UNDERGROUND LOTTERIES IN CHINA: THE OCCULT ECONOMY AND CAPITALIST CULTURE

Joseph Bosco, Lucia Huwy-Min Liu and Matthew West

ABSTRACT

A little-known "lottery fever" has spread to many parts of rural China over the past 10 years. This is driven by participation in underground lotteries with local bookies. It is called liuhecai, which is the name of the Hong Kong lottery, and is based on guessing the bonus number of the Hong Kong Mark Six lottery. Such lotteries are illegal, but are an open secret. This chapter seeks to understand the meaning of this apparently irrational lottery fever: why people participate in it, why they believe the conspiracy theory that it is rigged (and yet still participate), and why similar lotteries have emerged in both capitalist Taiwan and post-socialist China at this particular time.

Since 2002, a little-known "lottery fever" has spread to many parts of rural China. It is driven not by participation in the official state lottery, but rather by widespread, and deeply social, play in various forms of underground lotteries. Such lotteries are illegal, but they are a quite open secret. While

Economic Development, Integration, and Morality in Asia and the Americas
Research in Economic Anthropology, Volume 29, 31–62

ISSN: 0190-1281/doi:10.1108/S0190-1281(2009)0000029004

neither illegal lotteries nor speculation itself are all that unusual (for work on gambling and speculation in Chinese societies see Oxfeld, 1993; Hertz, 1998; Pina-Cabral, 2002), both the social nature of play in this lottery fever and the depth of its influence in rural areas of China leave us wondering why it took off when it did.

The rise of this particular lottery fever is remarkable for three reasons. First is that villagers are convinced that the lottery is rigged, and that if one is clever enough, one can divine the correct number ahead of time. Second, the odds offered by the lottery are not very attractive, and the entire lottery appears to be "economically irrational." This seems especially surprising given the vaunted Chinese skill in handling money. Chinese lottery participants are not unsophisticated pre-capitalist economic actors. On the contrary, not only has China's economy been commoditized for over 1,000 years, but many of the biggest lottery players are petty entrepreneurs and persons with experience in industrial jobs. Third, it is notable that much of the terminology and many of the practices are the same as those that emerged in Taiwan in the 1980s, and the current wave of lottery fever in China has spread from Fujian, just across the Taiwan Strait. While it is tempting to try to explain the lottery as perhaps a reaction to post-socialist capitalist penetration, this interpretation cannot explain why similar lotteries have also emerged in Taiwan, which did not go through a socialist period. This chapter seeks to understand the meaning of this apparently irrational lottery fever: why people participate in it, why they believe the conspiracy theory that it is rigged (and yet still participate), and why similar lotteries have emerged in both capitalist Taiwan and post-socialist China at this particular time.

THE LOTTERY

While doing research in several villages in South China during the summer of 2002,[1] I (J. Bosco) discovered that, in many parts of Guangdong and Guangxi, villagers were obsessed with lottery. In one Hakka village in northeastern Guangdong, I quickly found that it was not possible to conduct interviews on Tuesday, Thursday, and Saturday nights, when the numbers are picked in Hong Kong's official lottery. The lottery was such a big topic of conversation that it was impossible to interview about anything else. Starting in the late afternoon, everyone focused their attention on sorting through various hints, drawings, and signs they had gathered to pick the number. Then, once the number was drawn and announced shortly after 8:30 p.m., everyone visited each other to discuss the right number and how

to have picked it. People came by, saying to my hosts, "Did you win?" or "I can't believe I lost again." That first night, a rumor initially announcing that the correct number was 11 inspired all sorts of discussion about how each villager had nearly picked it, and how they should have realized that the hint they had seen meant 11. A bit later, however, a call came in and said the number was actually 41, and again the same people were finding (new) ways of saying they had barely missed it, should have known, etc. It seemed the entire village, young and old, man and woman, all knew and talked about it. Even cadres were involved, as the first author discovered when his interviewing led him to enter a house in which township government officials were resting after lunch. They were in the village to collect the rice tax. Though the conversation became strained as we entered, it was clear that they had been discussing the numbers, and they had newspaper divination papers and other sheets of research in front of them (see Fig. 1). At various times that evening, firecrackers could be heard going off in the distance, marking the very public celebration of those who had chosen the number correctly.

Fig. 1. One Quarter of a Hint Sheet Collected in Huian, Fujian, in 2005. (The Original is Printed in Red – Collected by Luo Pan.)

It is hard to trace back exactly when the underground lottery was introduced to China, as it grew at different rates in different places. We have reports that claim it started anywhere from 1988 to 1999,[2] but most news articles refer to the latter half of the 1990s as the beginning of the underground lottery's popularity. It seems to have begun in Guangdong and Fujian Provinces and then spread rapidly to other places in the north and west of China. In Fujian Province, for example, the underground lottery first started in rural villages in Zhangzhou and, besides this area, it was most popular in rural villages in Quanzhou and Xiamen (Research Team, 2004). I (Bosco) came across the lotteries in the summer of 2002 while conducting research in Guangdong and Guangxi provinces, and in both villages where I saw it, the lottery had risen as a fever within the previous year.

For this study, we have data from several villages in Fujian, Guangdong, and Guangxi, but the village about which we have the most information, which we will call Zhong Village, is a natural settlement and a lineage village of over 400 persons in an administrative village of over 2,000 persons. It is a Hakka village in northeast Guangdong. The village switched to the "Responsibility System" in 1978, and divided its land in 1979. While it is remote, the township is now connected to the county seat and indeed to the neighboring province of Jiangxi by a four-lane highway built in the late 1990s. Still, the village is in an area that Skinner (2003) characterizes as rural and in the far periphery of the Guangdong macro-regional zone.

Newspaper reports and informants agree the underground lottery is most popular in rural and periurban areas where it is very public and does not attract attention. In urban areas, it is less popular, more hidden, and the police will arrest gamblers and bookies alike. In Zhong Village, as in many other rural villages, people place bets, discuss the betting, and exchange information in the open, even though it is illegal. It is estimated by local newspapers that in many rural villages more than 90% of villagers participate in betting (Lin, 2005; Luo, 2004). In the recent past, a common Chinese greeting was to ask "Have you eaten yet?" According to some commentators, the greeting phrase in many villages where the underground lottery is popular has now changed to "What number have you bought?" (Liang, 2003).

The Zhong Village lottery is based on the Hong Kong Mark Six. Both are called *Liuhecai*,[3] but the two lotteries are different. Mark Six in Hong Kong has 49 numbers and bettors pick six plus a bonus number (*tema*). In the village, only Hong Kong's bonus number is used. The gambling relies on Hong Kong only for picking the number; the prize money is paid (profits made, and losses sustained) by local bookies. These bookies in turn spread some of their risk (and benefits) by being linked with larger bookies in larger towns.

Villagers said the lottery became a craze in October of 2001 when a villager won ¥110,000 (US$13,400 at the time) in this, then, new informal lottery. We calculate that it would have taken a bet of about ¥3000 on one number to win so much. Other villagers took to buying lottery numbers with alacrity, even while that first winner proceeded to gamble and lose all the winnings. Even so, as of December 2006, the lottery was still very popular, though it was not so novel anymore.

There is considerable local variation in the ticket prices and payout of betting. In one village in Fujian, the minimum bet was 20 yuan, however, in many other villages, each bet can go as low as 1 or as high as 100 yuan, depending on bettors. In Zhong Village, however, bets could be much larger, as we heard of some bets in hundreds of yuan. In general, the reward for correctly picking the special number is from 37 to 40 times the bet. In Zhong Village, for example, it was 38 times.

Betting on the "special number" *tema* or bonus number itself is the most common form of betting, but there are variations from area to area and over time, and some bookies also take a variety of forms of bets. For example, we were told about a second form of betting involving choosing the color of the balls that are used to select the number; since the balls come in three colors, red, green, and blue, the gambler has roughly a one in three chance of winning. While this form still refers to the lottery in Hong Kong, it requires looking only at the color of the special ball instead of at its number. Informants in Fujian said the payout was 2.5 times the bet. Thus, a ¥100 bet would win ¥250. A third way of betting is called "odd–even." Bettors only need to guess whether the special number is odd or even. The payout is ¥180 for a ¥100 bet. Since there are 24 even numbers and 25 odd numbers from 01 to 49, there is slightly higher chance to get an odd number than even number. In the fourth way of betting, "combined odd–even," the digits are added together to form odd or even single digit numbers. An 18 would mean $1+8=9$ or odd, while 29 would mean $2+9=11$ and then $1+1=2$ or even. The payout is same as the "odd–even" game. However, the total amount of odd and even numbers are not the same. There are a total of 24 odd and 25 even which is the opposite of "odd–even," the third form.

Poor Odds

The Hong Kong Mark Six (*liuhecai* in Chinese) is a lottery, but it seems villagers do not understand their lottery as such. Lotteries are games of pure

chance in which the house has a built-in advantage so that over time gamblers will lose:

> Mathematically speaking, as the saying goes, no one wins the lottery. Sports betting, in contrast, involves skill, and it is possible, although very difficult, to consistently win money on it. Sports bettors are closer to stock or commodities buyers than to people who buy lottery tickets. (Surowiecki, 2006, p. 68)

It is this understanding of an overall statistical inevitability of losing that many analysts (as well as many gamblers) take as the natural order against which the thrill of speculation and flouting prescribed fate can emerge (see Reith, 1999). Of course, this thrill-seeking type of experience is markedly different from that of an investor, dominated by worries about diversification and minimization of risk. Villagers, however, deny there is any difference between investing (*touzi*) and the lottery. Because they believe the lottery is rigged, they also believe there are patterns and hints that one can research and discover to more or less consistently make money. This "research" makes the underground lottery not a form of gambling or speculation, but a form of risk-taking normal in investing under capitalism.[4] Furthermore, they are at least partially correct in asserting a difference with conventional understandings of lotteries because this lottery actually pays a fixed return, not a share of the take. Thus, in theory, if many people guessed correctly, the bookies could lose a substantial amount of money. This is, in fact, why the bookies hedge their risk by collaborating with larger bookies. This differentiation was further illustrated by the comment of a university-educated villager who was back for a brief visit. He said that it was impressive to see the degree of power that women have in buying and picking the numbers; he found it incredible that women should have so much say in such a large investment. When I (Bosco) naively suggested it was not an investment but merely for fun, he argued forcefully that the lottery is a means to make money, and since it involves a lot of money, it is an investment.

In Zhong Village when we asked a 45-year-old man, "Why do you bet on the lottery when the odds are so obviously against you; the longer you play, the more you will lose?" he jumped up and said, "No, it is not like that. Some people never do win. It is not random." He, like several others we spoke to, rejected the idea that there was a random chance to win. To us, the lottery seemed like poor odds.[5] A minimum bet in Zhong Village was ¥5, and one would win ¥190 for a correct bet. A quick calculation will show that a bet only had a 1 in 49 chance of winning, and a bet on each number would cost ¥245, while a winning number only paid ¥190. Thus, the bookie was

making, on average, ¥55 on ¥245, or 22.4%. When we tried to point out to another villager that the odds were against him, he completely rejected our calculation, explaining that some people never win. He added later that he himself had not won. Informants noted that some people won repeatedly, while others seemed to never win. I asked him if he thought he was unlucky or if his luck had just not come yet, and he said he could not know. In this answer, he accepted the uncertainty of the lottery, even though in also seeming to emphasize fate, he (and others) seemed to assume there was a master plan of sorts. On the one hand, villagers appeared to be telling us that skill was an essential component in this kind of play, thereby making the lottery more like investing. On the other, in rejecting our calculations they alluded to a sense of luck or fate. We will return to explore these three seemingly contradictory aspects of the lottery in more detail below.

Of course, in these discussions of why people participated in the lottery despite the odds, some informants displayed typical signs of gambler's fever: when we asked one woman why she kept betting since she kept losing, she said she had to make her money back. Most research on gambling tends to focus on its apparent irrationality at the individual level (e.g., Gilovich, 1983; Rogers, 1998; Wagenaar, 1988; but see McMillen, 1996, pp. 11–12). Psychological aspects of gambling such as this woman's "entrapment" (increasing commitment to a failing course of action in betting), the "near miss" (the motivation to continue betting stemming from coming close to the winning number), and the gambler's fallacy (the belief deviations from chance such as heads in a coin toss will be evened out by more "tails" in the future) (see Ariyabuddhiphongs & Phengphol, 2008) were also present in Zhong Village, but they can neither explain the sudden rise of the lottery fever nor its rise in similar forms in Taiwan and rural mainland China. All the talk in the village attracted people to the betting even more. There was a sense of frenzy about the lottery that was palpable. It was hard, even for us, to hear so many people talking about it without being drawn in (and as this study may suggest, we were indeed drawn in). This fever is similar to the stock market *re* (literally "heat") described by Hertz (1998), and is the social aspect of the lottery that we seek to explain here.

Picking Numbers and the Need to be Clever

Since the villagers deny the lottery is random, they see the results as the playing out of fate, luck, and skill. Fate was not a major topic of discussion, however. Most of the conversation was about cleverness (*jiqiao*) and luck

(*yunqi*). Cleverness involves not just intelligence, but a kind of creative street smarts. A university-educated villager gave the example of a race up a mountain; Chinese, he said, will think of other ways to get up the mountain other than just running straight up, for example, by taking a balloon. (This is an interesting image very much at variance with turn of the nineteenth century colonialist images of Chinese as singularly lacking in creativity but willing to do nose-to-the-grindstone work.) He went on to relate this idea of cleverness to a topic that was widely discussed in China in 2002, the issue of cheating in TOEFL, GRE, and SAT exams in China (see Mooney, 2005). Chinese students are taught tricks and techniques for doing well on such tests. For example, they have been told that the listening comprehension part of the TOEFL exam will usually be about situations on a school campus. Also, in most cases where a woman and man disagree in a tape, they should guess the woman is correct and the man is wrong if they do not know for sure. The idea of being clever extends to cram schools paying people to enter the exam to memorize 10 questions each. The cram school then can find the answers, and inform future students what the questions are going to be. My informant felt that if people find such tricks and do well, then they have done nothing wrong; it is the test makers' own fault for having bad tests. Of course, as a result of these "clever" approaches, ETS had just stopped giving computer-based exams and began using special rules for China and Korea, which my informant strongly felt was unfair discrimination against Asians.

Since they believed that with skill and cleverness one could figure out the lottery number, a striking feature of the lottery fever was that people always felt they had just missed it.[6] The winning number was either a number they considered (but did not buy), near the number they bet on, or it was a better interpretation of a hint they had heard. That first evening, when the number 41 was picked in Zhong Village, my informant's uncle even got mad at his wife because he said he had told her it was going to be 41, but she refused to pick it. Another informant also noted that hindsight in the lottery has often led to couples blaming each other for not buying the correct number.

For each lottery, there are many hints circulating. Newspapers send tip sheets (*caimitu* or *xuanjitu*) covered with many diagrams, numbers, poems, drawings of zodiac animals, and the five elements of feng shui (Fig. 1). Shops and other entrepreneurs also sell such tip sheets since there is profit to be made in producing them. The tip sheets are often just photocopied on A4 paper and often consist of a set of mysterious poems and drawings. They may have short phrases like *yiba he tema* (one eight and extra number), which could be read to mean eight is the number (but of course could be a lot of other things as well).

Bettors using these sheets then seek associations among the numbers and symbols to help them choose a number. One way is to use the five elements – metal, wood, water, fire, and earth. Each element is associated with 10 numbers, except one that, because it includes zero which is not a lottery number, has only 9. The numbers are grouped based on the annual almanac and therefore also change every year. In addition, there are 12 animals in the Chinese zodiac, and each animal is associated with 4 numbers, except for the current year that has 5 (for a total of 49). From an outsider's perspective, the fact that each number is linked to multiple other numbers makes the bettors feel their guess was closer to winning than if it was simply one of 49 possible numbers. From the bettor's perspective, this association, when interpreted with skill, greatly narrows the possible numbers and thus significantly improves their odds. One old man explained that in the last drawing he had correctly guessed tiger but, as he only bet on two numbers, he did not get the right one. A girl listening nearby nodded knowingly, adding for our benefit that one has to understand "the deeper profundity" (*limian de aomiao*).

Hints about the correct number also came from books, rumors, and television programs. One program that was widely believed to offer such insightful hints was called Big Pinwheel (*dafengche*). It was a CCTV (state television) children's program that started at 18:05 on weekdays. The program I watched began with a studio piece showing overacting children talking about an occupation and then followed with two Disney cartoons. One of these cartoons was a cat chases mouse type. At one point, the cat contacted a company selling a mouse-catching contraption, but no one seemed to think the phone number or the address of the company was an important hint. The hints should be "deeper," less obvious. There were about 18 children and men watching and researching the program in a small snack and dried goods shop. No obvious hints emerged from that program, leaving many disappointed.

An example from the Teletubbies illustrates what informants mean by "deep" hints. One episode revolved around bathing. The Teletubbies repeated the phrase "use soap to wash the body clean" (*yong feizao xi ganjing*). In the past, another common name for soap (*feizao*) was (*yangzao*, Western soap). As "Western" and "goat" are pronounced the same, this was interpreted as a sign to bet on "goat" (Xu & Zhao, 2004).

Later that day, before the drawing, we heard another hint in the form of the riddle *san wu liangbian kai* (three, five, two sides open). This could have meant anything. Once we found out the correct number was 15, though, we knew what it meant, thinking, "Oh, 3 times 5 was right!" We felt like the hint was very obvious, and that we should have been able to guess it.

Confirmation bias such as this makes one select data that fits the known number, making it appear that one was close to getting it right, and that with a little more cleverness one could have picked the number in advance.[7]

Five men discussing the numbers told us they did not believe that the number was random. If it *were* random, they said, they would not be interested in participating. It is precisely because one can use one's cleverness that they get hooked. One man gave a couple of examples of hints that had come out. The first was the expression *kan jiu tongqian*, "look at the old bronze coins." Because the coins have a square hole in the middle, he explained, the hint was for the number four. The second was *liang niu dui chang*, "two cows in musical dialog." Since all the numbers are associated with certain animals, and the numbers for the cow are 6, 18, 30, and 42, the answer must have been the double of one of these. Since 30 and 42 cannot be doubled to produce a number under 49 (and thus within the range of the lottery numbers), the answer had to be either 12 or 36. He said that these were easy ones, but that most are more "deep."

Some of these stories of hints and cleverness are told and retold as jokes, especially when a hint is misunderstood or misinterpreted and results in the gambler just missing a chance to win. A young mother told us a story about a man who had lost money and whose wife had left him. A fortune teller told him *yi shou zhua*, to "grab with one hand," which seemed to mean that he should go to convince his wife to come back. It turned out after the lottery number was picked, however, that it must have meant bet on the number five. In another case, someone who worked in the lottery did not feel he could reveal the number directly, but he gave someone 10 apples. When the person took the apples back, his friends asked him, "Did the lottery worker tell you or give you anything?" and he answered "No, just these apples." His friends took the apples as a hint and all bet on the number nine. The problem was that, on his way back home, he had eaten one and forgot to mention it. This was only discovered when the correct number came out as 10. Interestingly, the woman telling the first of these jokes ended her story with, "Who could have known?" And yet, what she meant in telling the story, as with the story of the apples, was that though this was a hard clue, it *could* be guessed.

These hints therefore surface in a diverse set of social situations and, as such, they are key to making the lottery more than an individual experience of risk seeking. They are also clearly a part of the business of the lottery. Bookies are said to produce and deliver hints and charts. Some newspaper articles (e.g., Ma, 2005; Wang & Cao, 2007) say that it adds "interest" to the process of guessing numbers and therefore makes it easier to attract more

participants.[8] Furthermore, as we described above, it is a way to help people decide what number to buy. It gives people a sense that there are ways to help them guess the number and therefore makes people think it is easier to bet. Some articles even describe these handout sheets as an invention designed by bookies to encourage play (cf. Ye & Luo, 2006), and giving the process of guessing numbers ''Chinese'' characteristics. Indeed, as in the examples above, when people bet on the right animals but the wrong number they feel that they were close to winning. The above two principles narrow the possible numbers for bettors. Once people decide which animal or element is the correct one, they then can decide which number to bet on from a smaller set. It both reduces the number of choices, and by linking numbers in different ways, reinforces the feeling that, though their result was off, their logic was sound. This gives them hope that they can win the next time.

The Organization of the Underground Lottery

The underground lottery system is organized as a series of levels through which the bets and money flow. The bottom level consists of underground lottery buyers or bettors – *caimin*. News reports in China indicate underground lottery buyers are not distinct in terms of gender, age, or occupation. This confirms our observations in Zhong Village. The only difference is that players are mostly rural, simply because the lottery is more common and less policed in rural and periurban areas. In fact, in some areas more than 90% of villagers are reported to be involved. In those cases, almost everyone in the village bets, regardless of occupation and educational level. In other words, these are normal villagers, even though the media often tries to describe them as ''abnormal,'' ''crazy,'' ''ignorant,'' and even ''criminal'' (cf. Renmin Gongan Bao, 2005).

The second level in the system is inhabited by the *xiao zhuangjia*, which literally means ''small bookie.'' They are essentially the ''bet collectors,'' the middle people between underground lottery buyers and bookies. Their task is to receive people's bets and pass the money on to the bookies. In some areas people call bet collectors *shoudanren* (people who collect bets) or *xiedanren* (people who write bets) or *paodanren* (people who run bets). Bet collectors are usually recruited by bookies and in some cases there are also multiple levels of bet collectors. At each level, bet collectors get a 5–10% commission from the betting money that they send back to the bookie. The commission varies and depends on how many other levels there are between the bet collectors and the top bookie.

If a villager wins, the bet collector will receive the prize money from their bookie and give the payout to the winner. Bet collectors are local people and, as such, their role is in fact more important than just to collect the bets. The underground system works largely thanks to the integrity of bet collectors and their ability to transfer money between clients and bookies. While in terms of technical skills almost anyone could be a bet collector, bettors choose someone they would trust to pay their reward if they win. Since the lottery is ''underground,'' there is no legal protection to guarantee participants get any prize money. This trust is built on social relationships, or *guanxi*, between buyers and bet collectors.

Finally, at the top level of this underground lottery system are the *dazhuangjia*, the bookies, about whom we know very little first hand. Informants say that bookies, as opposed to bet collectors, are usually ''outsiders'' – people from outside the village. Mainland media in the latter half of the 1990s often described these bookies as mainly Taiwanese or Hong Kong people, although now they claim there are more and more mainland Chinese, often coming from Guangzhou. Both villagers and the media of course claim they are rich. Sometimes the media reports that many bookies are ''gangsters,'' and that bookies do not contact lottery buyers directly because they need to remain hidden and mysterious. On the other hand, one informant suggested that some bet collectors and local bookies may only be pretending to have the backing of higher-level bookies; there is no way for us to know.[9] All client contact is conducted through bet collectors. Sometimes bet collectors do not even contact bookies directly in a physical sense. Bet collectors use telephones or fax machines to pass their betting list to the bookies, and they reportedly transfer betting money through banks, by mail, and even via the Internet (Gu & Fu, 2007; see also Wei, 2004). Winners do not get a share of a pot, but returns that are known in advance. This prevents the bookies from cheating by under-reporting their total pool and underpaying winners. But it requires bookies to link with larger bookies to hedge their risk, or else a random series of multiple lottery winners could wipe them out. The larger scale makes this less likely.

Many local magazine articles portray bookies as ''outsiders who suck up local capital through the underground lottery'' causing the local economy to be more backward than it should be. Furthermore, after bookies ''suck up'' local capital, they then transfer the money ''outside'' the area since they are ''outsiders.'' Hu (2007), for example, says that in Xiushui County of Jiangxi Province, a local official said that at the peak of the underground lottery

(in 2004), savings in the county fell by 10 million yuan (US$1.2 million) in just one month.[10] What makes bookies "bad" to such commentators is not only that they withdraw capital from savings and other businesses but also that they transfer it to the "outside." This argument shifts the blame for the lottery to "outsiders" and therefore diminishes the blame falling on the local participants, the "insiders." Creating an image of evil outsiders makes the lottery appear more dangerous to society, while also avoiding blaming the majority that participates in it. At the same time, "insiders" who participate locally are also tainted indirectly by being portrayed as complicit in the flow of money out from the community.

Newspapers often compare the bookies' underground organizations to multi-level marketing organizations – *chuanxiao*. Multi-level marketing is illegal in mainland China because the government was suspicious of their organization and their ecstatic meetings where they motivated their sales force to sell more. Bookies recruit more bet collectors in different villages to sell more tickets and promote the underground lottery. These collectors try to attract more bettors and even hire other bet collectors to make more money such that a pyramid-like structure can develop. The association with multi-level marketing is intended to associate the lotteries with other organizations that are commonly seen as dangerous and even seditious in the government's attempt to fight them.

PICKING NUMBERS: SKILL, FATE, AND LUCK

As mentioned above, the numbers are not viewed as random; picking the correct one is thought to require intelligence and cleverness. In addition to television programs and newspaper sheets, people also may seek key signs from dreams, the murmurings of people with psychological disorders, or even from shamans. In a fishing village in Fujian, every Tuesday, Thursday, and Saturday after 1:00 p.m., people visit each other asking: "What (sign) did you see today?" (*ni jintian kan shenme*). This question has several meanings. It asks what number the person is thinking of buying that day. But it also asks whether they have seen any sign or portent. The question is meant to elicit whether he/she has gotten anything out of the tip sheets, has understood something from the poems, or has been able to figure out what animal will come up based on a dream, TV show, or the news. The typical answer is to name one of the animals of the zodiac, or an inspiration from a newspaper or TV show rather than any specific number.

Destiny and Fate

When people pick the right number and win, they usually explain it as being due to destiny. They use the expression *mingzhong zhuding*, which means predestined or "decreed by fate." The character *ming* means both life and fate (see Harrell, 1987). It can be used to explain a fortunate or unfortunate event. An event can be said to have happened because someone's *ming* is good or bad, that is, it was his or her fate. In the case of the lottery, people explain winning as due to their *ming* being good. It implies that if someone has the right *ming*, they will win in any case. It is just a matter of time. This concept reduces any envy toward people who win the lottery because it is seen as their *ming* or destiny, something that a higher force has allowed to happen, instead of something earned through individual action and, perhaps, immoral behavior.

On the other hand, when people explain why they guessed the wrong number, they tend to use the concept of luck, *yunqi*. Luck can be both positive and negative, depending on how people use it. If people want to explain why they failed at something, they explain it as due to bad luck (*yunqi bu hao*), thereby emphasizing the random nature of life. *Yunqi* can also be used to play down something good. For instance, if people congratulate someone's success, the person often responds "it is just good luck" (see also Barnett, 1962, pp. 200–201). People use this expression to show humility, attributing success to good luck instead of individual ability or hard work. Success and failure are then not (or at least not only) due to their ability, but due to their good or bad luck. In the underground lottery, however, people only describe their *failure* to guess the wrong number as due to their bad luck. This connotes a "temporary" condition, meaning "I failed because my luck was bad this time, but it does not mean my destiny is bad." To some extent, "bad luck" attributions are more a way of talking about and explaining failure, since cleverness and hard work in analyzing the signs and numbers is valued, with the assumption that preparation helps make good luck more likely.

It may seem that the concepts of "destiny" and "luck" are contradictory because if we believe our destiny is pre-determined, then there is no space for luck. On the other hand, if we believe good and bad things happen just as a matter of luck, then there is no role for "destiny."[11] These concepts are problematic only if we see them as independent and separate concepts, however. Instead, it is better if we see these two concepts as articulating with one another and as working at different levels (cf. Harrell, 1987).

An example will show how the concepts of destiny and luck articulate. The Chinese saying *shilai yunzhuan* means "fortune is smiling" or more literally, "when the time comes, your luck will change for the better." It does not deny the existence of destiny, but says destiny is changeable as long as your luck changes. The Che Gong temple in Hong Kong's New Territories is famous for its pinwheels. People go to the temple to spin the wheels in order to change their *yun* (luck). In Taiwan, the phrase *zhuanyun* (*chhut-ūn* in Hokkien) expresses the idea that one's luck has changed for the better. Moreover, "luck" is relatively short term while "destiny" is long term (*ibid.*, 1987, p. 100). Luck allows people to continue to hope without feeling despair: bad things have happened to you because your luck is bad now, but your destiny is not necessarily bad. In any case, you cannot know if it is bad or good until you reach the end of your life (*ibid.*). The two concepts of luck and destiny are very important to understanding how people pick numbers in the underground lottery because they provide a cultural logic to justify continued participation, especially after losses. Furthermore, playing the lottery was a simple way of testing one's fate, as luck in one area like the lottery was believed to indicate the state of one's fate more generally.

Magical Bases for Picking Numbers

The many ways for guessing numbers can be divided into two types: one is through magical means and the other is through informational means. This distinction is an analytic one; people use multiple ways to guess numbers and individual cases may be difficult to put in only one of the two types. Dreams are one of many magical ways to seek signs. For example, when people dream about someone, the zodiac animal of the person's birth year or, if the person is dead, the year of their death, can be interpreted as a sign that the number will be one of the four or five numbers associated with that sign of the zodiac. In addition, if people dream about a beggar or a stranger, this could be interpreted as a sign to choose a number associated with monkey. Furthermore, sometimes people claim gods or ancestors tell them the number in their dream.

Beyond dreams, people seek numbers from almanacs since the assignment of the five elements is based on the almanac. Other magical methods include listening to people with psychological disorders, children's meaningless babbling, and interpreting the images people see while they are halfway between wakefulness and sleep (hypnagogic and hypnopompic dreams).

Another magical way to guess numbers depends on random events. When one of our assistants visited her home village, a villager decided to buy a number associated with the rabbit because the assistant was born in the year of the rabbit, and the villager won. So when she and her boyfriend recently revisited the village again, villagers decided to buy rabbit numbers again because this time there were two rabbits visiting, though this time they lost. Any random event in daily life can be interpreted as a sign for guessing numbers.

The idea behind these magical signs is *tianji* (message from heaven) or *xuanji* (mysterious message). The terms indicate that there are messages out there in daily life and that these messages are sent by some kind of higher power that determines people's destiny. People seek "messages" to understand their destiny and their luck at that moment, and to see if it is their destiny to win the lottery.

Inside Information for Picking Numbers

Another way to pick numbers is by seeking signs from informational sources. Rumors accompanying the underground lottery in China play a major role. One of the most important rumors is that the winning numbers are determined in advance. One version of this rumor had it that though we participated in the 77th drawing of the numbers of the year, the numbers up to the 100th drawing had already been decided (*yijing gei renjia dingxialaile*, literally "it has already been set by people"). A more elaborate version holds that the Hong Kong Lottery draws all the wining numbers (a total of 108 numbers) for a year at the end of previous year and locks them all up in a safe-deposit box in a bank. For each drawing, the Hong Kong Lottery opens the safe-deposit box and then announces the winning number. This not only implies that the numbers are determined in advance, but also that there are people who know the numbers. Building on this rumor are other widespread rumors that detail how such persons send messages to reveal the winning number. Given the knowledge provided by these rumors, the issue becomes whether villagers can be smart enough to find the right source and be able to "see" the signs that lead to the right number. After watching the cat and mouse cartoon mentioned above and as my assistant and I (Bosco) left the dried goods and snacks shop, one relative of my assistant, asked me, "If you knew the number, you would tell me, right?" He seemed to doubt that I did not know the number. Both because I was from Hong Kong, and a professor who was therefore supposedly smart, he and several others

believed I should be able to figure it out. My claim of ignorance led to comments that my specialty was not very useful; I was clearly a pointy-headed professor, in their eyes.

One rumor in a village in Guangxi Province held that wealthy Hong Kong bosses wanted to fight the bookies who organize the lottery. The bosses have sent 10 people who know the bonus number in advance (local people call them the ''Bonus Number Kings'') to cities and counties near Nanning, the capital of Guangxi. As a result, villagers seek out ''outsiders'' in their village and nearby cities, especially people from Hong Kong, to ask them what the special number is, or at least to give them a sign.

There are also rumors that the mainland government is involved in sending messages revealing the numbers. People believe there are signs in some TV programs on CCTV – China's national broadcaster (see above). They say that because the government wants to prohibit the underground lottery in China but cannot prohibit the Hong Kong Lottery in Hong Kong, due to the ''One Country, Two Systems'' policy under which Hong Kong was reunited with China, it takes covert action by sending messages on its TV programs. If many people get these messages, the rumor goes, then the people will win, which means the bookies will lose. As more and more bookies lose money, the bookies will give up conducting the lottery in China for lack of profit. In other words, the government's intention is to fight the bookies by helping the common bettor win by sending messages on TV programs that broadcast on government stations.

In a related rumor, the government is said to be fighting against the religious persons believed to be controlling the Hong Kong Lottery. Many of the hint sheets have statements on them that claim they come from Hong Kong and are of supernatural origin. Some claim to speak on behalf of Wong Tai Sin (a major temple deity in Hong Kong – see Lang & Ragvald, 1993), Bai Guniang, or Zhen Daoren (Ma, 2005). The rumor claims that in order to prevent these religious groups from winning all the money from China, the government sends messages to people to make them win the money instead.

According to one source, in Fujian the two most ''authoritative'' programs are a children's program named *Qiqiaoban* and a cooking program named *Tiantian yinshi* on CCTV (*Dushi Xiaofei Bao*, 2004). The way people watch and analyze the signs from these programs very much depends on individual skill. For example, one article reports how a villager from Liaoning Province watched a cooking show one day in search of clues. He carefully counted the number of times (37) that the host chopped food with his knife during the show and bet on that number (*Nanfangwang*, 2007). Another villager from Hunan also sought the number in this cooking

program. The dish that day was crabs in soybean sauce and there were a total of eight crabs in one dish. At the end of the program, the cook made a ''victory'' hand gesture. So the villager decided the number must be eight because each crab has eight feet and there are totally eight crabs in a dish and the ''V'' hand gesture also means eight in that village. Besides the above two programs, people also seek a sign from the weather report, the evening news, and the Teletubbies on CCTV (see also above). One particular episode of Teletubbies showed a cat, and the people watching the show interpreted this as a hint to bet on a ''tiger'' number because the tiger is in the cat family. The winning number was indeed a tiger number (Chen, 2004).[12]

THE ASSUMPTION THAT THE LOTTERY IS RIGGED

As mentioned, villagers do not believe that the numbers are selected at random. They believe they have been decided well in advance, and thus can be determined through intelligent research. A young mother we interviewed said it was like ''guessing riddles'' (*cai miyu*).

We tried to explore the question of why and how information on the numbers was being revealed. In whose interest was it for the lottery number to be released to villagers? Who with the knowledge of the number would produce the hint sheets with daoist-inspired charms and numbers distributed with the newspaper? If someone knew the information, why not use that information to win the lottery himself, or sell the information to others? These were puzzling questions to informants, reminiscent of Evans-Pritchard's (1976) hypothetical question about what would happen if one continued feeding *benge* to a chicken (It would explode!). Though some explained these sources with the types of stories recounted above of efforts by the central government or the Hong Kong Jockey Club to fight mainland bookies by making them lose money on the lottery, most informants were not very clear about why the numbers can be guessed.

The Hong Kong Jockey Club does a great deal to reassure the public of the fairness of the lottery, that is, that the selection of numbers is random. The numbers are selected live on television, with prominent persons invited to witness the drawing in person to attest to its fairness. The machine is made of clear plastic, so viewers can see the balls being mixed up in the hopper and then sliding down the ramp, one after the other. The draw is shown live on one of Hong Kong's two terrestrial channels.

Informants in China do not know this, however. Even though all Hong Kong stations are widely rebroadcast in the Pearl River Delta and much of

Guangdong, the PRC authorities have banned broadcasting of the lottery draw. This is done to try to dampen the widespread interest in Hong Kong's lottery, and to try to prevent its use in underground lotteries throughout South China. None of the villagers had seen the drawing process, even those who had worked in Shenzhen, close to Hong Kong. The secrecy and lack of information caused by the government therefore made it easy to believe that the lottery was corrupt. Informants in Shunde who have been able to see the drawing live on television (because it was not blacked out there for a time), however, still believe there is cheating, noting that computers can be controlled by humans.[13]

When villagers say the numbers are picked in advance, however, they do not only mean that they were known in Hong Kong. They believe that the process is corrupt, so that numbers are entered from the side, for example. My assistant, by way of explanation, said that if humans can clone humans, then why is it not possible to cheat at a lottery? To him, if one can even make a fake human, a copy of oneself, then why is it hard to believe that people would be able to cheat at Mark Six? This was a revealing analogy, because for us, the logic was the exact opposite: if our science is good enough to clone humans, then it should be possible to run a fair lottery. We began from an assumption of trust, while he and the villagers began with the assumption that one could not trust the authorities. Our view was more trusting, but perhaps naïve.

Corruption and cheating is thus obviously a major theme of this rumor; investments by the rich and powerful might be considered "gambles" by economists, but most wealthy investors have connections and contacts that make their investments more secure than the little person's. Small investors are just trying to get similar inside information. What at first seems irrational is actually not only rational, but a political statement. Rapacious officials and the conversion of public property to private control and use are major problems and topics of discussion in China and around the capitalist world. The culture of capitalism insists on viewing success in business as an individual matter, but often it depends on inside information and government contacts. The lottery being rigged is believable at least in part because in China, at least, everyone recognizes the importance of connections.

At the same time, however, the idea that the numbers can be known may in part reflect the Confucian view that the world is always knowable. "According to Judith Zeitlin, in traditional Chinese thinking nothing is really unknowable; people consider certain things as strange only because they know little about them. Therefore, strangeness reflects the subject's own ignorance and can help open his or her eyes. ... The general response of traditional Chinese

thinking to "strangeness" is: "just read them carefully enough, and you will always find the moral order of the ten thousand things" (Pang, 2004, pp. 308–309, citing; Zeitlin, 1993, pp. 15–25). Thus, when farmers believe that if they study tip sheets, TV programs, and rumors enough, they can figure out what the number will be, they are applying an old Confucian attitude toward the world. This Confucian view is not very different from the Enlightenment view that science would be able to explain all. Lottery bettors have, however, applied this rational idea in this case with irrational results.

This lottery fever can also be viewed as a form of desperation, a sign of the fear over the growing gap between rich and poor, between city and countryside. Families see some neighbors make a fortune, and worry they are being left behind. We often heard complaints about the low quality of teachers and of poor rural schools, which also reflect fear that village children are disadvantaged and left behind.[14] Yet, the lottery should not be taken as a game of the poor. The players are only relatively poor, and in many cases the most frequent players were locally successful business people with the capital to spend and the desire to compare themselves to richer contacts in the cities.

Previous researchers on Chinese gambling have noted that lotteries and other games of chance are common and not viewed negatively unless they impact the gambler's family relationships and work. Speaking of Cantonese in American Chinatowns, Barnett (1962, p. 201) wrote, "Attitudes towards gambling here are ambivalent, reflecting the functional relationship between gambling and business." The idea that Barnett describes, that Chinese see a similarity between business and gambling, has been often noted. It focuses especially on the importance of luck, in addition to hard work and good planning, in any business outcome. This helps explain informants' insistence that buying lottery numbers is an investment (discussed above). It reflects not a practical attempt to get a return on investment, but the idea of trying one's luck, which is going to be necessary to break out of the low income present. Gambling is an affirmation of the speculative spirit, almost as if one can win by speculating alone – which is not unreasonable since others are doing so successfully.

Also significant is that China's underground lotteries use the Hong Kong Mark Six to select their winning number, rather than just picking a number locally. The problem with picking a number locally is that villagers might suspect that the bookies have chosen the number based on the local bets. For example, if no one had bet on the number 17, the bookie has an incentive to pick 17 as the winning number to avoid paying anyone the prize money. Using the Hong Kong number makes the lottery more trustworthy and transparent. Yet, paradoxically, villagers felt at the same time that the

Hong Kong lottery is rigged. It seems contradictory that the Hong Kong number is both more transparent and rigged at the same time. But this apparent contradiction is resolved when one realizes that bettors are playing against local bookies, or at least against provincial-level bookies, and that Hong Kong is viewed as outside their system and control. Thus, using the Hong Kong number protects bettors from bookies' fraud, even as it is still assumed to be rigged. Though the Hong Kong lottery is corrupt (since everything is controlled by someone), since it is not under the control of the mainland bookies, it is still possible, they believe, for local bettors to win, if they are lucky. This accurately reflects the villagers' view that those with power and connections benefit most from the economy. All the poor can do is hope that with some luck, they can also gather some profits.

SKILL WITH MONEY

Chinese farmers have had experience with a highly commercialized economy since the Song Dynasty (960–1279).[15] Every so-called peasant in China had experience buying and selling agricultural products, land, and labor on the market. Chinese have valued discipline, parsimony, and long hours of work, although like most pre-capitalist cultures (and perhaps most humans), they have sought to escape work, in their case through landownership and gentry privilege. Desire for material wealth is entirely acceptable in Chinese society; it is not the case that "greed is good" but that "greed is normal." In contrast, in much of Africa and New Guinea, "Inordinate desire is seen as greed and greed lies at the core of witchcraft" (Stewart & Strathern, 2004, p. 137). China has not had such notions of witchcraft, and jealousy over wealth is not common. Chinese families were like small firms, diversifying income streams by placing sons in different occupations, investing capital, and borrowing and lending money. Twenty-five years of collectivized agriculture did not eliminate this tradition.

Thus, one cannot understand the lottery as the product of peasants unsophisticated in the use of money. Many studies of lotteries and pyramid schemes in other parts of the world argue that one factor promoting pyramid schemes and similar "occult economies" is the sudden arrival of the capitalist economy, which leads people to view the growth of money as magical and open to occult manipulation (e.g., see Jarvis, 2000; Verdery, 1995, p. 656). In the Chinese case, however, this argument cannot stand up to scrutiny. The economy has long been monetized and commercialized. It is instead, we argue, a case of the entrepreneurial spirit intensified to the point

of going awry. The Chinese case has nothing to do with commercialization but is due to rising inequality and frustration at how those with power and connections are able to enrich themselves. Bettors hope that with the same luck and cleverness as the party cadres and new entrepreneurs, they too can make a sudden windfall.

It is common to view lotteries as irrational because a lottery pays back less than what it takes in. Taking out the bookies' profits, the lottery is less than zero-sum. But the same can be said of day-traders in US stocks, which are also playing a below zero-sum game when one includes the brokerage fees. Transaction costs quickly exceed the rate of growth of the securities themselves. An example can illustrate how sophisticated our informants' betting strategies and logics are. We have been told that some bettors use a sophisticated hedging strategy, which is known as *fang* (defend). In betting on the color of the bonus number ball, there are three choices: red, green, and blue. A bet of ¥100 that the blue ball will win can be hedged with a ¥50 bet on the green ball in case his main choice is wrong. When the underground lottery was popular in Taiwan, Taiwanese often used this strategy as well. They would spend most of their money on a "main number" (*zhuma*) and a lesser amount of money on a "backup number" (*fuma*) in order to spread the risk.

This strategy would reduce the loss, however, only when the second choice is the winning choice. It increased the loss if the third color was chosen, and reduced the gains if the first color was chosen. In other words, in most conditions, and assuming the drawing is random, it actually maximizes the bettor's losses. The only thing it did was to perhaps reduce psychological uncertainty. This strategy is very interesting if we contrast it to gambling behavior as described by psychology. Gamblers are often described as risk seekers, and it is often assumed in the United States that gamblers are seeking the thrill of challenging fate. However, this strategy shows that some gamblers consciously seek a "rational" way to reduce and distribute their risk, although it turns out not to actually work. Their intention shows that people who participate in the underground lottery are not just risk seekers, but are seeking a "rational" way to bet.

THE LOTTERY IN TAIWAN IN THE 1980s

The underground lottery was also tremendously popular in Taiwan in the mid-to-late 1980s, having begun in the winter of 1985 in the central area

of the country. It was known as *Dajiale* (Everybody's Happy), and relied on the numbers drawn by the state lottery. Early on in the Taiwan craze in 1986, an informal and conservative estimate was that NT$10 billion (US$250 million) were spent on the underground lottery and that about three million people participated in it (*China Times*, 1986). In 1989, the Taiwan government abandoned the state lottery because the underground lottery, based on the state lottery, had become so popular that the entire island seemed to come to a stop for the drawing. Ending the state lottery did not kill the underground lottery as had been hoped, however. Two months later, the underground lottery re-emerged, using the Hong Kong Mark Six numbers and was renamed *Liuhecai*, the same name used in Hong Kong and in Zhong Village in 2002. A survey showed that 85.6% of people in Taiwan participated (Hong, 1990). The popularity of the underground lottery gradually decreased over the 1990s, but it still exists today.

Research conducted on Taiwan showed that workers participated the most in this lottery, and that it remained most popular in central Taiwan, where it had begun and where many workers were becoming increasingly marginalized by competition from lower-wage countries (Qu, 1990). To a considerable degree, the lottery was driven by a working class desperate to avoid impoverishment. After over a decade of rapid economic growth, capital was abundant, but there were not enough profitable ways to invest it, and rising wages, competition from abroad, and political uncertainty had created a feeling of insecurity (Weller, 1994). As mentioned above, it is not the lack of sophistication in the market economy, but the accompanying frustrations and desires of consumer capitalism, and the growing gap in wealth, that underlies the lottery craze.

What the Chinese case has in common with the 1980s Taiwanese case is rapid growth and increasing inequality. Though a few families in Zhong Village were impoverished by new neoliberal policies, the vast majority were at least slightly better, with a few dramatically better off. The remarkable similarity with Taiwan's lottery fever of almost 20 years earlier shows, in addition, that the lottery has little if anything to do with the unrealized millenarian ideology of socialism, since Taiwan has never had such an official ideology.[16] Both mainland China and Taiwan do share common ideas about destiny, luck, and cleverness, and a similar experience of rapid economic growth that benefits most, but benefits the few considerably more than the majority.

CONCLUSIONS

The lottery in southern China needs to be understood within the context of China's almost magically rapid economic growth. This growth of roughly 10% per year has been one of the fastest in human history. Some observers have been predicting China's implosion or collapse for at least 15 years (e.g., see Kristof, 1993; Chang, 2001). How China's economy can grow so rapidly is, in fact, a bit of a mystery even to modern scholars. China's ability to build four-lane highways even to remote towns like Zhong Village is puzzling, especially when compared to both the inability of the Philippines and many other developing countries to build similar infrastructure and the continuing gaps in infrastructure existing immediately alongside these accomplishments in China. Some villagers have become extremely rich, either by being at the right place at the right time, or by having the right connections in the right places. The lottery seems less irrational when one sees it in the context of an economy where luck seems to play a large role.

We have found that the Chinese underground lottery is far from irrational; if anything, it stems from an excessive confidence in the power of rational knowledge. If we take the lottery numbers not as random, but as knowable, the betting practices employed by the people of Zhong Village and elsewhere in China suddenly closely resemble investment practices that are largely seen to be logical within a capitalist market.[17] Betting here may be wrapped up in local significances, but it is also based on a balance between luck and destiny, a balance that links it closely to the Taiwan lottery craze of the late 1980s. While it is tempting, perhaps, for Western readers to feel superior to the villagers described in this research, it is important to remember that tens of thousands of Americans engage in "day-trading" and other speculative stock trading despite almost universal expert opinion that it is irrational. For example, Graham (1949, p. viii), the author recommended by Berkshire Hathaway CEO and billionaire Warren Buffett, lists as his first rule: "If you speculate you will (most probably) lose your money in the end." Speculation is not prohibited in developed markets because it helps make a market in securities. But for most individuals it is a foolish practice. The irrationality of the informal lottery thus has a remarkable similarity to the recent internet and real estate bubbles in industrialized countries; internet stocks and homes were expected to continue to grow in value, and like the lottery, offered the prospect of easy money, despite warnings and criticisms that were not heeded because of crowd behavior.

The bookies who collect the money are all fellow villagers, though they are backed by higher-level bookies in towns. Villagers view the bookies' business as a risky business, and perhaps as a bit shady, but then all business is shady in post-socialist China. Moreover, the lottery is mostly shady because the state defines it as such and tries to stamp it out, which ironically makes people suspect that it is not shady after all, if the government is so much against it. People correctly see that the state is protecting its interests when it prevents informal lotteries from competing with the state lotteries. The two main state lotteries are the Sports Lottery (*tiyu caipiao*, known as *ticai* for short) and the Social Welfare Lottery (*shehui fuli caipiao*). Thus, the state not only seeks to prevent underground lotteries because they drain capital from the village economy, cause social problems, and undermine state control, but also because the underground lotteries compete directly with state lotteries for funds. In conversations with villagers, it seemed that the state's attempts to suppress the underground lottery tended to confirm in villagers' minds that the state lottery did not offer opportunities to win. They assumed that the authorities want to make the money for themselves, and so do not want ordinary people to invest in the truly profitable lottery, the underground lottery.

Davis (2006, p. 518) has recently noted that "There is a long tradition within the social sciences of viewing gambling as a form of symbolic resistance against authority or societal norms," and this chapter fits into this tradition. Participants who are buffeted by large economic and political forces seek to control their fate through essentially magical means, even if that control is illusory. As has been shown by other scholars who have discussed symbolic resistance, this resistance is not internally consistent, nor is it politically effective (*ibid.*, p. 519). We have shown how the lottery practices build on traditional ideas about fate and luck, how they emerged in Taiwan, and have spread and evolved in the mainland. The explanations for why or how the lottery is rigged are varied, internally contradictory, and even illogical. But they represent "hidden transcripts" of resistance (*ibid.*; Keesing, 1992; Scott, 1990) to the imposition of neoliberal policies and the enrichment by cadres in rural China. They are also an opposition to the intensification of work that the new reform policies were intended to produce. Only in the rural hinterland, where most young people between 18 and 40 have left for work, do people have time to speculate about lottery numbers. As one person put it, people working overtime do not have time for the lottery. And the very sociability of it – the fact that everyone plays, and even people who do not get along can discuss the numbers – makes it contrast with the increasingly individualized and anomic social relations of

reform era China. Rural areas are also where economic growth has been slowest, and where there is less capital available for business. It is the rural areas, along with farmers and workers, who are being left behind by the rapid growth of the reform era Chinese economy.

China has shifted from collectivist policies that focused on production to neoliberal policies that focus on profit. In a well-run economy, ideally, production and profit should overlap. In the consumer capitalist economy, however, we increasingly see value and profit generated not by production but by control over capital, information, and intellectual property. The new consumer capitalist economy has led to fantasies of easy money, as can be seen in investment bubbles, and the phenomenal growth in gambling (so-called gaming) in the United States and Britain since the 1990s. The Chinese case is therefore just one example of a much wider explosive growth of popular gambling and its incorporation into the nation-state (see Comaroff & Comaroff, 2001, p. 297). Gambling mirrors and mimics the fantastic ability of the consumer capitalist economy to produce fantastic wealth through control of key nodes in the economy, rather than through production. The lottery captures the alchemy of neoliberalism: "to yield wealth without production, value without effort" (*ibid.*, pp. 313–314). And the lottery is another example of what Comaroff and Comaroff (1999, p. 283) call "millennial capitalism – that odd fusion of the modern and the post-modern, of hope and hopelessness, of utility and futility, of promise and its perversions." We have described the lottery as a "fever" because we expect it to pass; it is, after all, irrational and maladaptive for the new economy. In a short time, Chinese rural residents will become accustomed to the logic of the new economy, and the lottery will fade, and probably not even remain as a memory. But as we see in the United States and elsewhere, the decline of this particular lottery fever does not imply that the confluence of factors that brought it about will not continue to shape future movements and desires.

NOTES

1. The research was on the rise of consumerism in China and focused on the rapid rise in popularity of branded soap and shampoo. This work was thus partially supported by a grant from the Research Grants Council of the Hong Kong Special Administrative Region, China (Project No. CUHK 4348/01H). Fieldwork involved interviews with 25 families in 3 villages or neighborhoods in the Shanghai/Zhejiang region, in Guangdong Province, and Guangxi Province. Each interview lasted about 30 min, and the lead author spent about one week in the village/neighborhood,

conducting family interviews as well as visiting shops and other area stores and informants.

2. One informant in Shenzhen said he heard about it as early as 1988, while Xue (2003) states that the underground lottery started in 1991. Li (1991) reported in the *China Times* in Taipei that some Taiwanese were in Guangzhou as bookies to run the underground lottery. However, Wu and Li (2002) say that it first appeared in eastern Guangdong in the later half of 1999.

3. Other names for the lottery in China include *waiwei liuhecai* (outside [Hong Kong] lottery), *sicai* (private lottery), *waiwei maima* (numbers bought outside [of Hong Kong]), and *maima* (buying numbers).

4. The difference between speculation and investment is hard to define. In the United States, around 1900 there was a concerted effort to distinguish regular trading based on company fundamentals from "speculation" based on pricing trends, so as to allow the first to appear moral. The stock market was to be raised above gambling, so that a crackdown on speculation would still allow (and might even improve) the functioning of the market. At the same time, regulators saw speculators as playing a key role in smoothing out commodities markets and preventing all of the fluctuations of price from directly affecting investments by those directly involved in the buying and selling of the actual commodity (see Markham, 2002).

5. The Atlantic Lottery Corporation (in Canada) has payouts of between 93% and 95% on video lottery games (Atlantic Lottery Corporation, 2008), and casinos also generally pay out on the order of 97% of revenues. State lotteries in the United States pay much less, however; Campbell and Gillespie (2002, p. 2) say the average payout rate is only 53%, in part because administrative costs are usually over 40% of revenue. Hong Kong's Mark Six only pays 54% of its takings as prizes, another 25% is paid as lottery duty, 15% goes to the Lotteries Fund (charity), and 6% is Jockey Club commission (Jockey Club, 2008). These state lotteries justify the lower payout by saying the lotteries are raising money for charity or for public goods like education. A payout rate of about 78% is high when compared to state lotteries, but much lower than the payout rate in commercial gaming.

6. Reid (1986) argues that the "near miss" is not a significant inducement to gambling over the long term in games of chance, but others have argued that it is indeed a factor (e.g., Ariyabuddhiphongs & Phengphol, 2008; Côté, Caron, Aubert, Desrochers, & Ladouceur, 2003; Kassinove & Schare, 2001). As we have noted, however, our informants deny that the lottery is a game of chance.

7. In contrast to psychological research on "near misses" (e.g., Ariyabuddhiphongs & Phengphol, 2008; Kassinove & Schare, 2001), the "near miss" here was created by the informants themselves. Most gambling research focuses on games like slot machines or roulette, where it seems clear what a "near miss" is (e.g., the ball in the wheel is next to the winning number or only three of four numbers came up correctly on the machine). In this case, however, we see informants actively constructing "near misses."

8. Similar tip sheets are also published for the state lottery. We have four examples from the city of Xi'an. One called *Cai Jing* (*Picker's Bible*) is four pages (i.e., a single page of newspaper broadsheet) of tables of past winning numbers highlighting trends. The *Shaanxi Fengcai* (*Shaanxi Elegance*) is a four-page tabloid

size supplement that is distributed free. The *Shaanxi Ticai* (*Shaanxi Sports Lottery*) is eight pages tabloid, and marked on the masthead as *neibu ziliao* (internal secret material, officially only for Communist Party members!). The fourth is Xi'an's *Meibao* (*Beauty Weekly*) which devoted its July 28, 2005, issue to the fourth anniversary of the Sports Lottery, and included 13 pages of charts. These official publications provide data in interesting tables and charts. The informal hint sheets have poems, drawings, and other mystical hints.

9. This is especially dangerous because villagers with some personal authority can influence many villagers to buy the same number, and if that number wins, the bookie may lose heavily in one particular lottery, since the payout is fixed and not based on the overall size of the pot.

10. Guo (2005) reports on another case, in Anhua County, Hunan Province, where savings in the county decreased rapidly, showing the loss of capital and the fact that people had stopped working and saving during the lottery fever. Between 18 and 27 of October 2004, savings suddenly decreased by ¥66,000,000 (almost US$8 million) in the 17 branches of Agricultural Village Trust Association (*Nongcun xinyongshe*). In the same month, there was a ¥6,000,000 (US$720,000) decrease at Development Bank (*Jianshe yinhang*).

11. Max Weber (1958) uses the conflict between success based on individual effort and predestination to show a drive towards accumulation led to the rise of capitalism in Europe. Here, however, we see a similar conflict affecting attitudes toward gambling, though it obviously also affects attitudes toward investment and business. As Oxfeld (1993) showed, gambling and investment are both types of risk-taking embedded in the same cultural system. The ability to gamble shows one to be a capable person. As one of her informants put it, "It is the clever one who gambles. Can the stupid person take any action? No, they can't!" (*ibid.*, p. 111).

12. In some parts of Fujian Province it is possible to see television programs from Taiwan. The Teletubbies were popular as a source of signs even when the program was broadcast from Taiwan. Other children's programs and the news programs from Taiwan-based television were also watched for signs. People will also tend to seek signs from local newspapers, rather than national newspaper seemingly contradicting their reliance on the national-based CCTV shows. For example, if they see news about chicken or even KFC on the front page, then it indicates that the rooster is the sign so people should seek numbers in the rooster set. Government television (CCTV) is said to provide hints to fight the bookies, but we have not been able to explain why local newspapers and Taiwan television programs are believed to provide signs for numbers, except the broader idea that insiders know and the information is being spread for their own reasons.

13. At the same time, while we can see the lottery on TV in Hong Kong, we have no way of knowing that the program really is live, and has not been taped earlier, or even months earlier, as villagers claim.

14. That the lottery is a critique of the powerful can also be seen in the inversion which has children and mentally ill or handicapped persons as able to ascertain the numbers.

15. On Chinese sophistication with money, see Freedman (1979), Gardella (1992), and Gates (1996).

16. Taiwanese influence in setting up the mainland lotteries does not undermine our point because we are interested in why it spread and became such a craze, something that its introduction alone could not have accomplished.

17. The idea that complex random events can be known in advance is not only believed by rural peasants but has parallels in the most modern sectors of China's economy. *The New York Times* (Bradsher, 2008) reports that during the summer of 2008, Chinese officials blamed the United States for losses China suffered from holding US bonds. Many mid-level policy makers believed that the United States had deliberately tricked China into purchasing its securities, knowing that a plunge in their value was imminent. These policy makers thought that the Americans must have known, just as peasants believed we (the researchers) knew the numbers "already selected" in Hong Kong.

REFERENCES

Ariyabuddhiphongs, V., & Phengphol, V. (2008). Near miss, gambler's fallacy and entrapment: Their influence on lottery gamblers in Thailand. *Journal of Gambling Studies*, *24*, 295–305.

Atlantic Lottery Corporation. (2008). *Odds of winning*. Retrieved April 8, 2008, from http://www.alc.ca/English/ResponsibleGaming/OddsOfWinning

Barnett, M. L. (1962). Persistence and change in Cantonese-American gambling. *Philippine Sociological Review*, *10*, 186–203.

Bradsher, K. (2008). *Main bank of China is in need of capital*. Retrieved September 5, 2008, from http://www.nytimes.com/2008/09/05/business/worldbusiness/05yuan.html

Campbell, R. W., & Gillespie, W. (2002). Georgia's lottery ranks high on measures of state lottery revenues and operations. *Policy Notes*, *3*, 1–2.

Chang, G. G. (2001). *The coming collapse of China*. New York: Random House.

Chen, Z. M. (2004, August 4). Xiangcun liuhecai heshiliao [When will the *liuhecai* in the countryside stop]. *Zhongguo shehui bao* [*China Social News*].

China Times (Zhongguo Shibao). (1986, September 13). Editorial. *China Times (Zhongguo Shibao)*.

Comaroff, J., & Comaroff, J. L. (1999). Occult economies and the violence of abstraction: Notes from the South African postcolony. *American Ethnologist*, *26*, 279–303.

Comaroff, J., & Comaroff, J. L. (2001). Millennial capitalism: First thoughts on a second coming. *Public Culture*, *12*, 291–343.

Côté, D., Caron, A., Aubert, J., Desrochers, V., & Ladouceur, R. (2003). Near wins prolong gambling on a video lottery terminal. *Journal of Gambling Studies*, *19*, 433–438.

Davis, R. (2006). All or nothing: Video lottery terminal gambling and economic restructuring in rural Newfoundland. *Identities: Global Studies in Culture and Power*, *13*, 503–531.

Dushi Xiaofei Bao (City Consumer News). (2004, December 25). Nongcun: Dixia liuhecai fengmo zhidi [Countryside: The underground lottery makes the land crazy and evil]. *Dushi Xiaofei Bao* [*City Consumer News*]. Jiangxi sheng guangbo dianshi jinshiwang [Jiangxi Province Broadcasting Network], Retrieved September 16, 2008, from http://www.jxgdw.com/news/jxsh/2004-12-25/3000022892.html

Evans-Pritchard, E. E. (1976). *Witchcraft, oracles, and magic among the Azande*. Oxford: Clarendon Press.

Freedman, M. (1979). The handling of money: A note on the background to the economic sophistication of overseas Chinese. In: G. W. Skinner (Ed.), *The study of Chinese society: Essays by Maurice Freedman* (pp. 22–26). Stanford: Stanford University Press.

Gardella, R. (1992). Squaring accounts: Commercial bookkeeping methods and capitalist rationalism in late Qing and Republican China. *Journal of Asian Studies*, *51*, 317–339.

Gates, H. (1996). *China's motor: A thousand years of petty capitalism*. Ithaca: Cornell University Press.

Gilovich, T. (1983). Biased evaluation and persistence in gambling. *Journal of Personality and Social Psychology*, *44*, 1110–1126.

Graham, B. (1949). *The intelligent investor*. New York: Harper and Brothers.

Gu, Z. X., & Fu, G. M. (2007, May 15). Shenyang 'liuhecai' xianxiang diaocha [The investigation of the *liuhecai* in Shenyang]. *Jiancha ribao* [*Procuratorial Daily*], p. 4.

Guo, Y. X. (2005, February 1). Dixia 'liuhecai': Duliu buchu fengxian nanxiao [The *liuhecai*: If we do not remove this cancer, we cannot avoid its hazards]. *Jinrong shibao* [*Financial Times*].

Harrell, S. (1987). The concept of fate in Chinese folk ideology. *Modern China*, *13*, 90–109.

Hertz, E. (1998). *The trading crowd: An ethnography of the Shanghai stock market*. New York: Cambridge University Press.

Hong, Y. T. (1990). 'Dajiale' canyuzhe yijian diaocha fenxi [Analysis of an opinion survey of participants in 'Everybody's Happy]. In: Executive Yuan Committee for Study and Inspection (Ed.), *'Dajiale' wenti chengyin ji fangzhi tujing zhuan'an weituo yanjiu baogao* [*Special report on contributing factors in the dajiale lottery problem and ways to prevent it*]. Taipei: Executive Yuan.

Hu, J. W. (2007, April 17). Jiangxisheng Xiushuixian dixiadubuo huodong diaocha [An investigation of underground gambling in Xiushui County, Jiangxi Province]. *Renmin ribao (People's Daily)*, p. 5.

Jarvis, C. (2000). The rise and fall of pyramid schemes in Albania. *IMF Staff Papers*, *47*.

Jockey Club. (2008). *Allocation of prize fund [Mark Six]*. Retrieved April 9, 2008, from http://special.hkjc.com/marksix.info/en/mark6/prizes_fund.asp

Kassinove, J., & Schare, M. (2001). Effects of the ''near miss'' and the ''big win'' on persistence at slot machine gambling. *Psychology of Addictive Behaviors*, *15*, 155–158.

Keesing, R. M. (1992). *Custom and confrontation: The Kwaio struggle for cultural autonomy*. Chicago: University of Chicago Press.

Kristof, N. D. (1993, October 3). China in the year 2000 – Repressive? Expressive? Anarchic? *The New York Times Magazine*.

Lang, G., & Ragvald, L. (1993). *The rise of a refugee god: Hong Kong's Wong Tai Sin*. Hong Kong: Oxford University Press.

Li, J. P. (1991, December 1). Chuan 'liuhecai' denglu Guangzhou: dangdi Taibao zidang zutou, dufa yu bendi wuyi [*Liuhecai* has landed in Guangzhou: Taiwanese naturally are bookies and use same way to bet as in Taiwan]. *Zhongguo shibao* [*China Times*].

Liang, S. Q. (2003, September 11). Beihai: dixia 'liuhecai' fanlan chengzai [Beihai: The underground *liuhecai* is overflowing and becoming a disaster]. *Xinhua meiri dianxun* [*New China Daily Dispatch*], p. 4.

Lin, Z. Y. (2005, March 24). Dixia liuhecai canshi fujian gongcai [The underground *liuhecai* nibbles at the Fujian official lottery]. *Haixia caijing daobao* [*Straits Financial Reports*].

Luo, J. (2004, December 16). Zhejiang Xianju 'liuhecai' weiqing baogao [Report on the dangerous *liuhecai* in Xianju County, ZheJiang Province]. *21 shiji jingji baodao* [*21st Century Economic Reports*].

Ma, J. (2005, June 13). Daji chiren de liuhecai [Fight the *liuhecai* that is consuming people]. *Guangxi Daily*, p. 8.

Markham, J. W. (2002). *A financial history of the United States* (Vol. 2). Armonk: M.E. Sharpe.

McMillen, J. (1996). Understanding gambling: History, concepts and theories. In: J. McMillen (Ed.), *Gambling cultures: Studies in history and interpretation* (pp. 6–42). London: Routledge.

Mooney, P. (2005, February 15). Degrees of deceit. *South China Morning Post*, p. A14.

Nanfangwang (Southern Network). (2007). Liuhecai cheng jingji xiejiao: Liaoning cunmin chipan donghuapian toulou xuanji [The *liuhecai* becomes a heretical sect: Liaoning villagers yearn for mysterious messages from cartoons]. Retrieved September 16, 2008, from http://big5.ce.cn/xwzx/gnsz/gdxw/200704/05/t20070405_10942455.shtml

Oxfeld, E. (1993). *Blood, sweat, and mahjong: Family and enterprise in an overseas Chinese community*. Ithaca: Cornell University Press.

Pang, L. K. (2004). Magic and modernity in China. *Positions: East Asia Cultures Critique*, *12*, 299–327.

Pina-Cabral, J. de. (2002). Paradoxes: Gambling and the imperial civil service examination. In: J. de Pina-Cabral (Ed.), *Between China and Europe: Person, culture and emotion in Macao* (pp. 79–103). London: Continuum.

Qu, H. (1990). Research on the 'Dajiale' phenomenon's factors and influence. In: Executive Yuan Committee for Study and Inspection (Ed.), *'Dajiale' wenti chengyin ji fangzhi tujing zhuan'an weituo yanjiu baogao* (*Special report on contributing factors in the dajiale lottery problem and ways to prevent it*). Taipei: Executive Yuan.

Reid, R. L. (1986). The psychology of the near miss. *Journal of Gambling Behavior*, *2*(1), 32–39.

Reith, G. (1999). *The age of chance: Gambling in Western culture*. London: Routledge.

Renmin Gongan Bao (*China Police Daily*). (2005, May 26). Juezhan liuhecai (Fighting the ''liuhecai'').

Research Team (*Ketizu*). (2004). Fujian nongcun dixia liuhecai de manyan yu duice [The spread of the underground *liuhecai* in rural Fuijian and countermeasures]. *Xiamen tequ dangxiao xuebao* [*Journal of the Party School of CPC Xiamen Municipal Committee*], Vol. 3. Retrieved September 16, 2008, from http://www.xmdx.gov.cn/xrkw/xb/dqxb/2004.3/rdyj/200504130150.htm

Rogers, P. (1998). The cognitive psychology of lottery gambling: A theoretical review. *Journal of Gambling Studies*, *14*, 111–134.

Scott, J. C. (1990). *Domination and the arts of resistance: Hidden transcripts*. New Haven: Yale University Press.

Skinner, G. W. (2003). Family and reproduction in southeastern China: A comparison of Cantonese, Hakka, and Yao. *Asian Anthropology*, *2*, 1–47.

Stewart, P. J., & Strathern, A. (2004). *Witchcraft, sorcery, rumors and gossip*. Cambridge: Cambridge University Press.

Surowiecki, J. (2006, September 25). Wagers of sin. *The New Yorker*, p. 68.

Verdery, K. (1995). Faith, hope, and Caritas in the land of the pyramids: Romania, 1990 to 1994. *Comparative Studies in Society and History*, *37*, 625–669.

Wagenaar, W. (1988). *Paradoxes of gambling behaviour*. Hove, East Sussex: Lawrence Erlbaum Associates.

Wang, H., & Cao, T. R. (2007, May 23). 'Liuhecai' dubo yiran weihai shenlie [*Liuhecai* gambling is still causes severe harm]. *Fujian ribao* [*Fujian Daily*], p. 5.

Weber, M. (1958). *The Protestant ethic and the spirit of capitalism*. Translation Talcott Parsons. New York: Charles Scribner's Sons.

Wei, L. M. (2004, September 11). Rang dixia liuhecai wuchucangshen [Let the underground *liuhecai* have no place to hide]. *Renmin gong'an bao* [*China Police Daily*], p. 2.

Weller, R. P. (1994). Capitalism, community, and the rise of amoral cults in Taiwan. In: C. F. Keyes, L. Kendall & H. Hardacre (Eds), *Asian visions of authority: Religion and the modern states of East and Southeast Asia* (pp. 141–164). Honolulu: University of Hawaii Press.

Wu, Y. L., & Li, P. Y. (2002). Yanli chajin 'liuhecai' dubo huodong de duice yu sikao (The countermeasures and rationale for severely suppressing *liuhecai* gambling). *Gong'an yanjiu (Policing Studies)*, *5*, 71–75.

Xu, N., & Zhao, X. L. (2004, July 8). Hunan lipo liuhecai xuanji [Hunan breaks through the profound mysteries of *liuhecai*]. *Nanfang zhoumo* [*Nanfang Weekend*].

Xue, Z. W. (2003). Feifa 'liuhecai' fanlan de genyuan [The sources of the popularity of the illegal *liuhecai*]. *Yinjin yu zixun* [*Recommendation and Advice*], *2*, 33–34.

Ye, H. Y., & Luo, H. B. (2006). *Dixia lihecai: Xiang shuizhi yiyang xigan nongmin* [*The underground lottery: Like a leech it sucks the peasantry dry*]. Banyuetan Neibuban [Bimonthly Internal Edition], 9. Retrieved September 16, 2008, from http://big5.xinhuanet.com/gate/big5/news.xinhuanet.com/banyt/2006-08/30/content_5026270.htm

Zeitlin, J. T. (1993). *Historian of the Strange: Pu Songling and the Chinese classical tale*. Stanford: Stanford University Press.