyers, bill collectors, and flight attendants, for example, all must interact with “clients” during their work. Nevertheless, the contemporary casino is as good a site as any to capture a glimpse

The casino’s core product is a pure service.

of life and labor in the postindustrial age. The casino’s core product is a pure service: the chance to wager money on events of uncertain outcome (such as the spin of a slot machine or a roll of the dice). Surrounding and supporting this core product is a plethora of interactive service workers, ranging from cashiers who have fleeting interactions with gamblers cashing out their chips to casino “hosts” who maintain close relationships with valued “high rollers.”

Learning from Las Vegas

In 1931, as part of a larger economic stimulation package intended to alleviate the effects of the Great Depression, the state of Nevada legalized casinos. For several decades, Nevada's casinos were basically small "joints" catering to the local population. Casino owners were veteran gamblers who ran their businesses as a family affair; they personally knew all of their employees and walked the floor each night. At the top of the casino job hierarchy were the dealers, skilled craftsmen (it was rare to see a woman behind the tables) trusted by the house to run a "square" game.

As neighboring California's population grew rapidly during the post-war decades, so too did the flow of tourists seeking a weekend of fun and gambling in Nevada. To meet this expanding demand, casino operators at first turned to financing from organized crime syndicates. Following a series of federal crack-downs, state politicians rewrote the gaming statutes to lure corporations to invest in the industry. By the 1980s, Nevada's casinos were essentially in the hands of a few large firms that made massive investments to upgrade the industry's image and to attract tourists from around the world.

The resulting success did not go unnoticed by other states confronting their own fiscal crises; the 1990s witnessed a wave of gambling legalization across the country. Today, approximately four out of every five states permit casinos, while national industry revenues are in

the range of \$40 billion annually. Even Detroit, the motor city itself, legalized casino gambling in 1999 in an effort to restart the engine of economic growth in Michigan.

Dealing with People

Sociologists of service work have argued that the immediate presence of clients at the point of production complicates

is particularly important for casino workers. While casinos are advertised as places where gamblers can win big, the reality is that players will lose money the majority of the time. Because casino dealers represent the casino during the table games, they easily serve as targets for a losing gambler's ire. Dealers must thus learn and master a variety of strategies for managing those moments when a gambler has



traditional understandings of how jobs are organized and work is experienced. For instance, management often directs service workers to perform "emotional labor."³ That is, workers must manage their own feelings and emotional displays in such a way as to produce certain emotions in the client. Emotional labor

lost a large bet and hurls insults their way. They can, for instance, frown and look distraught when a player loses, to emphasize that they were in fact rooting for him or her the whole time.

Other scholars have argued that service work is qualitatively different from manufacturing in that the

Management often directs workers to perform "emotional labor."

“raw material” of the production process—human beings themselves—can never be standardized or controlled as can rubber or steel.⁴ Insofar as the behavior of clients is unpredictable, service workers must be empowered to exercise autonomy and authority on the job. In the casino, a major source of unpredictability is the possibility that gamblers may deploy nefarious means to cheat the house. Employees are trained to watch for suspicious behaviors and to discipline players accordingly (“Sir, please keep your cards where I can see them at all times”). At these moments, workers act less as friendly servants than as stern security guards.

Yet the balance of power does not always favor the worker over the client. For example, casino dealers labor for hours on end at a small table packed with seven or more gamblers, all of whom may be smoking. While dealers may protest, managers are reluctant to ban smoking insofar as it contradicts the carefully cultivated image of the casino as a place beyond the reach of conventional moralities. An endless stream of tourists enjoying just a few days of “letting oneself go” can constitute a serious long-term health risk for the worker.

Another unique aspect of service work derives from the possibility of alternative forms of remuneration, such as the tipping of employees. Casino workers on the Las Vegas Strip earn on average only five dollars per hour in direct wages.⁵ In contrast, they can collect one or two hundred dollars per shift in tips from gamblers. Tip earnings are quite volatile, though, and it is common for workers to “chase tips” by switching jobs frequently in search of higher earnings. High rates of job mobility in turn represent a challenge to union organizers, since American labor law is predicated upon a Fordist image of a

stable workforce tied to a single worksite. While the Hotel Employees and Restaurant Employees union (HERE) and the United Auto Workers (UAW) have successfully won the right to represent workers at casinos in Nevada, California, and Michigan, the service sector as a whole remains less unionized than manufacturing.

Working without a Safety Net

Imbalances of power between casino workers and employers are a particularly salient issue for employees of tribal casinos. In 1989, Congress enacted legislation permitting Native American tribes to operate gambling facilities. Today, tribal casinos make up about one-third of the overall industry in the United States, with revenues in the range of \$15 billion. To staff their casinos, most tribes rely on U.S. workers who are not Native American and who live outside the reservations on which the casinos are located. Because tribes are officially sovereign political governments, they are not bound to the provisions of most U.S. labor law such as the Occupational Safety and Health Act, the National Labor Relations Act, or Title VII of the Civil Rights Act. While the vast majority of tribal employers are committed to treating their workers fairly, non-Native workers are often not aware that by accepting employment at a tribal casino, they have in essence ceded many of the rights afforded to U.S. citizens.

Workers are often not aware that they have ceded many of their rights.

Emotional labor, tipped wages, and tribal casinos are examples of important considerations that must be studied by those who wish to understand work and employment relations in the contemporary service economy. The politics of labor in the service sector constitute a complex and constantly evolving challenge to scholars and union practitioners alike.

NOTES

1. M. Maynard, “Looking to Toyota for a Helping Hand,” *The New York Times* (December 27, 2005), sec. C, p. 1; and G. Rivlin, “Bright Spot on Gulf as Casinos Rush to Rebuild,” *The New York Times* (December 14, 2005), sec. A, p. 1.
2. C. L. MacDonald and C. Sirianni, *Working in the Service Society* (Philadelphia: Temple University Press, 1996); and U.S. Bureau of Labor Statistics, “The Employment Situation: June 2006,” www.bls.gov/news.release/emp-sit.nr0.htm (accessed July 8, 2006).
3. A. R. Hochschild, *The Managed Heart: The Commercialization of Human Feeling* (Berkeley, CA: University of California Press, 1983).
4. R. Leidner, “Emotional Labor in Service Work,” *The Annals of the American Academy of Political and Social Science* 561 (January, 1999): 81–95.
5. “Las Vegas Casino/Hotel Wage Survey,” William F. Harrah College of Hotel Administration, University of Nevada, Las Vegas, 2002.



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