



Poker phases: Draw, Stud and Hold'Em as play-forms of capitalism

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abstract

The subject of the article is the history of poker. It explores how different structural variations of the game have evolved and how different types of poker have been dominant at different periods in history. There are three main forms of poker: Draw, Stud and Hold'Em. In the article, it is demonstrated how the three forms emerge and become the most popular form of poker at three different periods in history. It identifies structural homologies between the historical development of poker and key elements in the manifestation of capitalism at different times in history.

Introduction

Poker is the laboratory of capitalism. (McDonald, 1950: 23)

When we look at a piece of art, read a piece of literature, watch a film, or listen to a piece of music, it is commonplace to think of these as cultural expressions of the social and historical context in which they are created. Art, literature, film and music are readily recognized as mediums of the *Zeitgeist*. Poker and other gambling games are rarely thought of in the same fashion. At best, they are considered to be meaningless entertainment, at worst self-destructive vices.

I would, however, argue that poker is a cultural expression in line with art, literature, film, etc. The sudden popularity of poker in recent years demonstrates the rich cultural resonance of the game. Poker is a game of money. As such, the cultural resonance of the game has to do with the way poker is related to capitalism. When so many people find poker interesting, it is because the game has an eminent capacity to capture a set of existential conditions of life in contemporary capitalism and offer these to the players in a form that allows them to explore, challenge, and play with these conditions (see also Bjerg, 2011).

The subject of this article is the history of poker. We shall be exploring how different structural variations of the game have evolved and how different types of poker have been dominant at different periods in history. Our interest, however, is not the particular history of poker in isolation but rather the relation between poker and capitalism. There are three main forms of poker: Draw, Stud and Hold'Em. In this article, I will show

how the three forms emerge and become the most popular form of poker during three different phases in history. I will also identify structural homologies between the historical development of poker and key elements in the functioning of capitalism at different times in history.

Games and society

The investigation of the relation between poker and capitalism invariably involves the more general question of the relation between games and society. In proposing a program for a sociology of games, Roger Callois remarks: 'It is not absurd to try diagnosing a civilization in terms of the games that are especially popular there' (1958: 83). There is something curious about the formulation of the remark. Instead of just saying: 'It is meaningful to diagnose a civilization in terms of the games that are especially popular there', Callois inserts into the sentence 'not absurd' and 'to try'. Besides stressing the sociological importance of games, it is as if he wants to express, simultaneously, a certain hesitance about the program and also already admit to an imminent risk of analytical failure. We find a similar ambivalence in Johan Huizinga's approach to the study of games. On the one hand, he says: 'All play means something'. However, he also says: '[T]he fun of playing, resists all analysis, all logical interpretation' (Huizinga, 1938: 3-4).

The ambivalence found in both Callois and Huizinga indicates that the relation between games and society is anything but straightforward. Games are indeed rich in cultural meaning and thus an obvious object of sociological and philosophical analysis. At the same time, games are almost by definition also utterly meaningless. This is precisely the reason why they are fun and seductive. The analysis of the relation between poker and capitalism in this article is heavily inspired by Baudrillard's thinking about of games. Baudrillard provides a conception of the relation between games and society as follows: 'The rule functions as the parodic simulacrum of the law' (Baudrillard, 1979: 157). The strength of this conception is that it retains the abovementioned ambivalence by understanding the sociological significance of games as a subtraction of meaning rather than a supplement of meaning. This solves the riddle of how games can be meaningful in relation to society while being meaningless in themselves.

In Baudrillard's conception, games are governed by rules, society is governed by law. The difference between rules and laws is that the rule does not provide any justification for itself. The rule is an offer. You may choose to enter the game and follow the rule. Or, you may choose not to. The rule makes no attempt to force or persuade you to participate. The law, in contrast, comes with a supplement of justification. The law not only tells you what to do. It also provides reasons why you should do it. The law is compulsory whereas the rule is voluntary. The law is embedded in ideology whereas the rule presents itself in a naked form with no ideological aspirations. The sociological significance of a game lies in the way that it mimics certain features of the laws in society without reproducing their ideological superstructure. This is what Baudrillard means by 'parodic simulacrum'. The following analysis aims to demonstrate how poker functions as a parodic simulacrum of capitalism.

Poker is not representative of capitalist society as a whole. Instead, poker seems to emulate select features of capitalist society. What makes poker so interesting as an object of sociological study is the game's capacity to pick out precisely those features of capitalist society that are emblematic at different points in history. Hence, the following account of the succession of Draw, Stud and Hold'Em is also an account of the way that poker relates to the frontier, the factory and the financial market as paradigmatic moments in the history of capitalism.

The analysis of poker is of course only one among a multiple of possible genealogies of gambling games. As the following exposition demonstrates, the genealogy of poker is mainly connected to a particular American form of capitalism. Hence, the development of poker from being essentially an American game to its current status as a truly global phenomenon marks perhaps also the globalisation of a particular American variant of capitalism.

Poker at the frontier of capitalism

The primary characteristic of a game of poker is the 'vying principle' by which players bet as to who holds the strongest hand (Parlett, 1991). In poker, players do not 'play' their cards as in whist, rummy or most other cards games. Instead, the betting action makes up the actual playing and money rather than cards are the actual instruments of the game. Hands may be won either by showing down the strongest hand or by intimidating other players into folding their hands before showdown. This introduces the possibility of bluffing into the game, which is also an intrinsic element of any form of poker. Another defining feature of poker is the assembling of hands into five-card combinations, which are then ordered hierarchically based on their statistical likelihood, e.g. three-of-a-kind being stronger than two pairs or a full house being stronger than a flush. These two principles combine in a number of different ways constituting different varieties of poker.

The origins of poker are not accurately recorded in history but the game is speculated to have evolved from European 'vying games' such as English Brag, French Bouillotte, Italian Primera, Spanish Mus, and perhaps in particular the German game of Poch, which would account for the etymological roots of poker (Parlett, 1991: 86-89). Modern poker first emerged in the area around New Orleans in the beginning of the 19th century (Parlett, 1991: 105-115; Schwartz, 2006: 248-249).

Poker was first played in the very simple form of Flat Poker, where each player is dealt five cards out of a twenty-card deck (A-K-Q-J-10). There is only a single betting round followed by a showdown if more than one player is left in the pot. Obviously, this was a very primitive form of poker with no use for probability theory and very little information from which to deduce the content of opponents' hands other than possible physical tells revealing a strong hand or a bluff. Furthermore, in the early days of poker, when the game was played in the saloons of the Wild West and on the Mississippi river boats, cheating was a common and almost integrated part of the game (Findlay, 1986: 47-48; Lears, 2003: 159). Flat poker is mostly a game of chance and bluff but even at this early stage, poker was also a game of skills. The skills required in order to succeed

at the game were not so much about mathematics and logic, however, but about having the psychological sense to judge whether your opponent is a sucker, a bluffer, a sharp or perhaps even a cheat.

The essence of poker, which is common to all varieties of the game, lies in the complex interplay between the intrinsic strength of a hand according to the predefined hierarchy of card combinations, i.e., a pair, two pairs, three-of-a-kind etc., and the representation of the hand through the betting action. The intrinsic hand-value and the betting action constitute two distinct spheres in the game. If a hand goes all the way to showdown, the hand is determined in the sphere of intrinsic hand-value. And if all but one player folds before showdown, the hand is determined in the sphere of betting.

At the heart of Marx's analysis of capital is the distinction between use-value and exchange-value (Marx, 1867: 125-131). One of Marx's great achievements is the demonstration that when the exchange of commodities becomes mediated by money, the determination of exchange-value may proceed semi-autonomously from the commodity's use-value. A market evolves in which the prices of commodities are determined according to market immanent laws and not as reflections of the intrinsic use-value of the commodities.

Obviously, there is no use-value in a game of poker in the strictly Marxist analysis since no labor goes into the game. Still, the composition of poker seems to emulate mechanisms described by Marx as quintessential to capitalism. The relation between the two forms of value in poker, intrinsic value and value as represented through the betting, is comparable to the Marxist distinction between use-value and exchange-value. And just as the initial precondition for capitalism is the separation of use-value and exchange-value, it is precisely the interplay between the actual nature of the players' hands and their hand representations in the betting that gives the game its unique quality.

If poker were played with open cards and hands were compared directly with each other, the game would transform into a mere game of pure chance. In fact, it would cease to be poker. The particular nature of the game emerges only when the comparison between hands is mediated by the monetary expressions of the betting action. We may thus conceive of the sphere of betting action as a kind of market in which the 'price' or the exchange-value of the hands is negotiated. To some extent, the betting will reflect the underlying intrinsic hand-value but the betting may also to some extent proceed detached from the intrinsic hand-values. We see this eminently expressed in bluffing. As poker is essentially structured around the possibility of representation and misrepresentation of intrinsic hand values, we can understand the game, even in its most simple forms, as a way of playing with the separation of use-value and exchange-value.

When Thomas Jefferson bought Louisiana from Napoleon in 1803, the road was opened for the westward expansion of the US. At the time when poker emerged, New Orleans was a terminus on the American frontier between the civilised East and the vast unexplored, unexploited natural resources of the Wild West. In Marxist terms, the Western territories constituted a reservoir of unappropriated use-value and the westward expansion was driven by a desire to capitalize this value. Use-value was thus realized

by being incorporated into the existing cycles of capitalist exchange-value. Hardt and Negri have analyzed this expansionist phase of capitalism as a process whereby capital appropriates value by subsuming its non-capitalist environment formally under capital: 'In the process of capitalization the outside is internalized' (Hardt and Negri, 2000: 226).

Along these lines, we can understand the difference between exchange-value and use-value as a difference between inside and outside of the expanding capitalism. Being situated right on the frontier, New Orleans functioned as a major point of exchange between East and West, a kind of membrane mediating the relation between inside and outside. New Orleans was the epicentre of the great forces set free by the capitalization of the hitherto unappropriated use-value of the West. In so far as poker simulates the detachment, discrepancy and tension between use-value and exchange-value, its historical and geographical origin is perhaps no coincidence.

The civilization of poker and the taming of the Wild West

During the 19th century, poker saw a number of innovations and additions, which refined the game from the simple form of Flat poker into the more sophisticated form of Draw poker that is played even today.

Between 1830 and 1850, players began playing the game with a full deck of fifty-two cards (Schwartz, 2006: 249). This paved the way for the recognition of the flush (five cards of the same suit) and the straight (five cards in consecutive order) as legitimate combinations and by 1875, the full range of poker hands that we know today was complete (Parlett, 1991: 112-113). In the second half of the century, another two features were added to the game, which were to make the game of poker even more distinct from its European predecessors (Schwartz, 2006: 249). The introduction of the draw meant that players were given a second chance of improving their hand in that they were allowed to exchange any number of cards from their initial hand for an equivalent number of cards in a second round of dealing. The introduction of 'jackpots' prohibits players from opening the betting unless they hold a pair of jacks or better and mandating bets if they do hold jacks. If no player has a hand strong enough to open the betting, the initial compulsory bets at the beginning of a round (antes and blinds) are carried over into the next hand thus creating a 'jackpot'.

The initial motives for these changes brought about by 'sharps', i.e. professional card players, may have been to increase profitability by allowing more players in a game, stimulate betting action and enhance opportunities for cheating (Findlay, 1986: 48). The changes however are parts of a development that was, according to card historian David Parlett, 'to turn Poker from a gamble to a science' (Parlett, 1991: 112).

The move from 20 to 52 cards and the recognition of straights and flushes in combination with the draw introduces more strategic options in the game and it gives players with some notion of probability theory a greater edge in the game. The power struggle between 'made hands' (hands that need no improvement to win the pot, for instance three-of-a-kind) and 'drawing hands' (hands that are currently worthless but

become very strong if they improve on the draw, for instance four cards to a flush) that is a crucial element of poker today is also made possible by these innovations. Another important consequence of the introduction of the draw and the additional round of betting is that players are given more information to work with in order to deduce the content of an opponent's hand. If for instance an opponent merely calls on the first round of betting, draws only one card and then bets aggressively on the second round of betting there are justified reasons to believe he is holding a straight or a flush. Similarly the introduction of jackpots not only contributes to limiting the most reckless bluffing, it also gives players the possibility of gaining valuable information about opponents' possible holdings, provided players are able to process this information. In the fully developed form of Draw poker, capacity for logical deduction and a sense of probability theory supplement the ability to judge opponent's character as means to gain an edge in the game.

We have seen in the above how poker in its basic form relies on the difference and detachment of the sphere of betting from the sphere of actual hand-values and how this difference may be conceived in terms of Marx' distinction between exchange-value and use-value. With the refinement of the game and the development of Draw poker during the course of the 19th century, this difference is taken one step further.

As poker evolves and the strategic element comes to the fore at the expense of pure chance, the outcome of the game is to a higher degree determined by the players' strategic decisions rather than the random distribution of cards. In other words, the game is determined by the players' actions in the sphere of betting rather than the cards they are dealt in the sphere of hand-values. In so far as the sphere of betting is comparable to the negotiation of exchange-value in the market, we can say that the evolution of poker from a game of chance to a game of strategy is comparable to the development of market immanent mechanisms for the determination of exchange-value in capitalist society, which Marx describes. Winning in poker is a matter of the player mastering the 'market mechanisms' of the game and negotiating the 'exchange-value' of the hands in a way that redistributes the value at stake in the game at his benefit. Depending on his level of skill, the player will be to some degree able to compensate for an eventual lack of strong hands. Just as the capitalist in the analysis by Marx, the skilled Draw poker player is able to extract more value from the sphere of exchange than he puts into it. What we see in poker at this stage is a simulation of the laws of the market systematically redistributing value in a way not necessarily corresponding to the use-value being fed into the market.

The 19th century was an era of industrialization that transformed the US from an agricultural economy to the largest and most competitive industrial nation in the world. As the American Frontier moved westwards, more and more areas of the continent were subsumed by an industrial capitalist mode of production. And as civilisation and development progressed, the West became less and less Wild. The construction of the rail-road system is an illustrative example of this historical development. The first mechanised passenger trains were put into operation in the 1830s and a climax in the history of the American railroads was reached in 1869 when the first transcontinental railroad was completed.

Boltanski and Chiapello describe how the particular ‘spirit of capitalism’ at the end of the 19th century identifies economic progress with the achievements of the individual person as bourgeois entrepreneur: ‘The image of the entrepreneur, the captain of industry, the conquistador, encapsulates the heroic elements of the portrait, stressing gambles, speculation, risk, innovation’. But these heroic elements are at the same time combined with more novel economic propensities such as ‘avarice or parsimony, the spirit of saving, a tendency to rationalize daily life in all its aspects, development of capacities for book-keeping, calculation, prediction’ (Boltanski and Chiapello, 1999: 17).

As this contradictory portrait of the bourgeois entrepreneur illustrates, the century marked a transformation from an expansionist phase of capitalism, as we have described in the above, to an industrial phase of capitalism. In the expansionist phase, the major source of value was the appropriation of hitherto unexploited natural resources. In the industrial phase, value is no longer so much appropriated from the external environment as it is produced within the system of capitalism itself. The industrial phase marks the completion of a process of capitalization whereby, in the above words of Hardt and Negri, the outside is internalized. The US was no longer a territory divided between an ‘inside’ and an ‘outside’ of capitalism but rather a total system in which the ‘outside’ had been ‘internalised’. The construction of the transcontinental railroad together with a wide range of other moments of ‘civilisation’, including the constitution of the US as a unified nation, contributed to the development of a more all-encompassing system of capitalism and a more predictable, regulated, calculable and efficient market for the exchange and distribution of value in society. In Draw poker, we find a simulation of these market mechanisms for exchange and distribution of value.

Poker in the factory society

The form of poker known as Stud poker was invented already in the second half of the 19th century (Parlett, 1991: 113). After the First World War, the popularity of Draw poker began to fade, while Stud poker, and Seven-card Stud in particular, took the place as the most popular form of poker in America (Lukacs, 1963: 59).

In Draw poker, players hold all their cards in their hand concealed from the other players. Stud differs from Draw in that the players’ hands consist of cards only the player can see (‘hole cards’) and cards visible to all players. The first and most primitive form of Stud poker is Five-card Stud. In this version, players are initially dealt one hole card and one card face up. Based on these two cards, the players complete the first interval of betting. Then remaining players are dealt an additional three cards face up to complete the full hand and there is a second betting interval ending in a showdown. At the turn of the 20th century, the more advanced form of Seven-card Stud became popular (Brown, 2006: 41). In this version, players are dealt an initial two hole cards face down and one up card after which a betting interval follows. Then remaining players are dealt a fourth, fifth and sixth card face up each followed by a betting interval and eventually a seventh card face down after which the last interval of betting follows

and ends in a showdown. At showdown, the player able to form the strongest five-card poker hand out of his seven cards takes the pot.

In Seven-card Stud, there are altogether five betting rounds compared to only two rounds in Draw and Five-card Stud. This brings the mathematical dimension of the game to the fore. At every betting interval, the skilled Seven-card Stud player is able to make precise calculations of his own and opponents' probabilities of improving their hand. These calculations take into account not only the cards in the player's own hand but also all the cards in opponents' hands visible on the board. Since cards are taken off the board as players fold their hand it is crucial to take into account not only the cards currently visible but also the cards 'mucked' in earlier stages of the hand. In a game of five or six players, a substantial share of the cards often becomes visible at some time during the course of the hand allowing players with the capacity for attention, memory and probability theory to gain a substantial edge.

Five-card Stud only plays well with no-limit betting. Seven-card Stud however also plays well with a fixed limit on the betting at each round and it is often played in this form. The betting structure has deep implications on the game and a fixed limit game again puts even more emphasis on the mathematical side of poker as it becomes more difficult to bluff opponents out of a pot.

In Draw poker, all the information players have about an opponent's hand is mediated through the opponent. This goes for the number of cards drawn, the betting action and possible physical tells. This means that all information is at the same time subject to possible deception. A player standing pat (not drawing any cards) may turn out to be bluffing on a worthless hand. A player passively checking instead of betting may be sandbagging (misrepresenting a strong hand) a flush. And a player showing despair when looking through his cards after the draw may have picked up the exact card to complete his straight.

In Stud, and in Seven-card Stud in particular, information that is more exact is available for the logical and statistical analysis of the game situation. We have already seen how the step from Flat poker to Draw poker made the game more scientific. This is even more the case with the step from Draw to Seven-card Stud. In Seven-card Stud, it is possible to infer with a high degree of certainty from the large amount of exact information to what is not immediately known (opponents' hole cards and cards not yet dealt) thus reducing the element of chance and deception in the game (Yardley, 1957: 109-111). Hence, Seven-card Stud and fixed limit in particular is largely a contest of approximating mathematically optimal play.

In the period between 1870, when Draw was fully developed and the 1920s when Seven-card Stud became the most popular form of poker, not only the form of the game but also the venue of playing shifted. From being a game played by cardsharps, gold diggers and cowboys on the Mississippi river boats or in the saloons of the Western boomtowns, poker came to be more of a social and recreational game played between friends, colleagues or business associates in the drawing room or the office after hours (Lukacs, 1963: 59; Lubet, 2006: 3-5; Wilson, 2007: 76). Poker was no longer played at the frontier but rather at the centre of capitalist society.

The gradual development of industrial society, as described in the previous passage, enters a new phase at the time around the 1920s and 1930s. As the opportunities for the subsumption of new territories under the capitalist mode of production were exhausted, the focus of economic progress shifted towards the optimization of this very mode of production. We see this shift for instance in Taylor's development of the principles of Scientific Management that were most illustratively implemented in the systems of mass production at the Ford factories. From a Marxist perspective, the simple rationale behind Taylorism and Fordism was to enhance the productivity of labor thus appropriating a larger amount of relative surplus-value by increasing the use-value (output) of the labor process without increasing the exchange-value (salary) proportionally (Aglietta, 1979: 116-122). In order for surplus-value to be transformed into profit however, it needs to be realised, i.e., it is not enough just to produce more goods, you need also to be able to sell the goods at the right price in order to make money. Hence, the further development of capitalist society along the lines of industrialism calls for not only an optimization of the process of production but also for a regulation and stimulation of the market where commodities are sold and consumed.

In the analysis of Hardt and Negri, the state comes to play a major role in the regulation and stimulation of the market. Thus, the New Deal of the 1930s signified the emergence of a new phase of capitalism characterized by a more totalizing system of regulation. 'The New Deal constituted a real departure from the previous forms of the bourgeois regulation of economic development' and it marked the development of the 'trinity that would constitute the modern welfare state: a synthesis of Taylorism in the organization of labor, Fordism in the wage regime, and Keynesianism in the macroeconomic regulation of society' (Hardt and Negri, 2000: 241-242). The precondition for economic development in industrial capitalism is predictability, calculability and stability and the Keynesian state provided the framework within which the accumulation of profit in Taylorist/Fordist companies could function according to these principles. This regulation of society expanded beyond the boundaries of the US nation state, among other factors, through the accords of the Bretton Woods agreement that fixed the exchange rates between different national currency systems on the US-dollar thus facilitating stable conditions for international trade.

Boltanski and Chiapello describe a distinct spirit of capitalism for the period between the 1930s and the 1960s that no longer identified the individual entrepreneur as the motor of economic development but rather put emphasis on the organization. In this spirit the heroic figure is the manager

preoccupied by the desire endlessly to expand the size of the firm he is responsible for, in order to develop mass production, based on economies of scale, product standardization, the rational organization of work, and new techniques for expanding markets (marketing). (Boltanski and Chiapello, 1999: 18)

Rather than the adventurous and risky exploration of the unknown, the manager incarnates the refinement of a system of control, optimization and discipline within the standards of an already established order.

And discipline is precisely the crucial term in this phase of capitalism according to Hardt and Negri:

The New Deal produced the highest form of disciplinary government. ... [I]n a disciplinary society, the entire society, with all its productive and reproductive articulations, is subsumed under the command of capital and the state, and ... the society tends, gradually but with unstoppable continuity, to be ruled solely by criteria of capitalist production. A disciplinary society is thus a factory-society. (Hardt and Negri, 2000: 242-243)

In Seven-card Stud, more than in other forms of poker, focus is on the individual hand in isolation. Since the element of bluffing is downplayed in favour of stringent deduction and calculation, it becomes less important to make out the psychological constitution of the opponent through a reading of his playing style over the course of several hands. Especially when played with fixed limits, the object of the game is not to build up to an outstanding situation in which the entire profit of the session is made by taking home one single major pot. Instead, the skilled player attempts to play each hand and each individual round of the hand as close to the mathematically optimal as possible thus gradually grinding out a profit in the long run as less skilled opponents deviate from the 'ideal' play.

The way profit is gradually grinded out in a game of fixed limit Seven-card Stud through the approximation to a mathematically and logically defined ideal of optimal play simulates the way surplus-value is gradually extorted from the disciplined process of production and consumption in advanced industrial capitalism. In similar fashion as the Fordist organization of the factory and the Keynesian regulation of the macro economy provide transparency and predictability in the production and marketing of commodities in industrial capitalism, the great amount of information and the fixed limit betting structure provide transparency and predictability in Seven-card Stud poker.

From Stud to Hold'Em

Limit poker is a science, but no-limit is an art. In limit, you are shooting at a target. In no-limit, the target comes alive and shoots back at you. (Crandall Addington, poker player, quoted in Alvarez, 1983: 198)

The most popular form of poker today is No-Limit Texas Hold'Em. Like many other things in the history of poker, the origins of Hold'Em are somewhat hazy. This particular variant of the game is thought to have emerged in the 1920s and 1930s in an area around Dallas (Schwartz, 2006: 413-414; Wilson, 2007: 119-122). From here, the game spread throughout southern USA after the Second World War. In the late 1960s, the game was introduced in Las Vegas by a group of Texas gamblers. When the World Series of Poker was founded at the Binion's Horseshoe Casino in 1970, No-limit Texas Hold'Em was adopted for the main event. Since then, the popularity of Texas Hold'Em has been growing steadily. In the early 1980s, the game was introduced in Europe (McCloskey, 2005).

In the years just after 2000, a virtual poker boom was brought about by two technological innovations: Internet poker and televised poker tournaments (Schwartz, 2006: 493-494). The excitement of watching superstar poker players gamble for millions combined with the easy accessibility of internet gambling created an explosive boost in the popularity of poker in general and of No-limit Texas Hold'Em in particular with annual turnovers being counted in billions of dollars. Internet poker rooms do offer

a variety of poker games but by far the most heavily promoted form of poker is No-Limit Texas Hold'Em and even though the World Series of Poker hosts championships in a wide range of games, the No-Limit Texas Hold'Em game is still the undisputed main event. Henceforth, Texas Hold'Em has long since outgrown Stud as the most popular form of poker in the US as well as the rest of the world (Clark, 2006).

What are the main structural differences between Texas Hold'Em and Seven-card Stud? In Hold'Em, face-up cards are dealt as community cards and not as individual cards as they are in Stud. In Hold'Em, each player is dealt two hole-cards face down and then five community cards on four consecutive betting rounds. Furthermore, Stud normally plays with a limited betting structure whereas Hold'Em plays either with fixed limit or with no-limit betting. The most popular and widespread form of Hold'Em, however, is no-limit and this is the form on which we are going to focus in the following.

The most obvious consequence of up-cards being dealt as community cards in Hold'Em is that the amount of exact information available to players is generally greater in Stud than in Hold'Em. In a seven-handed game of Seven-card Stud, seven cards are visible on the board even before the first round of betting begins. Furthermore, depending on the number of players staying in the pot the number of up-cards may increase quickly. In Hold'Em, players get to see a maximum of only five cards plus their own hole cards. This means that in Stud, a player will have more exact knowledge about which cards he can expect to be dealt on future streets and which cards opponents may have since he can eliminate a significant amount cards that have already been dealt. Taken separately, this aspect emphasises the mathematical and logical element in Stud, lending edge to players that have the skills to survey the board and remember which cards have been discarded and which cards are still 'live'. In Hold'Em, this kind of reasoning by sheer elimination is far simpler since players have only to be aware of the few cards currently on the board.

Yet, the most crucial difference between Stud and Hold'Em follows from the difference between fixed limit and no-limit betting. The difference between limit and no-limit is not only quantitative with bigger pots being played in no-limit than in limit given equal blind sizes. In a fixed-limit game, the betting and the development of a pot proceed in a more or less linear fashion. This means that even in the early stages of a hand, the potential costs of staying in the pot through to showdown and the potential win at showdown may be prognosticated with a certain degree of certainty. In a no-limit game, these kinds of calculations are upset by the ever-present possibility of somebody, either the opponent or the player himself, going all-in with his entire stack of chips. Hence, the development of a pot becomes less predictable, more fluctuating and more dependent on the opponent's individual style, temper, character and most importantly his perception of the game.

Generally, it is more difficult to point to the 'correct' way of playing a hand in no-limit than in limit. In no-limit, the range of 'correct' plays will generally be much wider than in limit and it will depend on a more complex set of factors. The betting structure invites the player to take greater chances and go for draws less likely to succeed, since the prospect of going all-in with a completed hand may justify the amount invested in calling a bet to get more cards on the turn and river.

Summarizing these characteristics, Hold'Em can be understood as a hybrid of Stud and Draw, preserving the element of mathematical and logical calculation from Stud, but reviving the element of bluffing, deception and psychological reading from Draw. This superior complexity of Hold'Em is poignantly captured by poker legend Johnny Moss: 'Hold'Em is to Stud and Draw what chess is to checkers' (Moss in Alvarez, 1983: 28). In the words of another poker legend, Doyle Brunson, the same point is expressed in his characteristic of Texas Hold'Em: 'Hold'em has more variety to it than any other form of Poker. And more complexity. It has something for everybody...the mathematicians and psychologists ...the "loose-geoses" and the "hard-rocks"'. Brunson also refers to No-limit Texas Hold'em as 'the Cadillac of poker games' (Brunson, 1978, p. 331; 419).

No-limit capitalism

We have now reached the final stage of our historical survey of the co-evolution of poker and capitalism. The analysis has of course been building up to the argument, that the shift from Stud to No-limit Texas Hold'Em is in fact the simulation of a comparable paradigm shift in capitalism from industrialism to the kind of capitalism characterising contemporary society.

The 1970s, when No-limit Texas Hold'Em started gaining popularity, was in a number of ways a time of great change in the development of capitalism. It was a time marked by crisis and rupture (Hardt and Negri, 2000: 261). Indeed, the phenomenon of crisis was nothing new in the history of capitalism. What seemed to happen at the time, however, was that instead of crisis marking the transition into a distinctly new phase of capitalism, crisis became in itself the new *modus vivendi* of capitalism. This is true for capitalism from the 1970s and onwards to the present. Symptomatically, the paradigm shift in capitalism happening around the 1970s is often conceptualized not by coining new phrases but rather by adding the prefix 'post-' to already existing '-isms'. Prominent examples are post-industrialism (Bell, 1973), post-Fordism (Aglietta, 1979) and the more general term postmodernism (Lyotard, 1979).

The breakdown of the Bretton Woods system in 1972, which had hitherto served to stabilise the global network of currencies, is a key event in the transformation from industrial to post-industrial capitalism. The event marks the loss of a universal standard of value. The value of goods and services may of course still be measured against a monetary price in the market but the medium of this measurement, money, is no longer a fixed structure. As currencies begin to float freely, the money form itself becomes subject to the fluctuations of the market. Money is no longer just form but also at the same time content of the market.

The most marked symptom of the changing form of money in the transition from industrial to post-industrial capitalism is perhaps the emergence and explosive growth in the market for so-called financial derivatives such as futures, options, swaps, etc. (LiPuma and Lee, 2002). Derivatives are financial products that do not represent ownership of an underlying asset but constitute only the right to buy or sell assets at a specified price at some specified time in the future. It is indeed a disputed issue whether they are tools for hedging or tools for reckless speculation. In practice they are used for

both purposes (LiPuma and Lee, 2004; Bryan and Rafferty, 2006). From being virtually non-existing in the early 1970s, the market for financial derivatives trading has grown dramatically to a staggering 684 trillion dollars in outstanding amounts by 2008 (BIS, 2008). The emergence of derivatives markets are not only an addition to existing financial markets. Instead, they signify a fundamental change in the structuring of capitalism. This has also been referred to as a ‘financialization’ of the world economy: ‘[F]inancialization means the increasing role of financial motives, financial markets, financial actors and financial institutions in the operation of the domestic and international economies’ (Epstein, 2005). Financialization constitutes yet another stage in the gradual decoupling of the sphere of circulation (exchange) from the sphere of production that Marx pointed out even in the industrial form of capitalism.

As we have seen in the previous section, the way to play a hand in No-limit Texas Hold’Em is less straightforwardly determined by the actual content of the hand compared to the way hands are played in Stud. In Hold’Em position and the profiles of opponents are more important and the Hold’Em player has a wider arsenal of moves at his disposal in order to drive opponents out of a pot before showdown. In this respect, the move from Stud to Hold’Em signifies a kind of ‘decoupling’ of the betting action from the actual card holdings. Brunson states how: ‘In Limit Poker, you must show down the best hand most of the time to win. In No-Limit, on the other hand, you more often than not take a pot without ever showing your hand’ (Brunson, 1978: 29). This means that we find in Hold’Em a system for the distribution of value, which is less determined by ‘real events’, i.e. the actual deal of the cards, and more determined by the reading, creation and manipulation of expectations and imaginations among the players, i.e. by the betting action. In ideal typical terms, we can state the following difference between Stud and Hold’Em: In Stud, betting should by and large be a representation of the value of the hand and the successful player is he who is able to recognise with the greatest degree of accuracy the ‘true’ value of his hand and bet accordingly. In Hold’Em, on the contrary, betting is rather a simulation of the value of the hand, so the betting action constitutes a virtual reality, capable of determining the outcome of the hand semi-autonomously from the actual card holdings.

This difference between ‘representation’ and ‘simulation’ corresponds to the difference between industrial capitalism, where financial markets function as representations of value within the sphere of the productive economy, and post-industrial financial capitalism, where financial markets rather than the actual course of events outside of the financial markets tend to be the primary force determining the economic cycles.

An inherent feature of financial capitalism is the frequent recurrence of financial crises, which function to disrupt the entire economy. Over the last three decades we may recall the Black Monday in 1987, the Asian Financial Crisis in 1997-8, and of course the current financial crisis of 2007 and onwards. Trading in financial markets is built around expectations of the future and these expectations are shaped and managed through ever more sophisticated financial models. However, financial crises are characterized by the occurrence of events not foreseen by financial modeling or at least calculated as too unlikely to be considered probable. Such events have been referred to as ‘black swans’ (Taleb, 2007). It seems as if markets oscillate between behaving in a

rational and efficient manner and then suddenly behaving in ways defying all statistical logic as presumed by financial models.

The shift from fixed-limit Stud poker to no-limit Hold'Em involves a comparable shift of the basic rhythm of the game. The no-limit betting structure means that a game is often determined in a few great pots rather than the accumulated wins and losses of a long series of smaller pots. A game of no-limit Hold'Em is characterized by the recurrence of game situations where logic and mathematics fall short. The unlimited betting structure gives players the option of challenging an opponent for a larger part or even all of his money thus accentuating the role of bluffing in no-limit poker. Brunson states:

In Limit play, you must play solid hands because it's almost impossible to run anybody out of a pot. But, in No-Limit play, you can make your opponent(s) lay down a hand by using your position and your money. (Brunson, 1978: 333)

Does not this remark summarize pretty well the way that the United States and most of Western Europe has managed to prosper and grow financially over the last three to four decades despite dismantling, during the same period, large parts of the actually productive sectors of our economies?

Play and the subtraction of ideology

The aim of this article is to pick up on the program for a sociology of games set out by Callois and to demonstrate how the history of poker simulates more general tendencies in the economic structuring of society. The way poker simulates the circulation of value in contemporary capitalism is, however, not a mere representation or modelling of capitalism. First, poker is an exaggeration of capitalism. The game simulates characteristic features of capitalism and reproduces these in an accelerated and sublimated form. Second, poker presents these features in a very naked and immediate form. In our ordinary perception of the economic structures of society, these structures inevitably appear in the light of ideological and normative ideas about capitalism. Capitalism is not only a set of structures for the circulation of value but also an ideological superstructure justifying these structures. And the system's tenacity of life comes from the inability to always keep the two separated.

However, poker seems to have the capacity precisely for separating the two. It gives us the structure without the ideology. Poker does not compel anyone to believe in the game. It carries no justification for itself. It is a set of rules to which we may choose to submit ourselves – or not. This is perhaps the source of the feeling of freedom that comes with playing games as opposed to just engaging in ordinary activities in capitalist society. 'The game's sole principle', so Baudrillard,

is that by choosing the rule one is delivered from the law. Without a psychological or metaphysical foundation, the rule has no grounding in belief. One neither believes nor disbelieves a rule – one observes it. The diffuse sphere of belief, the need for credibility that encompasses the real, is dissolved in the game. (Baudrillard, 1979, p. 133)

Through the experience of the freedom of playing, we may come to realise or at least be temporarily delivered from the ideological constraints of society.

Now, what are the implications of the analogy between poker and capitalism proposed by the analysis of this article? When asking this question we seem to confront, immediately, the aforementioned ambivalent nature of the meaning of games found in the thinking of Huizinga and Callois. This ambivalence carries over into the thinking of Baudrillard, who says: 'Given that the rule is conventional and arbitrary, and has no hidden truth. ... It does not carry any meaning, it does not lead anywhere' (Baudrillard 1979: 132).

This ambivalence applies also in the case of poker. While there is an obvious relation between the structure of Draw, Stud, and Hold'Em on the one hand and the paradigms of frontier, factory and financial capitalism on the other, it is much less obvious what is the analytical or normative content of the relation. It seems impossible to decide, unequivocally, whether poker is a perversion of capitalism or whether the game is actually a perfection of capitalism. And it seems also impossible to decide whether the game is a form of critique or perhaps rather a celebration of capitalism. With the risk of thereby rendering the ambition of the study into merely an analytical game, it seems most appropriate to retain the hesitation and modesty of Callois by concluding that it is not absurd to try diagnosing capitalist societies in terms of the form of poker that is especially popular there.

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