

THE SOCIETY FOR THE STUDY OF GAMBLING

NEWSLETTER

Summer 1999, Number 33

Editor:

Christopher Hill
Rother Cottage, Dodsley Grove, Midhurst,
West Sussex GU29 9AB
Tel: (01730) 817862 Fax: (01730) 817862

Chairman:

Professor David Miers
Cardiff Law School,
PO Box 294, Cardiff CF10 3UX
Tel: (029) 20874964 Fax: (029) 20874984

Honorary Secretary:

Paul Bellringer
Gamcare, Suite 1 Catherine House
25/27 Catherine Place Westminster, London SW 1E 6DU
Tel: 0171 233 8988 Fax: 0171 233 8977

Honorary Treasurer:

John Beard
BAGB, 4 St James Court, Wilderspool Causeway,
Warrington, Cheshire WA4 6PS
Tel: (01925) 234700 Fax: (01925) 234702

Executive Committee:

Faith Freestone
Susanna FitzGerald
Mark Neal
TBA

THE SOCIETY FOR THE STUDY OF GAMBLING

The Society for the Study of Gambling was formed in 1977 to provide a forum for those concerned with research into gambling, to promote its scientific study, especially as far as the psychological, social and economic aspects are concerned, and to inform the public about these matters.

The membership of the Society is drawn from a wide circle of people who have an interest in various aspects of gambling. They range from social workers and psychiatrists who deal with 'compulsive gamblers' to members of the commercial gambling industry. It is a condition of the Society that there should be freedom of opinion and practice among its members, so that the Society does not take any particular stance in relation to gambling.

Papers are reproduced in the **Newsletter** as a record of the Society's meetings, and/or at the invitation of the editor, and are not intended as an alternative to publication in a learned journal. Any of the standard reference systems is acceptable. The Editor welcomes unsolicited manuscripts, correspondence, book reviews and other items which are of interest to SSG members.

Subscription: The annual subscription for Society membership is £18. Cheques should be made payable to *The Society for the Study of Gambling*, and sent to the Honorary Treasurer. Overseas subscribers should remit in sterling. The Newsletter is circulated twice a year to Society members.

The Society holds regular meetings twice a year in London. The next meeting will be on Tuesday, 9 November 1999.

For further details please write to the Honorary Treasurer.

Please note that students and others not in receipt of earnings may attend the Society's meetings without having to pay the meeting fee. Applications to waive the fee should be made to the Treasurer.

NEWSLETTER

Contents

Summer 1999, Number 33

1	Editorial	Christopher R Hill
6	Obituary to Nigel Kent-Lemon	Daily Telegraph
8	Gambling Routines	Mark Neal
21	Betting on the Future	Steve Donoughue
23	Women Problem Gamblers	Faith Freestone
31	Gambling Behaviour before and after the Lottery	Robin-Marie Shepherd & others
38	Problem Gambling: views from the industry	
38	I BACTA	Warren Newman
42	II Ladbroke Racing	John O'Reilly
45	The Horserace Betting Levy Board	Lucilla Evers

EDITORIAL

Christopher R Hill

This is the last issue of our *Newsletter* for which I have responsibility, and I am taking this opportunity to thank all those who over the past three years have made editing it an enjoyable task. At the same time I welcome wholeheartedly Dr Mark Neal of Aston Business School, who now takes over as Editor, and who will be a distinguished successor.

We record with great regret the death on 11 December 1998 of our fellow member, **Nigel Kent-Lemon**. He held many offices in the gambling world, among them membership of the committee of our Society. His obituary in the *Daily Telegraph* of 18 December is reproduced in this issue, by kind permission of the Obituaries Editor, Christopher House.

The British Bingo Operators Association has changed its name to The Bingo Association. It is at 5th Floor, Goldsmiths House, 137 Regent Street London W1R 7LD. Telephone :0171 287 3611; fax 3612.

Horse racing has been in even worse turmoil than usual, with the various interest groups shooting each other in the hoof whenever possible. The fiery debate has concerned the fixture list and the age-old clash between bookmakers' interests and those of other interested groups. The bookmakers want races to be run at times convenient to the betting shops. To some extent racing interests agree, since racing depends in part on the levy paid by the bookmakers. But racing also wants to race at times which will be convenient for racegoers. A further complication is that stable staff need time off.

An obvious solution, much canvassed down the years, would be to make Monday a racing free day, but the bookmakers would not stand for that. One reason for racing's giving way to them has been that racing's share of betting shop business declines annually, and racing is anxious not to give bookmakers cause to accelerate the established trend. They already charge levy on all bets, and keep for themselves the levy charged on non-racing bets.

This clash between interests, and therefore between a "betting friendly" and a "customer friendly" fixture list has informed racing's politics ever since betting shops were legalised and the levy introduced getting on for forty years ago, but Peter Savill, still a fairly new chairman of the British Horseracing Board (BHB), has rediscovered it, and is pushing his own version of a customer friendly list. Hence, although his proposals were not especially inimical to bookmaking interests, some commentators have suggested that it was necessary for bookmakers to oppose them in order to establish their battle lines for the forthcoming levy negotiations and undermine Savill's reputation. Chris McGrath (*Racing Post Weekender* 26 May 99).

The racecourses also opposed them, which suggests that they were not all that customer friendly, and when it came to a vote at the Horserace Betting Levy Board the Deputy Chairman of the BHB, Angus Crichton-Miller, who is also Chairman of the Racecourse Association, voted against, and a few days later had to resign as second-in-command of the BHB, but did not resign from the Board. This half-hearted interpretation of the penalties of ignoring cabinet responsibility seems to have satisfied his colleagues on the BHB, perhaps because other members, including the chairman, are not renowned for accepting collective responsibility. In a, probably only interim, compromise apparently brokered by the Jockey Club, the racecourses lost most of their prized Saturday evening fixtures, and the increasingly powerful Arena Leisure (see below) plans legal action against their removal.

At the BHB's Annual General Meeting on 10 June 1999 Savill, who is "not worried about being popular", (as he told Alan Lee, *The Times*, 8 May 1999) let rip at the bookmakers before a fascinated audience of racing people, your editor included. He included in his speech the results of a survey of punters coming out of betting shops, many of whom had a low opinion of the bookmaking profession, and thought it should pay more than the present levy toward the cost of racing. Savill commented:

It is interesting that it is the betting industry's own customers that have exposed the shallow arguments, the insincere rhetoric and the disingenuous reasons for the betting industry's failure to accept its share of the responsibility for the health of the racing industry to pay racing a proper percentage of its betting turnover so that we can grow our industry to the benefit of all.

The longer the betting industry abrogates these responsibilities the quicker must its 11% monopoly of the distribution of horse race betting be broken.

The fact that Savill came out so strongly against the bookmakers caused some observers to say that he would lose much of his credibility, and that he had made it almost certain that racing and bookmakers would not be able to reach agreement on the next Levy scheme. In that case the Home Secretary would have to decide between them. Home Secretaries do not enjoy wasting (as they see it) their own and, perhaps more important, their civil servants' time, and George Howarth, "Minister for Gambling", has already issued a warning that if the Home Secretary is forced to decide his findings may please neither side. (David Ashforth, *Racing Post*, 21 June 1999: "Stop the bickering or pay the price").

Some observers present Savill's acrimony as an unfortunate product of a difficult personality, but others see that a different case can be argued. Savill is no fool and presumably could make an informed guess at the effects his speech would have. He may have calculated that the bookmakers would also not relish the Levy's being decided by the Home Secretary, and he may have judged that whether relations with the bookmakers are good or bad is unlikely to make much difference to the Levy negotiations. Watch this space.

Of course the whole story may soon be out of date. The greatly respected bookmaker **Victor Chandler**, who recently sold his last betting shop, in Newmarket, but has been actively buying rails pitches, has moved his credit operation to Gibraltar, stimulated partly by the drop in Irish betting duty to 5%. He will charge "deductions" of only 3%: 1.5% for his own costs, and a further 1.5% as a voluntary levy: Thus, racing will be no worse off, so long as Mr Chandler sticks to his good intentions. However, other bookmakers will no doubt wish to follow his lead, but could easily decide not to pay any levy at all. Indeed, the London-based Internet bookmaker, ukbetting.com is already looking at it, (according to its managing

director, Noel Wilson); William Hill has announced that it will move its credit operation unless betting duty is reduced to 3%, and its managing director, John Brown, has refused to give Savill any assurance that it will continue to pay a levy; Ladbroke has said that if Hill's goes, it will have to follow.

Punters use a freephone number to contact Chandler in Gibraltar. The company claims 2500 Hong Kong customers with 40 Chinese staff to handle them, and 3000 American customers. The only legal restriction is that he may not advertise, (though he is going to court to establish whether or not Teletext advertisements are legal) but the move has generated enormous publicity, and can reasonably expect to attract an army of telephone credit punters. It must be added that, having set up an account in the interest of research, I found that the computer system had some faults. I am told that these have been ironed out, and the firm was kind enough to offer £100 of free bets by way of compensation for the inconvenience caused. What an example to the Passport Agency!

Racing can, of course, ally itself with Customs and Excise, in order somehow to make Chandler-type operations illegal, but may have difficulty, as both Treasury and Customs and Excise have taken a very relaxed line. Another obvious step would be for racing to start its own bookmaking operation, with the emphasis on the Internet, and to give the profits to racing. Such an operation could either be based on the Tote, if racing succeeds in getting control of it, or might supersede the Tote. Meanwhile racing will no doubt ally itself with other sections of the industry in pressing the Treasury to reduce betting tax, although any such reduction is unlikely in the longer term to counterbalance the attractions of betting tax free, whether terrestrially or on the Internet.

The Internet. At present, as Gideon Brooks nicely put it (*Daily Express* 28 May 1999) if you used words like "interactivity" and "digital" in a betting shop "most of the regulars will want to know where they are running and whether they should do them in a forecast". He quoted Martin Belsham, chairman of Blue Square (a subsidiary of the spread betting firm, City Index): "The Internet is just the beginning. Interactivity will sweep into this country on the back of digital TV mid its size and importance cannot be over-emphasised." Blue Square has signed a deal to advertise its services on the Sky Sports web site, so that, in the words of the company's Damian Cope: "visitors to the Sky Sports site will be just one click away from placing a bet on the sports of their choice." (*Racing Post*, 25 June 1999).

Ken Cashman of the Cork-based bookmakers emphasised the social value of betting shops combined with the average punter's lack of technical flair: "Most people round here can't even set their videos, let alone have a bet on their remote controls. Forget it!" Mark Neal (see his article in this issue) similarly emphasises the social value of betting shops, as did the late Lord Wigg, when he persuaded Sir Stafford Cripps then Chancellor of the Exchequer (and grandfather of Tristram Ricketts, chief executive of the BHB), to keep racing going during the war. However, not all experts agree. Steve Donoughue, in his fascinating talk at the last meeting of the Society (of which we reproduce notes in this issue) explained his view that betting shops would soon be out of date, as, he thought, would the Internet itself.

Betting shops may be on the way out in this country, but in Italy they are catching on. They have only 320, but another 700 are to open this year. They show British, French, German and Australian racing, with Danish and German trotting in the mornings.

Greyhound racing. At the William Hill Derby Draw George Howarth, in a pre-recorded address, said he took a great interest in greyhound racing and went on:

At this time of discussion between the bookmakers and the horseracing industry, I urge our colleagues in the betting industry not to forget greyhound racing is part of the negotiations. I believe greyhound racing has a good case for an increase in voluntary contributions and I wish you well in your negotiations.

This remark, which suggests that Howarth thinks funding greyhound racing is part of the subject matter of the negotiations over the horseracing Levy, was naturally seized upon by John Brown, chairman of William Hill's who said: "I don't know what negotiations Mr Howarth's talking about. There aren't any, except those in Geoffrey Thomas' [chief executive of the British Greyhound Racing Board] head."

Ladbroke (officially Hilton Group since 14 May 1999) has sold its racecourse at Detroit USA for £18m, having bought it for £11.5m in 1985, and is moving into Greece with Intralot, which is putting in 5000 terminals for sports betting. Ladbroke is to supply the odds and marketing advice.

Ladbroke's margins on racing came under pressure in the first four months of the year because more favourites and second favourites than usual won their races. According to the (*Racing Post* 15 May 1999) on-course bookmakers are giving better value, which is reflected in the starting price, which in turn governs the payout off course.

The company has 91 hotels in its portfolio after its takeover of Stakis, and has put thirteen of them up for sale.

Southwell and Wolverhampton racecourses have joined Lingfield and Folkestone under the umbrella of **Arena Leisure** (of which the late Nigel Kent-Lemon was a non-executive director) to form the largest group of racecourses after Racecourse Holdings Trust (RHT), a subsidiary of the Jockey Club. The group will have 194 fixtures (136 of them all-weather) against RHT's 240. (*Racing Post* 2 June 1999). Since then they have added Worcester to the portfolio, subject to a full meeting of Worcester's city council. This raises the prospect of a renewal of flat racing at Worcester, where the last flat meeting was on 20 August 1966.

Illegal betting. In November a publican lost his licence when an undercover team sent in by William Hill, appalled by the evil of betting in pubs, videoed him taking drinkers' stakes on horses and shopped him to the magistrates. Hill's spokesman Graham Sharp asked: "How would he feel if we sold cheap beer in our shop?" (*The Sun*, 30 November 1999). The BHB, on the other hand, sees betting in pubs and clubs as a sensible long-term objective. But the Home Office sticks to its view (unsubstantiated by evidence or argument) that gambling and alcohol do not mix. (Speech by George Howarth to British Betting Office Association, 10 November 1998).

The Government has at last taken a decision about the future of the **Tote**, or at least half a decision. The Home Secretary has announced that it is to be privatised (this is rumoured to be a defeat for Robin Cook, the Foreign Secretary, who takes a great interest in racing) but has vouchsafed no further details. Interested parties are now presenting their views to the Home Office on what its future should be.

Camelot introduced a new game, Thunderball, on 28 May 1999, weekly ticket sales having fallen from £70m to £54m over the past three years. The new game was licensed by OFLOT, but in future games will be approved by the new National Lottery Commission. It offers more, and smaller, prizes than the main game, and a larger percentage will be returned as prizes. Players pick five numbers from 1-34, and a final ball from 1-14. According to Jon Rees (*Sunday Business* 9 May 99) part of the intention was to lure back the wealthy and thereby guard Camelot against charges of soaking the poor. Camelot also recognises that public interest can only be kept up by the introduction of new products.

Earlier in May the National Lottery Commission "invited potential bidders to give their views on the selection process and on the structure of the next licence". The bid time table was due in July, with a view to the new licence being announced in the autumn. Rivals will probably wish to use Camelot's network, but it is not obliged to sell it. Possible bidders include the Post Office, which is thought to have talked to Camelot, Littlewoods, Richard Branson, and perhaps others. The Nevada-based American Wagering Inc. is also thought to be interested. Both Branson (a possible "not for profit" operator) and Camelot think a seven year licence period too short. (Scheherazade Daneshku, *Financial Times*, 28 May 1999).

Camelot is said to be more confident of having its licence renewed, now that it seems very likely to bid in partnership with the Post Office. Camelot has been chosen to undertake the millennium dome ticketing and will sell tickets from 24,500 terminals.

According to *The Times* (5 June 1999) the Methodist Church is to consider allowing churches to apply for lottery funds. It seems that, although Methodists traditionally abhor gambling, some have won large lottery prizes.

George Walker has received backing from the property tycoon, Elliott Bernerd in his lottery venture in Russia. According to Jon Ashworth (*The Times*, 25 May 1999) "Mr Bernerd, who invested heavily in the failed Pronto! Pubs lottery, has succeeded in secretly off-loading the kit on to Mr Walker, who recently won the licence to set up Russia's first online lottery".

Devolution. Legislative responsibility for betting, gaming and lotteries is reserved to Parliament in London, and the powers currently available to the Secretary of State for Scotland have been devolved to the Scottish Parliament, which will be responsible for such matters as betting and gaming fees, gaming hours, and permitted areas for casinos in Scotland.

NIGEL KENT-LEMON

obituary, *Daily Telegraph*, 18 December 1998

Nigel Kent-Lemon, who has died aged 52, was an expert on gambling and casinos even before he became chairman of Lingfield racecourse in 1991; the experience he brought to his new duties proved of inestimable benefit to the Turf.

In August 1993 Kent-Lemon, a champion of Sunday racing, held a non-betting Sunday meeting at Lingfield, consisting of both flat and jumps racing. This event, following those at Doncaster and Cheltenham the previous year, helped to pave the way for the introduction in 1995 of betting on Sundays. He also developed the potential of Equitrack, the artificial surface that made all-weather flat racing possible at Lingfield. Together with the clerk of the course, Geoff Stickels, he succeeded in bringing the course back into profit.

Kent-Lemon was a member of the National Pitch Council, set up to rationalise the location of bookies at racecourses, and of the group set up by the British Horseracing Board to develop off-course betting. Earlier this year his growing importance to the Turf had been recognised by his appointment as a Tote director.

Nigel Kent-Lemon was born on October 12 1946, and educated at Rugby before qualifying as a chartered accountant with Fuller Wise Fuller & Co, a firm now amalgamated with Deloitte Touche. In 1973, after two years as a management consultant, he joined Coral Casinos, where he was at first responsible for such matters as catering, maintenance and personnel. In 1977 he was appointed managing director of Coral Provincial Casinos, and duly set up casinos in Bournemouth, Plymouth, Manchester, Liverpool and Brighton.

The next year he became deputy managing director of the London operation, with direct responsibility for Crockford's and the Palm Beach. When Coral's casinos in London were raided by the police in connection with events that had taken place before his arrival, Kent-Lemon, after consultation with the managing director, agreed to act as a police witness.

In 1981 Coral Casinos were bought out by Lonrho. Kent-Lemon initially stayed on as deputy managing director, but soon left to found NKL Services, a management consultancy which advises on the feasibility of casino projects.

From 1990 to 1994 Kent-Lemon was chairman of City Clubs, a company formed to purchase and develop London casinos with funds provided by his associate TJ Hemmings. It bought Maxims casino in Kensington in 1990 and three years later added Chester's in Soho and the Golden Horseshoe in Queensway. These casinos were remodelled and sold in 1994 for £50 million, more than twice the original investment. Mr. Hemmings also financed the purchase of Lingfield Park from the receivers.

Kent-Lemon's expertise on gambling was valued throughout the world, from Australia to Austria, from South Africa to Russia, from Gibraltar to Canada. As well as being co-chairman of the Institute for the Study of Gambling and Commercial Gaming in Reno, he was Senior Lecturer in Gaming Management at the University of Nevada. In Britain he was chairman of the Centre for the Study of Gambling and Commercial Gaming at Salford University.

He also served as vice-chairman of the National Association for Gambling Care, Educational Resources and Training (GamCare), a charity formed to give information, advice and help to those affected by gambling. Kent-Lemon contributed a bi-monthly column to *Gaming & Wagering Business Magazine*, and sat on the editorial board of *Gaming Law Review*; these were both American publications.

Kent-Lemon was too capable and shrewd a businessman to gamble himself; he was always ready, however, to give freely of his time and trouble if he believed that he could be of help. Colleagues found him absolutely reliable, though never slow with the sharp retort.

He married, in 1982, Grizelda (Zelda) Dodds; they had two sons.

GAMBLING ROUTINES:

Customer Profile and behaviour in UK betting shops

Mark Neal

Aston Business School, Aston University

The original and longer version of this article was published in *Sociology* - Official Journal of the British Sociological Association, 32, 3, 581-600. A more recent report on the research is in *Managing Leisure* 4, 168-184.

Abstract: *This paper describes an ongoing study into gambling in the United Kingdom to examine off-course betting as a form of social life. It identifies several features of betting shop life that complement and refine the research literature to date: the different sub-groups within the off-course betting population; how they manage their activities in terms of their finances and their domestic and work responsibilities; the often subtle social dynamics of the betting shop. Through an analysis of these features of the punter's world, the paper investigates the rationality of the activities of loss-making punters, and shows how this differs markedly from the rationalities employed by those who win at the game - bookmakers and professional gamblers. The paper then identifies the different sub-groups involved in off-course betting, and discusses the different times at which they bet and the different strategies they use.*

Until recently, gambling was overwhelmingly treated either as pathological at the psychological level, or as a social problem at the societal level (Walker, 1996). The modern pathological approach originated with Freud (1928) who characterised gambling behaviour as a form of self-punishment for guilt associated with experiences in other areas of life. Since then scholars in the field of experimental psychology have explained repetitive staking as a form of compulsive addiction that is best understood at the individual level (see Anderson and Brown, 1984).

One of the earlier scholars to depart from the pathology paradigm was Goffman, who initiated a sociological approach to gambling behaviour (Goffman, 1959, 1967). Goffman was conscious that the vast preponderance of literature at the time used observations about those who were 'problem' or 'pathological' gamblers (in the sense that they could not stop even though it was affecting their financial and domestic situation) to make observations about gamblers as a whole. Goffman recognised that the majority of gamblers were not 'addicted', and that for them gambling was an enjoyable and sustainable leisure pursuit. He laid out a research agenda that concentrated not on the minority of pathological gamblers, but on the majority for whom betting provided a number of social and psychological benefits. Other scholars, such as Elias and Doming (1986) positioned gambling research firmly within the field of leisure studies.

1. The betting shop

As in the field of gambling as a whole, there arose a corpus of research into off-course gambling in betting shops that concentrated upon the majority of people for whom it was an enjoyable and sustainable leisure pursuit. Much space was devoted to the breakdown of the gamblers, or 'punters', into various sub-groups, the analysis of the betting decisions associated with these groups, and the relative loss-making results of their decisions.

Saunders and Turner's (1983, 1987) research in Wales, identified three main groups: first, the 'regulars', for whom gambling was a sustainable and enjoyable leisure choice; secondly, the 'professionals' for whom it was a living; and, thirdly, 'compulsives', for whom it was a destructive addiction. They stressed that 'regulars' were by far the most numerous group, and therefore that betting shop punting was predominantly a leisure activity. In assessing off-course betting's status as leisure, Saunders and Turner introduced a further sub-division in customer profile: that between 'uncommitted customers' who placed small, irregular stakes in the pursuit of fun; and 'committed customers' who were motivated primarily by the prospect of gain, and who invested a considerable amount of time, effort and money in the pursuit of it. For Saunders and Turner, whereas the former group's betting was a pure leisure pursuit, the latter group's activity could resemble work.

In contrast to this approach, Filby and Harvey (1989, 1988) explored different sub-groups, and their association with different modes of betting decision-making, through the analysis of large numbers of used betting slips collected in a week from three betting shops in Birmingham. They broke down Saunders and Turner's 'regular' punters into: 'core punters', i.e. those who spent over 2 hours a day in the shop at least three times a week; and 'morning punters', those who bet predominantly in the morning. The main differences between the two groups in terms of bet types were: the level of staking, which was higher for core punters; and the higher proportion of combination bets (rather than singles) placed by morning punters. The analysis of the types of bets favoured by these two groups revealed significant differences - significant enough for Filby and Harvey to define the groups as 'different betting populations' (1989, p.225).

Bruce and Johnson (1996, 1995, 1994, 1992; Johnson and Bruce, 1992) also used the large-scale analysis of used betting slips to analyse the constituency, behaviour and motivation of off-course punters. They identified four motivations for gambling: financial return; social interaction; excitement and intellectual challenge. They also used four categories of punters defined by time, hypothesising that they were distinct in terms of motivation. These groups were: those betting before noon (morning punters); those betting after noon but before the first show of the odds for their chosen race; those betting after first show; and, those betting just before the 'off. Their results suggested an association between particular betting populations and individual motivating factors: the morning punters were motivated by intellectual challenge; those betting after noon but before first show of the odds by social interaction; those betting after first show by excitement; and those betting just before the 'off primarily by financial gain.

Using a similar data base, Bruce and Johnson (1995) examined the relative influence of excitement on the betting performance (or outcomes) of different groups of punters - again categorised over time. They found that those who bet in calm periods in the morning significantly outperformed those who bet in the more exciting conditions in the afternoon. The combination of external distractions and excited internal states thus confounded successful betting. The authors observed (p. 60):

It appears therefore that the exposure to excitement imposes a substantial cost on those who choose to consume it. It should however be noted that bettors, in maximising their utility, may regard the financial cost as an acceptable price to pay for their excitement.

2. The Study

In recent years there has been no wide ranging observation study to affirm, refine or challenge the ideas and analyses generated by these statistical methods. (The nearest we have is Filby's (1992) study of the place and experience of women staff in betting shops). This section discusses an ongoing observation study at Aston University of off-course betting behaviour in the United Kingdom (see Neal, 1998, 1999). As I had been a regular racegoer and betting shop punter for years, I decided to develop the pastime into a participant observation study. This was a natural and easy step to take: I was already familiar with the rites and rituals of betting shop life; and doing such research mixed business with pleasure - indeed, the fact that I was now "doing research" legitimised doing more of something I enjoyed.

Over the next two years then, I concentrated my attentions on four betting shops, three of which were in the borough of Richmond, Surrey. Because these were local I was able to visit the shops frequently and regularly, often for whole days or whole afternoon sessions. I thus became a recognised "regular" at each.

One of the shops was owned by an independent bookmaker. It was a small operation, consisting of little more than a single room with a minimal bank of television screens. No refreshments were served; and staff dressed casually. Another shop was owned by a southern chain. Again, the shop was small; it had a large bank of television screens and the staff did not wear uniforms. The third shop was owned by a nation-wide chain, and was towards the top end of the spectrum in terms of size and facilities. It had large banks of television screens; it was decorated in the corporate style and colour, and the staff wore uniforms. The fourth shop was in Wirral in Cheshire - a place I visited regularly and for extended periods of time. It was owned by another nation-wide chain and was well-appointed in terms of facilities; it was decorated in the corporate colours and style, and the staff wore uniforms.

These shops were chosen for the sake of convenience and easy and regular access. These particular shops were chosen out of others in the two areas to reflect the different kinds of shops one gets around the country. Two were part of nation-wide chains; one of a regional chain; and the other belonged to a small independent bookmaker. They thus reflected the three main kinds of shop ownership, and the related kinds of arrangement, decor and facilities.

Although much of the fieldwork was done in these four betting shops, the research involved visiting scores of other shops throughout the United Kingdom. Some of these visits were one-off opportunist "snatches" while I was in a particular area. Others were extended and repeated. For instance, I spent repeated whole-afternoon sessions in shops in Liverpool, Chester, Bournemouth, Oxford, Canterbury, and Bristol; and, shops in Newington Green, Harrow, Leicester Square, Soho and the City (of London) and Reading (in Berkshire) each received at least ten whole-session or whole-day visits.

During these visits I became fully involved in the life of the shop, studying the form, putting on small bets and passing the time of day with fellow punters. My priorities as a punter were, however, joined by analytical concerns, and my attention was drawn to aspects of betting addressed in the literature: the differences between "morning" and "afternoon punters"; the types of bets associated with different times; and the broader question of why punters engaged in this loss-making activity at all. Patterns emerged that had gone unnoticed before - interrelationships between types of customer, time spent in the shop, types of bets laid, how much.

It became obvious that events within the betting shops were enabled by, and had their roots in, structures and events in the wider socio-economy and in the punters' personal histories. The importance of external commitments and responsibilities - particularly those concerned with time and money - became increasingly apparent, and a consideration of these factors played a crucial role in the analysis of customer profile and behaviour within the shops.

3. What punters had in common

The consistent stressing of differences between groups of punters in the established research also alerted me to a theme that had been somewhat overlooked, that being what punters had in common. As the research progressed it became increasingly obvious that although there were often stark differences within the customer base, there was one important area of commonality - this being that the vast majority of punters, rich or poor, young or old, lost money at the game.

In order to investigate this, I talked to punters both within the shops and in other social settings such as pubs. Punters liked nothing more than to talk about their pastime, and the topic of the conversations often turned quite naturally to the different methods or criteria they used to select their horses, or the types of bets they placed to maximise their winnings: "I only bet on distance winners nowadays. The others are too risky." "Top weights in handicaps. They're obviously the best horses." "One pound up and own. Fifty pence each way double. You can't go wrong with that."

These methods became analytically interesting for two reasons: Firstly, their gambling activities were directly oriented towards making money, and much punter conversation was concerned with fine-tuning their ability to do this. Secondly, losing money on the horses was not inevitable. Bookmakers and professional gamblers were living proof that money could be made at the game. There was therefore something about the values and behaviour of betting shop punters that ensured that over an extended period of time they lost money. It was instructive then to compare the values and behaviour of betting shop punters with those who

did regularly take money from the bookmakers - the small number of professional gamblers (see Kusyszen, 1972).

Professional gamblers do a great deal of research (Rosecrance, 1988, 19866). They go through the form book with a fine-tooth comb, seek out contacts and in some cases visit the gallops to see a potential selection training. They bet on relatively few horses per year; and spend a considerable amount of time assessing individual selections (Bird and Manners, 1985). Their decisions thus involve informed, in-depth assessments of factors that can influence the outcome of particular races. Their sources are wide and on the whole reliable, and their modes of weighing up the influence of various factors have their roots in the realities of horse racing. Most of all however they are concerned with long-term percentages (Rosecrance, 1988). Because of this, professional gamblers are renowned for their lack of emotions while witnessing the victory or defeat of individual selections (Sounders and Turner, 1987). Defeats are an inescapable features of their business, and they take the probability of defeat into account in their selections. Their outlook is thus that of a small business managing risks to ensure relative profit over an extended period of time.

The betting shop punters also took into account certain relevant factors concerning going, form, trainer etc., although their sources were restricted in two senses. First, they took into account only a few factors among the many that influenced the outcome of a race. This is in line with Bruce and Johnson's (1992) discussion of the tendency in decision-making to cut down the consideration of relevant factors when presented with complex multi-factorial situations. To make matters worse, however, punters' analyses were restricted not only by lack of information, but also by the accuracy of their assessment of the relative influence of particular factors on the racing results. This mode of decision-making could charitably be characterised as 'ultra-bounded rationality', or simply called 'quasi-rational'.

Unfortunately for the regular betting shop punters, no matter how diligent they were in studying the form and other relevant factors, they were bound to make a loss in the long run. Filby and Harvey (1988) observed from large scale analysis, that only 25% of bets reaped any return at all. To make matters worse, the tax and levy deductions of 9% of the stake or winnings charged in betting shops amounted to a depression of profits that would have put some professional gamblers out of business - that is why they bet tax-free on course. Even disciplined quasi-rational betting was thus bound to result in long-term loss.

Many of the punters however inflated their long-term losses by departing from even quasi-rational assessments. The reason for this was that their selections were commonly undermined by a desire that the professional gambler does not share - that is, the desire for the 'big win', big winnings for a little stake. This desire frequently spurred punters to depart from quasi-rational reasoning, to look instead for 'lively outsiders', horses at longer odds that they considered had a chance of winning. In this way they commonly sought greater profit margins than professional gamblers on far less information.

A fundamental feature of racing, and a perennial problem for punters, is that the bookmakers - those whose livelihoods depend upon successful forecasts - study forthcoming races in greater depth and with greater understanding than they do; and it is their analyses that determine the odds (Chinn, 1991). If the bookies are doing their job properly, then, those horses that are most likely to win are at the shortest prices. This does not deter the

professional punter of course, whose weeks of research may result in a more accurate analysis than the bookmakers'. It did however deter many punters, for unlike professional gamblers and bookmakers (the only sectors who were successful at the game) most of the punters dealt in absolutes, not percentages. Punters staking £2 on a horse thus saw the win at evens as gaining "only a couple of quid". Time and time again individual punters would say that such a bet was simply 'not worth it'. "Why bother for only two quid?" They would then go down the list, looking for something that would realise a more substantial absolute amount.

Because they dealt in absolutes, many punters thus ruled out the first and second favourites, the two horses most likely to win. This practice was even more taxing on the pocket than many of the punters realised. As observed by Bruce and Johnson (1992), the research of Dowie (1976) and Henery (1985) clearly shows that whereas the odds on short-priced horses are fairly accurate guides to the probabilities of their winning, the odds on longer shots overstate the probabilities associated with them. Through dismissing first or second favourites then, the punters commonly bought low probabilities at inflated rates.

Although single bets were by far the most common (see Filby, 1988), many punters pursued the dream of the "big win" by putting their horses in multiple bets, commonly yankees (4 races) or canadians (5 races). In the most disciplined cases, this was a case of compounding the cost of a number of quasi-rational decisions with further bets on their outcome. Many punters however departed from quasi-rationality in pursuit of the accumulated win. Because of the multiple nature of such bets, even small increases in the prices associated with selected horses can reap impressive increases in potential winnings, a feature of such bets that influenced punters to look for longer odds - to replace a 5/1 shot with say a 20/1 outsider. As long shots were statistically less likely to win than their price implied, such practice disproportionately lessened their chances of winning anything at all. The attainment of the dream was undermined by the dream itself. Professional gamblers do not dream the dream. Nor do the bookmakers, who consistently reap the results of such staking.

Another factor that undermined punters' chances of winning was the recreational nature of the trip to the bookies. Regular punters often spent an hour or two, or even the whole afternoon, at the betting strop. Most went ill-prepared, and compounded this loss-inducing condition with betting on a high proportion of the races that were shown while they were there. Such behaviour fell right into the hands of the betting shops for two reasons: statistically, the longer they stayed the more money they spent and lost; and, secondly, the more races they bet on, the less time they had to study the form, ensuring that their betting behaviour was (even) less rational and therefore less successful.

When there were three or more meetings on at the same time, there were on average about ten minutes between each race. As the recreational visit to the betting shop commonly involved gambling on a large proportion of the races covered during their stay, this meant that unless punters had done their homework before the visit (which was surprisingly uncommon) time spent on studying the form was less than ten minutes for each race - inadequate by any standard. For the betting industry, then, the more races they can show in their shops, the better.

On occasions punters' behaviour departed from any semblance of rationality, taking on instead a character that outsiders would call bizarre. Some punters regularly chose a horse if it had the words 'Green', 'Blue' or 'Persian' in its name. Others made selections based on family or place names. Others bet on greys. When explaining why they gave pre-eminence to factors that could have no possible bearing upon the outcome of a race, they frequently mentioned 'luck'. Greys were lucky. Blue was a lucky name for a horse. Consequently the hurdler Lucky Blue had a perfect name, and lost some regulars a considerable amount of money.

Further investigation revealed that such behaviour had other functions. In weak moments when they were tired or bored of wading through the form, punters had the answer given to them. They were absolved from making their own minds up, absolved from racking their brains. Also, when the occasional 'Green' or 'Blue' horse did come in, it made a good anecdote, allowing them to hold court and enjoy the banter that often greeted such a story.

4. Where punters differed

Along with investigating what punters had in common, the research also involved the identification of the different groups or types of punters. This required repeatedly visiting the shops from opening to closing time. It was thus found that the established categories used in the statistical analysis of betting behaviour glossed over, or artificially differentiated between, different sub-groups in the betting population. Notably, Bruce and Johnson's (1996, 1995, 1994, 1992) definition of four populations determined by time - although useful and convenient for statistical purposes - left something to be desired in terms of describing the different types of punters encountered in the research.

This section thus 'adds flesh' to Bruce and Johnson's categories by identifying the most significant social groups encountered in week-day off-course betting. It is not exhaustive, nor are the categories discrete. It does however 'fill in' most of the gaps left by the categorisation of weekday punters to date, and thus adds to and refines the understanding of off-course betting behaviour. Also, in contrast to the temporal categories, this looser typology has been found to be recognisable and sensible to punters and staff around the country.

5. The morning flutter

Most betting shops opened at about 10 a.m. Until racing began in the afternoon the atmosphere in the shops was relaxed and relatively quiet, with most of the noise coming from televised promotions, comments and re-runs of the previous day's races. Through sitting around in betting shops at this time of day, I found that the customer profile of those who visited the shop in the morning differed markedly from the profile of afternoon punters, and that the two populations differed in betting behaviour and performance. This much was in line with established research which made the same distinction, although my observations did conflict with the claim of an earlier observation study that most morning punters were women (Saunders and Turner 1987, 1983).

On the contrary, this study consistently observed that the majority of punters who bet in the mornings were male pensioners. This was not surprising, as they were free from work commitments, and outnumbered other work-free groups. For male pensioners the trip down to the betting shop was part of the day's routine, and the visit was often integrated into other

morning activities like walking the dog or doing the shopping. Once in the shop the men typically scanned papers, and chatted to others about the previous day's racing, particularly about spectacular failures ('donkeys') or unexpected successes ('jobs'). There was a lot of humour in these discussions with many disparaging references to trainers or jockeys and constant reference to the loss-making nature of their activity: "Just came in to give a couple of quid to charity". "Too much money in my pocket. Thought I'd better get rid of it".

The men spent a fair amount of time studying and discussing the form, and many enjoyed the 'problem-solving' involved in selecting their horses. Their selections made, they typically placed multiple bets such as 'round robins' or 'yankees', or pool bets such as placepots - bets that provided the dream of the 'big win' for a small regular stake. Most of the men would then disappear for the day, though they still made up a considerable proportion of lunch-time and afternoon punters. Also it was common for some to return later on to check the results and maybe collect their winnings.

The trip to the betting shop thus provided structure, and a forum for discussion and banter. The betting shops however also played another important role. As wives tend to outlive their husbands, a high proportion of the men were married (Dobbin, 1980). With the demise of male-only pubs and clubs, the betting shop was one of the few places where such men could consort with friends and acquaintances without their wives. Whereas many of the pensioners I spoke to characterised their daily visits to the betting shops as "getting away from the wife", these trips commonly benefited both sides of the marriage. The wives I spoke to were often delighted to get their husbands out of the house for a while: "Oh I'm glad to get him out from under my feet for an hour or two".

6. The lunch-time punters

The requirements of full-time work limited many punters to betting at lunch-time. The ability to do this depended upon two things. The first was location - punters were unlikely to spend more than twenty minutes out of their lunch hour walking to and from a betting shop. The second was the level to which their work was routinised. Regular lunch-time punters required work where a lunch break was standardised. As such, a high proportion of those who frequented the betting shops at lunch-time had sub-managerial status. Those with greater responsibility tended to work through their lunch hour, or take irregular breaks throughout the day. There was often no live racing shown at lunch time. Because of this those who did venture to the betting shop at this time tended not to put stakes on single horses, the bet that raises the excitement of an individual race to its optimal level (Bruce and Johnson, 1995), but went for the accumulated odds of multiple bet such as patents, round robins, yankees or Canadians, or pooled bets such as placepots or the daily jackpot. As a consequence, betting shops at lunch time were often busy with low- or semi-skilled workers studying the form and writing out multiple or pool bets.

Talking to staff and punters, and collecting used and partially filled betting slips showed that the most popular lunch-time bets were yankees, with the odds of the four horses averaging out at about 5-1, placepots and the daily jackpot. Through placing such high-risk/high-return bets on races that they would never see, lunch-time punters were not buying immediate excitement, but were purchasing four-hour dreams which workers could 'tap into' during dull or alienating periods back at work.

The routinised betting day however did not finish there. After work, those lunch-time punters who relied upon public transport tended to return to the betting shop to check their results. This only took a minute or two, so betting shops at this time were typically the scene of men (often in suits) entering, stopping in front of the results screens, tutting or swearing, crumpling up their betting slips and leaving. Those who worked late or drove tended to check their results back home on television TEXT: 'The first thing I do is check my bets. It's become a routine.' The trip to the betting shop was thus highly integrated into the punters' working day. The trip itself constituted time out from the pressures of work, and the selection of horses provided them with the control they so often lacked in the workplace. Once they returned to work, the bet - and thereby the dream of the big win - enabled them to distance themselves psychologically and emotionally from the strictures of workplace and career; and it provided them with the prospect of change in conditions of certainty and stasis.

7. Afternoon punters

Another significant group of punters were those for whom the work hours posed no restrictions on their ability to bet. Throughout the day the customer base had a high proportion of non-routine workers such as waiters, bar workers, bouncers or security workers. The presence of people involved in the catering industry was particularly noticeable in areas near to restaurants (see Zola, 1964). For instance in a betting shop in Teddington the afternoon session was dominated by Italian waiters who provided a running commentary on the proceedings in Italian. Likewise, around Leicester Square in London I repeatedly found a significant proportion of the afternoon punters talking in Cantonese. Such non-routine workers descended upon betting shops in the afternoon to witness the racing live. As is the case for the morning and lunch-time punters, the visit to the betting shop was a daily routine which structured and provided meaning to their day, and provided a meeting place for banter, gossip and fun. Unlike morning and lunch-time punters, however, they typically placed individual bets, those which provided the optimal level of excitement (Bruce and Johnson, 1995). The afternoon session could thus be noisy. Some cries were encouraging, as if they could influence the run of the race, "That's it Eddery. Pull it outside!" "Now. That's it. Go. Go. Go!!!" When things were not going so well however they addressed jockeys or horses in more disparaging tones, "Dettori, you wanker!!!" "What a donkey!!!"

Such animated comments could be seen as individual responses to the tension experienced when a person had money riding on a horse. They could also be seen in a social context. Such action contributed to the highly-charged and exciting atmosphere that prevailed in the shops which provided such a 'pull' on the customers. The people so vociferously displaying their allegiances, victories and disappointments also became objects of attention themselves, often providing a further layer of enjoyment to the proceedings, particularly for those who had not bet on that particular race. What these public displays of emotion signified however was just as important. If their horse won, then the celebrating punters publicly reaffirmed the dream that one can win at the horses. The pursuit of the win was after all what it was all about, and the public celebration both glamourised and legitimised this pursuit. If their horse lost, then the public defeat and bitter cursing provided a rather unhealthy *schadenfreude*, a reassurance that it was not just you who lost.

8. The unemployed

Unemployed people constituted a fourth group free to take up betting opportunities during the day. Whereas, in common with many pensioners, such people suffer from low income, they tend to have a lower capital base. Those unemployed without a capital base who were willing to stake a pound a day (about 20% of their weekly income) on the horses tended to place small 'dream' multiple bets in the morning or afternoon and leave the shop shortly afterwards. This was understandable as the excitement associated with having put on a 10p yankee was relatively low. Because of their low income relatively few truly unemployed people were found to gamble regularly. Those who did tended to have a capital base, and their behaviour was similar to that of pensioners if funds were short, or non-routine workers if funds were available. Once again the betting shop was important, in that it provided structure, control and companionship in often alienating and uncertain circumstances.

9. Criminal elements

Categories that overlapped with unemployed people were those who operated in the 'grey' or 'black' economies. To date, the issue of criminality among gamblers has been restricted to the consideration of pathological gamblers. Notably, Meyer and Fabian (1992) observed a high incidence of criminality among compulsive gamblers, and explained how the financial costs of their psychological "addiction" caused them to turn to petty crime. Over the years, I have also noticed a strong coincidence of criminality with gambling, this time in the case of leisure gamblers. The following comments thus concern a different sector of the gambling population approached from a different perspective, and therefore complement rather than challenge or support, the findings of Meyer and Fabian: As with other groups of punters, the trip to the betting shop provides structure and meaning in lives that may be disorganised and meaningless (Kusyszyn, 1990). In certain areas, particularly depressed areas with a high incidence of criminality, a small but significant proportion of punters - particularly afternoon punters - make the money required to bet through illicit means.

The betting shop also provides criminals with the ideal place to conduct business. Drug dealers, in particular, face the practical problem of requiring a place where they can be contacted which is not their place of residence. Street corners are uncomfortable and in the public domain, thus risking the attention of the police. Pubs are boring unless the dealers drink, in which case they cannot function. On the other hand, the betting shop - or 'the office' as it is commonly called - is ideal: it provides a reliable place for customers to locate them; it separates place of business from place of residence; and it provides them with another route to riches which does not involve mainstream work.

10. The homeless

One of the more positive aspects of the betting shops was that they provided homeless people with a place of refuge from the public domain during the day. In most large cities it was common to see one or two homeless people - often with their possessions in a carrier bag - sitting at one of the tables. Because they slept rough or in temporary hostels, they faced the problem of having to wander around in the public domain from early morning until they settled down for the night. Whereas they may not have had the money to sit in a pub or cafe, they were commonly able to sit undisturbed in a betting office. In order to avoid being

evicted from the shop, such people commonly made an effort to appear like normal punters by getting up to read the form, or by slowly filling in a betting slip. Those with a pound or two sometimes put a small bet on - often a multi-race bet which validated their presence in the shop for an extended period of time. Consequently, I frequently spent whole days in betting shops where the only other person to see the day through was obviously homeless. In addition to providing them with time and space out from stares and harassment, the betting shops also provided structure and meaning in highly uncertain circumstances (Kusyszyn, 1990).

The relatively high incidence of homeless people in betting shops is the result of two different strands of legislation pursued by successive governments over the past fifteen years. The first was the "Care in the Community" programme which involved the release of many people who were unable to care for themselves. Due to lack of support, a high proportion of such people did not 'integrate' into local communities as planned, but ended up homeless, many with serious alcohol or drugs problems. The second strand of legislation was the Howard deregulation of betting shops, which, through allowing televised racing, toilets, seating and light refreshments provided a more comfortable environment for customers. A fortunate, though unintended, consequence of this was that the new comfortable betting shops provided a daytime refuge for the homeless - many of whom were victims of "Care in the Community". Betting shops thus took on the role of support institutions that should perhaps have been supplied by government.

11. Similar values/ different groups

In discussing the different types of people who gamble in betting shops, this study has recognised the positive function of betting shops in punters' lives. For pensioners the visit commonly gives structure to workless days, and constitutes time-out from the certainties of domestic life. For lunch-time punters, the visit is time-out from work; and the bet provides hope of change in often changeless circumstances. For non-routine workers, the shop commonly provides a forum for companionship and banter. For the homeless, the betting shop provides a refuge from the public arena, and structure and companionship in lives that can lack both. All of these people lose money during their visits to the bookies - they are bound to, considering the practices they use to select horses. Such losses however are obviously deemed to be a price worth paying, as they return and hand over their money day after day.

References

- Anderson, G. and Brown, R.I.F., 1984. *Real and laboratory gambling. sensation seeking and arousal*, **British Journal of Psychology** 75: 401-410.
- Bruce, A. C. and Johnson, J.E.V. 1996. *Gender based differences in leisure behaviour. performance, risk taking and confidence in off-course betting*, **Leisure Studies** 13: 65-78.
- Bruce, A. C. and Johnson, J.E.V. 1994. *Male and Female Betting Behaviour. New Perspectives*, **Journal of Gambling Studies** 10, 2: 183-198.
- Bruce, A. C. and Johnson, J.E.V. 1995. *Costing Excitement in Leisure Betting*, **Leisure Studies** 14, 1: 48-63.
- Bruce, A. C. and Johnson, J.E.V. 1992. *Toward an Explanation of Betting as a Leisure Pursuit*, **Leisure Studies** 11, 3: 201-218.
- China, C., 1991. *Better Betting with a Decent Feller: Bookmakers, Betting and the British Working Class, 1750-1990*. London: Harvester Wheatsheaf.
- Dobbin, I. 1980. *Retirement and Leisure: A Preliminary Research Report*. **Centre for Leisure Studies, University of Salford**.
- Dowie, J. 1976. *On the efficiency and equity of betting markets*, **Economica** 43: 139-50
- Elias, N. and Dunning, E. 1986. *Quest for Excitement: Sport and Leisure in the Civilising Process*. Oxford: Basil Blackwell.
- Etzioni, A. 1985. *Guidance Rules and Rational Decision-Making*, **Social Science Quarterly** 66:755-769.
- Filby, M. 1992. *"The Figures, the Personality and the Bums": Service Work and Sexuality*, **Work, Employment and Society** 6, 1: 23-42.
- Filby, M. and Harvey, L. 1989. *Recreational betting. individual betting profiles*, **Leisure Studies** 8: 219-227.
- Filby, M. and Harvey, I. 1988. *Recreational Betting: Everyday Activity and Strategies*, **Leisure Studies** 7, 2: 159-172.
- Freud, S. 1928. *Dostoyevski and Parricide* (edited by J. Strachey) (1959) **Collected Works of Sigmund Freud** New York: Basic Books
- Goffman, E., 1959. *The Presentation of Self in Everyday Life*, New York: Doubleday.
- Goffman, E., 1967. *Where the action is in interaction ritual: essays on face to face behaviour*, New York: Doubleday Anchor. (London: Allen Lane 1972).
- Henery, R.J. 1985. *On the average probability of losing bets on horses with given starting price odds*, **Journal of the Royal Statistical Society** 4:342-349.
- Johnson, J.E.V. and Bruce, A.C. 1992. *Successful Betting Strategies: Evidence from the UK off course betting market*, In W.R. Eadington, and J.A. Cornelius, (Eds.) **Gambling and Commercial Gaming: Essays in Business, Economics, Philosophy and Science**, Institute for the Study of Gambling and Commercial Gaming, Reno, US.

- Kusyszyn, I. 1990. *Existence, Effectance, Esteem; From Gambling to a New Theory of Human Motivation*, **The International Journal of the Addictions** 25. 2: 159-177.
- Kusyszyn, I. 1972. *The gambling addict versus the gambling professional*, **International Journal of Addictions** 7: 387-93.
- Meyer, G. and Fabian, T. 1992. *Delinquency among pathological gamblers: A causal approach*, **Journal of Gambling Studies** 8, 1: 61-77.
- Neal, M. 1998. *'You Lucky Punters!': A Study of Gambling in UK Betting Shops*. **Sociology**, Vol. 32. No. 3. pp. 581-600
- Neal, M. 1999. *The Ongoing Effects of Deregulation on Betting Shop Customer Profile and Behaviour*. **Managing Leisure**. 4: 168-184.
- Rosecrance, J. 1988. *Professional Horse racing Gambling. Working Without a Safety Net*, **Work and Occupations** 15, 2: 220-236.
- Rosecrance, J. 1986. *Playing the Horses is Hard Work*, **Sociology and Social Research** 71, 1, Oct. 47-49.
- Saunders, D.M., and Turner, D.E. 1987. *Gambling and Leisure: The Case of Racing*, **Journal of Leisure Studies** 6: 281-299.
- Saunders, D.M. 1983. *Gambling in Wales: the case of off course betting*, **Welsh Journal of Business and Administration** 4: 32-42.
- Walker, M. 1996. *The Medicalisation of Gambling as an "Addiction"* In McMillen, J. (ed.) 1996. **Gambling Cultures: Studies in History and Interpretation**. London: Routledge, pp. 223-242.
- Zola, I.K. 1964. *Observations on gambling in a working class setting*, in **Becker, H. 1964. The Other Side**. London: Collier-MacMillan.

BETTING ON THE FUTURE

Steve Donoghue

Gambling Industry Specialist, KPMG

At the Society's meeting on 13 May 1999 Steve Donoghue thought aloud about where the Internet might lead gambling. Here is his summary of what he said.

There are already more than 1,000 gambling-related sites on the Internet, of which over 140 take bets. The total online gaming market was estimated to be worth \$300m in 1998, and by 2002, researchers reckon, these revenues could climb to \$3 billion.

Where will all that new money come from?

The answer is 'namblers' - people with access to the net and other new technology who like the idea of a flutter without the hassle of regulatory restrictions, or having to go to a bookmaker or casino. Liberated from current constraints, we might see a very different environment for gambling in the future. For example:

1. At present gambling is location-based and, in the main, restricted to specific places. But it is possible that in future gambling locations will serve only a social purpose, with most gambling taking place through 'gadgets' such as computers, interactive digital television and UMTS mobile telephones.
2. At present different forms of gambling are kept apart by licensing and geography. In future gambling operators may offer a full range of gambling opportunities by both location and distribution channel.
3. National borders largely prescribe the gambling environment now, but in future boundaries may no longer apply and regulations will be self-enforced.
4. At present the games and events on which people bet are traditional. In future there may be new games and new betting events, led by the customer.
5. Currently, gamblers suffer a wide knowledge gap, but knowledge is free, and in future the gap can be closed.

The evidence for change is all around us. Lotteries are just one area where attempts are being made through the courts to overcome national barriers and break down state-enforced monopolies. At the same time, the content, and facilities for payment, which can be delivered through devices such as the Internet are already very difficult to regulate.

Human nature dictates that gamblers will wager with each other both on sporting and an entire range of other events. Real-time multi-media simply allows namblers to interact with their counterparts more easily.

Operators will be able to facilitate this interaction with traditional games such as roulette, blackjack, slots and poker. They will also be able to supplement them with betting on any sport people want. This is likely to cover a multitude of new 'sports', such as online computer games, and even the outcome of TV soaps.

In addressing these new markets, the providers of gambling products which require knowledge, such as horseracing, will need to close that knowledge gap as soon as possible if they want to retain their hold on the customer. This means, for example, that Internet bookmakers will have to become tipsters as well; if they don't provide the analysis, someone else will - and they will then own that customer.

For the customers themselves, there will be a greater onus on deciding who the honest operator is as traditional licensing becomes irrelevant. So self-regulation will become the norm, and the gambler will decide what to gamble on, where to do it and who to do it with. And that means an entirely new market made up of customers with decidedly non-traditional tastes.

Do you want to bet that it won't happen?

WOMEN PROBLEM GAMBLERS: A new focus for treatment provision

Faith L Freestone

Department of Sociology, University College Worcester

1. Introduction

Women and men are different. Most societies make quite certain of that. Opinion may vary as to how they differ, but one thing remains consistent. Sex matters: girls are raised to womanhood, and boys to manhood. The crucial point here is that growing up to womanhood means learning to be a certain kind of person. Every woman inherits a wealth of platitudes, expectations and anxieties, based upon a mixture of tradition, myth and reality about what her role in life should be - and her resulting experiences are almost always different from those of her male contemporaries.

Why then have professionals tended to assume homogeneity between the sexes when dealing with issues pertaining to problem gambling? For, as Thomas (1995: 119) has noted, women are women long before their gambling problems begin. My purpose here, in exploring those differences noted in studies that have focused upon the influence of gender, is to direct attention toward the need to adopt a more gender-aware approach to problem gambling research and treatment in Great Britain.

2. Motivations for gambling

Studies suggest that women problem gamblers are as likely as their male counterparts to be attracted to gambling by 'action', viz: by excitement, thrill and tension. However, they also suggest that men are more likely than women to gamble for adventure and for financial gain. (Lesieur & Blume, 1991; Women's Health West, 1997). There additionally appears to be some evidence that men take greater gambling risks (Bruce & Johnson, 1994). Phases in the career of the male pathological gambler have been identified frequently to begin with a major large win, which reinforces a desire to continue gambling in the hope of further winning. Yet, whilst financial gain may play a part in some women's motivation, it seems that women are far more likely to gamble as a way of escaping from life's problems, (Lesieur & Blume, 1991) or in order to hurt or punish themselves (Women's Health West, 1997).

According to Hraba & Lee (1996: 98/9) women problem gamblers tend to feel alienated from the conventional community. They are likely to lack religious affiliation, and to have married, and moved house frequently. Not being a "civic personality", i.e. conventional, mature and responsible, was also found to be a correlate of women's problem gambling, supporting the hypothesis that lack of social integration helps to account for women's gambling problems.

Australian research lends some support to these views. A report by Women's Health West (1997: 13) states that men calling the problem gambling helpline 'G-line' were more likely to give financial gain, excitement and recreation as their reasons for gambling, whereas women tended to report they gambled because "they were lonely or depressed or to relieve stress and anxiety".

3. Patterns of participation

Patterns of participation also appear different for men and women. Female pathological gamblers in American studies have been found to favour legal gambling, most often card games, slot and poker machines, horse racing and lotteries. Men, on the other hand, were found to favour horse racing, sports betting and dice games, legal or illegal (Lesieur & Blume, 1991). Similarly, Hraba & Lee (1996) have reported that a higher proportion of women than men take part in bingo, slot machines, and casino games. However, they also asserted that they found no gender differences in frequency of gambling, wagering amounts, or time spent gambling, suggesting that women's gambling may now be on a par with men's, with the exception of range of choice.

In Britain patterns in the gambling choices of women seeking help appear similar. Some 51% of calls made by women problem gamblers to the GamCare helpline, between October 1997 and April 1998, reported problems associated with 'fruit' (or gaming) machines; 21% reported problems with off-course betting; and 12% with casino games. Whilst the percentage of women callers experiencing problems with fruit machine gambling is now found to exceed that of men, the reverse holds true for off-course betting and casino gaming.

4. Problems and presentation

Gambling begins as a form of recreation for all those who gamble, men and women alike. Yet, the career of the problem gambler seems gender-bound. Phases in the development of gambling problems have been identified sequentially as winning, losing, and desperation (Lesieur, 1984; Custer, 1985). However, winning appears atypical in many female problem gamblers' histories. Though they may follow a path through losing to desperation, the first phase for many women involves gambling to escape. Brown & Coventry (1997: i) describe the cyclical path trodden by many women problem gamblers, thus:

Initially women are drawn to the social conviviality of gambling and relish their sense of belonging and safety in gambling venues, but they also recognise that they gamble to relieve boredom, isolation and loneliness. Over time, they observe that gambling causes them stress, shame and depression. At this point, the women tend to compromise their commitment to themselves and their families .. This in turn causes more shame, guilt and depression, and the cycle continues

A further difference observed in phasing is that women who seek assistance for their gambling problems tend to do so at a much earlier point in the destructive phase of their gambling careers than men, often within the first two years (Thomas, 1995: 120). This is probably due to the fact that it normally takes far fewer and far smaller debts to bring women to financial crisis. However, given that many women have a lesser disposable income than

men, and tend to borrow more from friends and family members, it can be suggested that they experience an equal level of distress.

Domestically, however, as Moody (1990: 98) states, the crisis women experience is nearly always more profound, more critical and more painful than that experienced by their male counterparts. Problem gamblers who are mothers appear to suffer much higher levels of shame, remorse and guilt than problem gamblers who are fathers. For mothers daily and directly face the impact that their gambling has upon their children. Gambling fathers, on the other hand, appear to find it easier to mask emotion, or distance themselves from the detrimental effect their gambling has on others. "Their distress comes later when they are starting to recover" (Moody, 1990: 98).

Horvarth and Pierce (1997) have characterised problem gambling as "an equal-opportunity home wrecker" that cuts across gender, age, ethnicity and everything else, in cases of child neglect. But it remains the case that it is women in our society who are still primarily in charge of child care, and their actions often have a far more profound effect, both upon themselves and upon their children. The double bind here is that whilst research has shown that "childhood exposure to gambling is a significant predictor of problem gambling for women" (Hraba & Lee, 1996: 93), it has also revealed that the perceived threat of having children removed into the protective custody of child welfare services is often the primary reason why mothers experiencing gambling problems do not seek help (Thomas, 1995: 121).

More generally, some women may be reluctant to seek assistance, even when they are quite desperate to do so, because they fear that their gambling will be discovered by significant others. Women who have partners frequently fear the consequences of revelation. Some fear physical violence, others feel that they simply cannot confide in friends and/or family members, for things have gone too far, and they would not be forgiven or understood. Whilst individual responses to disclosure vary, it indeed seems the case that when the partner of a female gambler becomes aware of the gambling problem, he is far less likely than the partner of a male gambler to help find a path to recovery, or aid progress along it (Moody, 1990).

In some cases partners of female problem gamblers have been found actively to impede recovery. Moody (1990: 100) recounts the tale of a woman in a self-help group who was struggling to overcome her gambling problems because her husband had refused to handle the housekeeping money, when for her, as Moody states "carrying money was the equivalent of a drug addict carrying heroin". Other women may be publicly shunned or shamed, in the mistaken hope that this will "bring them to their sense" or "do them good". Still others may find themselves abandoned, even when they have children, compounding their distress. Conversely, abandonment for some women is effectively an act of liberation that ultimately spurs them to seek help.

However, arguably, the biggest barrier to women seeking treatment still lies in societal stereotyping both of gamblers and of women. The image of the gambler is traditionally a masculine one, which encompasses elements of heroism and machismo. Images that place women "on a pedestal" (Lesieur & Blume, 1991: 190) or designate them "guardians of the hearth" (Lindgren et al, 1987) are totally incompatible with this male mould. Far from bearing any badge of heroism, the female problem gambler bears a stigma. For despite

changes that have taken place in society's attitudes toward women, gambling is still generally regarded as a moral offence. As Lesieur & Blume (1991, 190) state:

Women are acutely aware of the stigma applied by society to a woman who fails to meet the high moral standards expected. They feel both deeply ashamed and deeply resentful over the double stigma of not only being a compulsive gambler but of not having fulfilled their roles as moral models for society.

One result of this perceived stigma is that women problem gamblers take even more care than men to conceal their 'secret'. Hence, women who are developing gambling problems often gamble alone. In Britain and America they are also more likely than their male counterparts to be single, separated, or divorced, which means that they are also far less likely to have anyone to persuade or pressure them into seeking, or remaining in, treatment (Lesieur & Blume, 1991).

Indeed whilst overseas studies to determine the prevalence of problem gambling amongst adults commonly suggest a male to female ratio of 3:1, in Britain, analysis of client data collected by the national helpline 'GamCare', between October 1997 and April 1998, revealed that less than one in ten calls received from problem gamblers came from women. Further it would seem the case that since 1964 seldom has there been more than one female member at a time within any British gambling self-help group, and never, on average, has there been one female member for every group in existence (Moody, 1990).

5. Existence and co-existence

The links between pathological gambling and severe alcohol problems, substance abuse, depression, mental illness, and suicide are well documented in studies of male pathological gamblers (Murray, 1993). Yet, little has been written concerning female problem gamblers and these same links. Whilst recent Australian research suggests "that findings relating to depression, suicide, and major life stresses can be generalised to women" (Women's Health West, 1997), any link between gambling and alcohol dependence in women appears far more tenuous (Hraba & Lee, 1996).

A study by Lesieur (1988) of 50 female compulsive gamblers in treatment facilities in America found that 26% of these women suffered from serious depression; 12% had made suicide attempts; substance abuse problems were also common; 12% spoke of sexual addiction; 26% had hallucinations (attributed mainly to taking drugs), an equal percentage talked of experiencing feelings of paranoia. A number of the women also had compulsive over-eating and/or compulsive over-spending problems (Lesieur & Blume, 1991).

Many of the women had experienced problem childhoods, unhappy marriages, and troubled adult lives. 38% had a parent who was an alcoholic; 24% a parent who was a pathological gambler, or probable pathological gambler, 12% had parents "who were mentally ill or who subjected them to physical or sexual abuse" (Lesieur & Blume, 1991: 183). Of the 42 women who had been married, 62% had married men who themselves were pathological gamblers, alcoholics, drug abusers, womanisers, workaholics or mentally ill.

Significantly, more than 70% of the 50 women had obtained treatment from a mental health professional, in excess of half of these before entering gambling treatment. However, in the majority of cases the professionals that these women saw did not recognise, let alone intervene in, their gambling problems.

6. So how should we help British women problem gamblers?

Women with gambling problems are clearly under-represented in, and under-served by, existing treatment facilities in Great Britain. Though there is evidently a need for further research, those studies examined here clearly carry a number of implications for future provision.

1) The seemingly widespread existence of women's gambling problems alongside forms of life stress, suggests that treatment providers within the gambling field should constantly maintain an awareness of these issues. As Lesieur & Blume (1991: 190) note, the high levels of guilt and shame experienced by women seeking help make it imperative right from the beginning "to build strong internal motivation" and "nurture self esteem" in order that women do not prematurely leave treatment.

2) Given evidence suggesting relatively high levels of depression and various forms of co-dependency amongst women who are experiencing gambling problems, we must also work toward educating and informing professionals and providers in associated fields in order that they may be made aware of the possible existence of gambling problems, trained to identify their presence; and encouraged to make appropriate referrals. For, as American experience shows (Lesieur & Blume, 1991) it is more often than not the case that gambling problems are not identified or treated by mental health professionals.

3) In recognition of the fact that, by the time they seek help, many women will be without a partner, yet often still caring single-handedly for child dependants, there is clearly a requirement to fashion treatment provision to fit with women's needs, not fashion women to fit existing treatment programmes. Providing direct practical and emotional support within local communities, in the form of outreach work, would here seem an essential first step in any programme.

4) However, that this should be provided both for female problem gamblers, and for significant others too, is a further pre-requisite that should be set. For, significant others, particularly children, also require help and support to deal with gambling-related issues and/or problems. Enhancing understanding amongst family members also contributes to the likelihood that the female problem gambler will gain support, which is much needed as she strives to overcome her gambling problems.

5) Whilst we cannot remove societal stigma, we can work to mitigate its effects:

- a) Through an educational awareness programme, and
- b) By making anonymity and confidentiality paramount in treatment provision.

Here, recent Australian initiatives furnish a useful model in this field (e.g. Women's Health West, 1997, Crisp, 1998). For in raising awareness of problem gambling issues, and by offering 'discrete venues for counselling' (Thomas, 1995), that bear a non-gambling related name, which women may attend either to address their own, or another's gambling problem (Crisp et al, 1998) treatment providers in Australia are now succeeding in attracting women problem gamblers to seek help from counselling services.

6) In addition to individual and family counselling, women-only therapy and support groups have a part to play, although, given the small numbers of women currently coming forward in Britain, these cannot yet be solely gambling-focused. Instead, a productive move here would seem the birth of a collaborative body working with women across related fields, until such time as the number of women presenting with gambling problems justifies a need to establish more specific gambling self-help programmes.

7) In acknowledging that residential treatment is often inappropriate for women with children in their care, we should routinely provide child-care facilities for any daytime or evening group that women attend in order to address their gambling problems, parallel models exist within British probation services at least during daytime hours, and quite simply, if women, like men, are to work to overcome their gambling problems, they must have the time and space to learn to deal with the issues of today, before they cope with yesterday and learn to face tomorrow. They have a long path to traverse along recovery road, and it is more than time we met them half way by offering appropriate gender-sensitive provision.

7. Directions for future research

1) At a societal level, if we are to cater anywhere near adequately for women's (and men's) needs, there is an urgent requirement to conduct a gender-sensitive national study to determine the prevalence of problem gambling amongst British adults.

2) To measure nature and extent, there is also much merit in adopting Lesieur and Blume's (1991: 190) suggestion of "actively screening current populations in treatment for other emotional and addictive disorders", using an instrument such as the South Oaks Gambling Screen. which was developed using both male and female subjects (Lesieur & Blume 1987).

3) On another level, remedies lie in adopting a women for women approach, especially if we are to monitor the efficacy of initiatives that have been, or may be, put in place; and/or more fully assess the specific needs of female problem gamblers. Indeed, as Mark & Lesieur observe (1992: 559-560): "if women's experience is to be accurately and adequately observed and examined, women must assume an integral role in the research process, from the conceptual stage through the analysis stage and all points in between".

4) If theory and treatment provision are to be developed, more studies that focus solely upon women's experiences must be conducted now, as must studies that draw adequate comparisons between male and female subjects. Where gaps exist they must be filled; and in areas of research where generalisations have been made solely from the male case, these aspects in particular must be re-visited.

5) If we do nothing else, we must cease to be gender-biased, and we must cease to be gender-blind. Research findings from now on should always be presented and qualified by gender. Mature analysis demands that researchers re-conceptualise problem gambling in terms of women, and other minority groups. A persistent and continuing failure to do so can only prove detrimental to problem gambling research and treatment studies.

References

- Brown, S. and Coventry, L. (1997) *Queen of Hearts. The Needs Of Women With Gambling Problems*. Report: August 1997, Melbourne. **Financial and Consumer Rights Council (Inc)**
- Bruce, A.C. and Johnson, K.E. (1994) *Male and female betting behaviour: New perspectives*, **Journal of Gambling Studies**. 10(2), 183-198.
- Crisp, B.R. et al (1998) *It can be done. Attracting women to problem gambling counselling services*, Paper presented at **3rd European Conference on Gambling and Policy Issues, Munich, July 1998**
- Custer, R.L. (1985) *When Luck Runs Out*. New York: Warner Books.
- Horvarth, V.E. and Pierce, R. (1997) *Pathological Gambling and Child Neglect: A Cause for Concern*, Paper presented at the **10th International Conference on Gambling and Risk Taking, Montreal, Canada**.
- Hraba, J. & Lee, G. (1996) *Gender, gambling and problem gambling*, **Journal of Gambling Studies** 12 (1) Spring, 83-101.
- Lesieur, H. (1984) *The Chase: Career of the Compulsive Gambler*, Cambridge, MA.
- Lesieur, H. & Blume, S. (1987) *The South Oaks Gambling Screen (SOGS): a new instrument for the identification of pathological gamblers*, **American Journal of Psychiatry**, 114, 1184-1188.
- Lesieur, H. & Blume, S. (1991) *When Lady Luck Loses: Women and Compulsive Gambling*, in Van Den Bergh, N. (ed) **Feminist Perspectives on Addiction**. New York. Springer Publishing Co.
- Lindgren, H.E. et al (1987) *The Impact of Gender on Gambling Attitudes and Behaviour*, **Journal of Gambling Behaviour**, Vol 3 (3) Fall, 155-167.
- Mark, M. and Lesieur, H. (1993) *A feminist critique of problem gambling research*, **British Journal of Addiction** 87 (4), 549-565.
- Moody, G. (1990) *Quit Compulsive Gambling*, London, Torsions.
- Murray, J.B. (1993) *Review of Research on Pathological Gambling*, **Psychological Reports**, 1993, 72, 791-810.
- Thomas, S. (1995) *More than a flutter: Women and problem gambling*, Paper presented at the **Sixth Annual Conference of Gambling Studies**. Freemantle: Western Australia.
- Women's Health West (1997) *Who Wins? Women and Gambling in the Western Metropolitan region of Melbourne (A Pilot Study)*, Melbourne.

GAMBLING BEHAVIOUR BEFORE AND AFTER THE LAUNCH OF THE NATIONAL LOTTERY AND SCRATCH CARDS IN THE UK

A pilot study

Robin-Marie Shepherd, Department of Addictive Studies, St. Georges Medical School, Hamid Ghodse, Department of Addictive Studies, St. Georges Medical School, Mervyn London, Cambridge Drug and Alcohol Services, Brookfields Hospital, Cambridge

***Abstract** This study monitored gambling behaviour in 206 residents of Cambridgeshire before and after the launch of the United Kingdom's National Lottery. A gambling questionnaire which included the gambling criteria from the Diagnostic Statistical Manual-IV, questions about demographic data, and National Lottery and scratch card purchases was administered randomly to residents of Cambridgeshire. The study found that the affirmative responses in the DSM-IV criteria increased significantly at 6 months after the introduction of the National Lottery and remained at that level at the 12 month follow up. Furthermore, individuals with annual household incomes of less than £20,000 and individuals with less than an O level education purchased more National Lottery tickets and scratch cards per week. This may suggest that these people may be vulnerable to develop problems with lottery and scratch card play. Although symptoms of pathological gambling rose, there was no increase in cases of pathological gamblers.*

1. Introduction

Britain now has the world's largest computerised lottery. In the first year 30 million people played the lottery regularly, accumulating sales of £5.2 billion pounds. There are concerns that the lottery may cause an increase in problem gambling. A Home Office report estimated that there are 1.5 million problem gamblers and 500,000 could be classified as "pathological gamblers". The report suggested that the National Lottery tickets and scratch cards are to blame for the increase of problem gambling in the UK (Brown & Fisher, 1996).

Both research and clinical observation indicate that an increase in gambling opportunities increases the prevalence of gambling problems (Volberg, 1994; Rosecrane, 1988). The past relaxation of the gaming laws in the UK in 1960 led to an increase in gaming opportunities, and triggered a rise in gambling behaviour. Gamblers Anonymous emerged in 1964 to cope with the rise of problem gamblers (Kelly, 1988). After the launch of the National Lottery, it reported a 17 percent increase in calls (MINTEL, 1995). Becona (1993) reported that Spain's National Lottery added significantly to the development of gambling addiction there. Therefore, it is imperative to monitor gambling behaviour before this increase in gambling opportunities becomes normalised. Once gambling becomes acceptable to a culture, it becomes difficult to identify psycho-social problems attributable to gambling (Shaffer, La Brie, Scanlan, Cummings, 1994). Although lotteries have existed in Britain for a number of years, the National Lottery has different features which may promote excessive play.

Lotteries were originally viewed as non-addictive since they lacked "excitement, low odds, and a sense of mastery" (Kaplan, 1989, p. 195). However, today's lotteries are heavily advertised, offering large prizes and encouraging people who would not ordinarily gamble to do so (Kaplan, 1988). This is indeed true in the case of the launch of the National Lottery. Twenty-one percent of the lottery players had never gambled before the lottery (MINTEL, 1995). Furthermore, participation increased with the introduction of the midweek National Lottery draw, increasing ticket sales by 26% (Riggs, 1997). However, scratch cards seem to be the more potentially addictive form of gambling due to their other alluring qualities.

Dickerson (1993) states that the potentially more addictive forms of gambling are games of chance that are continuous (e.g. fruit machines, pari-mutuel games) as opposed to the non-continuous forms of gambling (e.g. lotto, lotteries). Scratch cards can be viewed as a continuous form of gambling since immediate results can be attained by scratching the card. Moreover, Griffiths (1997) explains that two characteristics, situational and structural, are responsible for encouraging people to gamble. In the case of the National lottery and scratch cards the wide availability of tickets at local shops represents situational characteristics which may encourage gambling. The other feature, structural characteristics, encourage gambling to continue. For example, Griffiths (1997) describes "near misses" as a critical reinforcing factor to continue gambling. A near miss in scratch cards, for instance, would be to scratch two matching numbers before all the other numbers were revealed. Players tend to view "near misses" as a potential win (Griffiths, 1997). Moran describes them as "heart stoppers" (Moran, 1995). These "heart stoppers" are also a powerful reinforcing element in fruit machines. Thereby, Griffiths (1996) describes scratch cards as "paper fruit machines" and warns that they are, indeed, potentially addictive.

2. Methods

There were no published studies monitoring problem gambling behaviour before and after a form of gambling has been introduced to a culture. The purpose of the study was two fold. First, it aimed to investigate, by means of a community survey, gambling behaviour before and after the introduction of the National Lottery tickets and scratch card sales. Second, the study sought to investigate demographic variables to identify certain groups of people who may be vulnerable to purchase National Lottery tickets and scratch cards beyond their means.

2.1 Procedure

A gambling questionnaire was posted to 2000 Cambridgeshire residents chosen at random from the local GP lists. Questionnaires were mailed in October 1994, May 1995, and November 1995. For the purpose of a longitudinal study we only analysed subjects who responded to all three questionnaires consistently. At baseline there were 546 responses and 65 of these returned the questionnaire with a refusal to participate. Eighteen of the 65 disclosed that they never gambled and we were informed that one subject had died. Of the remaining 481 there was a 68% response rate at 6 months and 51% response rate at 12 months. Therefore, 206 (38%) who consistently responded to all three questionnaires were included in the analysis.

The questionnaire included demographic information, questions pertaining to National Lottery and scratch card purchases and items based on the criteria of the Diagnostic Statistical Manual-IV (APA, 1994). Five out of the following criteria are required for the presence of pathological gambling: a preoccupation with gambling; a need to gamble in significantly increasing amounts (tolerance); restlessness or instability when attempting to cut down or stop (withdrawal); gambling relieving dysphoric mood; after losing returning to "get even" (chasing one's money); concealing the extent of gambling; reliance on others to provide money to relieve one's financial situation; jeopardising or losing a significant relationship, job, educational or career opportunity because of gambling; repeated unsuccessful efforts to control, cut back or stop gambling, and social complications of gambling.

2.2 Results

The 206 participants consisted of 96 males and 110 females. The mean age was 44 years: 42% (n=87) obtained A levels or a higher qualification; 40% obtained O levels or lower educational attainments; 37% (n=73) had a household annual income of £21,000 or higher, and 61% (n=126) had a household annual income of under £20,000. Thirty-six subjects did not disclose their educational status and seven neglected to disclose their annual household income, although the demographic questions were repeated in all three surveys.

Eighty-nine percent of the sample had purchased a National Lottery ticket and 50% a scratch card at the six month follow up. Although the purchases went up slightly at the 12 month follow up, the increase was not significant. Subjects purchased between 1 and 14 scratch cards per week and 1 and 5 National Lottery tickets per week. One percent of subjects were identified for pathological gambling in this cohort. Other studies have shown a prevalence rate in the general population between 1-3% (see Volberg & Dickerson, 1996).

Using the Wilcoxon statistical analysis for non-parametric measures, subjects' affirmative replies on the DSM-IV criteria for pathological gambling increased significantly at 6 months ($p=0.02$ vs. baseline) and at 12 months ($p<0.02$ vs. baseline). Individuals who had high scores at baseline remained high over time. Using the Spearman correlation statistical analysis, there was a correlation between the average scores in the gambling screen and the average number of scratch cards purchased per week ($p<0.05$ at 6 months, $p<0.01$ at 12 months), and the average number of National Lottery tickets purchased per week ($p<0.01$ at 6 months).

A trend emerged in patterns of gambling behaviour between gambling participation and level of education. The Wilcoxon test revealed that the respondents with an education of O levels or less purchased more scratch cards per week ($p<0.02$) at 6 months and ($p<0.03$) at 12 months and purchased more National Lottery tickets per week ($p<0.02$) at 6 months and ($p<0.03$) at 12 months compared with respondents with A level or higher education (Figure 2). Overall, the less educated spent an average of £2.42 per week on lottery or scratch cards, yet the more educated group only spent an average of £1.84 per week on the games.

Using the Spearman Correlation analysis, a negative correlation was observed between income and the number of scratch cards purchased per week (at 6 months, $p < 0.03$), at 12 months $p = 0.01$). There was a consistent trend for respondents whose annual household income was less than £20,000 to spend more per week on National Lottery tickets and scratch cards, although this only approached statistical significance in the case of scratch cards. There was no gender differences in problematic gambling or the number of lottery or scratch cards purchased per week.

3. Discussion

In interpreting the results of this study one must first acknowledge its methodological limitations. Random community surveys, particularly those using postal surveys, generally have a low response rate and at baseline a quarter of the original population responded. Although the subsequent surveys had a much higher rate of return the sample population may be self-selected. The lack of data on non-respondents prevents our investigating this further. However, the bias may be expected to be in a favourable direction and the observed rise in pathological scores may therefore be an underestimation.

Nevertheless, this study uniquely examines gambling behaviour in a community, both before and after the introduction of the National Lottery and scratch cards in the United Kingdom. It reveals a significant ($p < 0.05$) increase in problematic gambling behaviour within the sample monitored over a one year period and provides evidence that the introduction of new gambling opportunities has had an impact on gambling patterns. There is a rise in fulfilled criteria or symptoms of pathological gambling at six months which persisted at one year, although the number of cases achieving a diagnosis of pathological gambling did not change. Addictive disorders progress over time and later follow up may demonstrate a rise in such cases.

While the increase in problematic gambling symptoms was evenly spread across all subgroups, the data indicated that those with lower educational attainments and less income were more vulnerable to excessive spending on scratch cards and National Lottery tickets. This is consistent with the National Opinion Surveys commissioned by OFLOT which reported that skilled manual workers were more likely to have bought the tickets than higher socio-economic groups (MINTEL, 1 995). A similar trend has been reported in other countries (Kaplan, 1984; Brenner, Lipeb, Bikanda, 1993; Ladouceur, 1996, Abbott & Volberg, 1996) and this sample is no exception.

Another observation is that 7% of the cohort responded that they never made a bet, yet they answered affirmatively to the question asking whether they had gambled. This suggests that people have varied definitions to what a 'bet' is and what 'gambling' is. These statements further support the observation that 32% did not perceive playing bingo as gambling and 25% did not perceive playing the lottery as gambling. These discrepancies between reported gambling behaviour and the failure to recognise it as gambling suggest that some forms of gambling behaviour have, like alcohol drinking, already become "normalised". This may increase the risk of problem gambling and may also suggest that community surveys under-report pathology.

A rise in problem gambling behaviour is likely to have implications because of the resulting psycho-social and medical problems. Other studies examining the prevalence of gambling addiction in the general population have revealed a high prevalence of other substance misuse and emotional distress among those addicted to gambling (Becona, 1993; Bergh & Kuhlhorn, 1994). Research in other areas shows that an increase in one form of addictive behaviour in an individual is associated with a rise in other forms of addictive behaviours (De Lint & Schmidt, 1971).

We hope that this research encourages gambling research to be funded on a larger scale to monitor gambling behaviour in the UK during this rapid change of gaming opportunities. A longitudinal study would assess the need for treatment for problem gamblers and their families. Most areas of the UK have no services for helping problem gamblers and where they do exist are predominantly self-help Gamblers Anonymous groups. Further research into vulnerability factors, planning for appropriate services and, in particular, clarity as to who is charged with commissioning such services is needed.

References

- American Psychiatric Association (1994). *Diagnostic and statistical manual of mental disorders* (4th edition) Washington, D. C. American Psychiatric Association.
- Abbott, M. & Volberg, R. (1996) *The New Zealand national survey of problem and pathological gambling*, **Journal of Gambling Studies**, 12, pp.143-160.
- Becona, E. (1993). *The prevalence of pathological gambling in Galicia*, **Journal of Gambling Studies**, 9, pp. 353-369.
- Bergh, C. & Kuhlhorn, E. (1994). *The development of pathological gambling in Sweden*, **Journal of Gambling Studies**, 10, pp. 261-274.
- Brenner, G., Lipeb, M., Bikanda, P. (1993) *The lottery player in Cameroon: An Exploratory study*, **Journal of Gambling Studies**, 9, pp. 185-190.
- Brown, I. & Fisher, S. (1996). *The social implications of casino gambling*, **Home Office Report**. London: HMSO.
- De Lint, J. & Schimdt, W. (1971) *Consumption averages and alcoholism prevalence- a brief review of epidemiological investigation*, **British Journal of Addiction**, 66, pp. 97-107. Dickerson, M (1993) *Internal and external determinants of persistent gambling:: Problems in generalising form one form of gambling to another*, **Journal of Gambling Studies**, 9, pp. 225-245.
- Dickerson, M. & Volberg, R. A. (1996). (Special Issue). **Journal of Gambling Studies**, 12, pp. 109-249.
- Griffiths, M. (1995). *Adolescent Gambling*, Routledge. London and New York.
- Griffiths, M. (1996) *Scratch card gambling: is it addictive?* **The Society for the Study of Gambling Newsletter**, 27, pp. 17-20.
- Griffiths, M. (1997). *The National Lottery and scratch cards*, **The Psychologist**, pp. 23-26.
- Kaplan, H. R. (1984) *The social and economic impact of state lotteries*, **The Annals of the American Academy of Political and Social Sciences**, pp. 91-106.
- Kaplan, H. R. (1988) *Gambling among lottery winners: Before and after the big score*, **Journal of Gambling Behavior**, 4, pp.171-182.
- Kaplan, H. R. (1989) *State lotteries: should government be a player?* in.: Shaffer, H.J. Stein, S. A., Gambino, B., Cummings, T. N. (Eds) **Compulsive Gambling: Theory, Research, and Practice** (Lexington: Lexington Books) pp. 187-203.
- Kelly, J. M. (1988) *Compulsive gambling in Britain*, **Journal of gambling Behavior**, 4, pp. 291-300.
- Ladouceur, R. (1996) *The prevalence of pathological gambling in Canada*, **Journal of Gambling Behavior**, 12, pp. 129-142.
- MINTEL (1995). *Gambling*, MINTEL; London.
- Moran, E. (1995). *Health risks of National Lottery heartstoppers*, (A letter). **The Independent**, 18 April, p. 14.
- Riggs, D. (May 13, 1997). **Biannual Meeting of the Society for Gambling Studies**. Society for the Study of Gambling Newsletter 33

Rosecrane, I. (1988). *Gambling without guilt: The legitimation of an American pastime*, Belmont, California: Wadsworth.

Shaffer, H. J., La Brie, R., Scanlan, K., Cummings, T. N. (1994). *Pathological gambling among adolescents: Massachusetts Gambling Screen (MAGS)*, **Journal of Gambling Studies**, 10, pp. 339-362.

Volberg, R. (1994). *The prevalence and demographics of pathological gamblers: Implications for public health*, **American Journal of Public Health**. 84, (2). pp. 237-241.

PROBLEM GAMBLING

I A VIEW FROM BACTA

Warren Newman

Chief Executive, BACTA talk given at the Society's meeting on 10 November 1998

It is not part of our case that there are no gambling problems. Like drinking and drug taking, gambling is an ancient activity. It is a recorded part of ancient Egyptian, Chinese, Greek and Roman civilisations. Confucian philosophy says the four major vices of mankind are alcohol, opium, womanising, and gambling. I'm not about to argue with the wisdom of Confucius.

1. Multiple compulsions

Nor am I going to argue with last year's series of television documentaries called *Hooked!* That surveyed the major compulsions of the British and rated chocolate eating alongside gambling. That gives us a sense of perspective that is often missing in these debates. It also of course looked at alcohol, drugs and cigarettes. I mention that because young people steal money from their parents to finance all their compulsive behaviours - not just gambling.

I thought the programme on gambling was interesting because of the way it showed a long-standing fight between the government's wish to control it and the public's insistence on doing it. In the end, as we know, the government became the largest provider of legal gambling opportunities for anyone over 16 years of age. It succumbed to the attractions of a National Lottery as a means of financing public expenditure. The government ironically became addicted to gambling as a source of revenue!

One of the enduring sights of the *Hooked* documentary was a bobby-on-the-beat asking a bookie's runner to place a bet for him. This was at a time when the government was trying to outlaw the betting shops we now have on every High Street. The policeman placing a bet nicely summed up the reluctance of British citizens to be told what they can spend their money on.

2. Establishing a Gaming Board

What the government did that everyone acknowledges was sensible was to take steps to rid gambling of criminal activity through creating a powerful Gaming Board. The board also offered punters the satisfaction of knowing that they were not being ripped off when they played the fruit machines or engaged in other types of legal gaming activity. That assurance of course gave people the confidence to play machines in even greater numbers. The nearly nine billion pounds put into fruit machines last year is a tribute to the trust players have that using a machine is for fun and that they are not gambling on being taken for a ride.

3. Social policy considerations

One thing the government in the 1960's did not ask the new Gaming Board to do was to take social policy considerations into account. The legislation was to clean up crime and not to protect players from their own weaknesses. However, I doubt if anyone is going to take the Board to court for acting *ultra vires*, although a casino nearly did recently when it challenged the Board's interpretation of 'demand'.

The Board can always argue that one of its functions is to provide advice to the government on gambling policy. How can it do that if it does not consider the social impact of gambling? And anyway the commercial providers of gambling opportunities are acutely aware of the problems they can cause and as responsible citizens want to be involved in mitigating those problems.

4. GamCare

So that is why we all support GamCare. We contribute financially. We produce leaflets and posters to remind players how to stay out of trouble and where to go for help.

GamCare publishes figures of the calls on its helpline. BACTA readily gave up its own helpline and joined in the industry initiative. It is no surprise to us that fruit machines emerge as one of the most significant causes of compulsive gambling. There are so many of them relative to other accessible and legal forms of gaming entertainment that their place at the head of the league table is inevitable.

5. Research issues

Now this leads me to the more fraught area of research into gambling in Britain. For years the Home Office has relied on its own research department's assessment of other people's research. It concluded that the problem of gambling was too small to justify further government intervention. And it judged that most of the independent research it looked at was methodologically flawed.

Then the Gaming Board used Dr Fisher's research for Oflot as its justification for rejecting the arguments on prize levels made by all the industry associations. No further research had been done by the Home Office. Yet we were placed in the undesirable position of being invited by the Gaming Board to confront her findings. Now I know that Sue is a very diligent researcher on gambling matters and went to a lot of trouble to get her research right. We object to the principle of what happened

If a survey is privately commissioned it is usual for it to be the property of the organisation that pays for it. Oflot did have to know how successful Camelot was being in confronting under-age scratch card and on-line lottery purchases. But this research was made public to the world, and the government, advised by the Gaming Board, made policy judgements based on it.

The research had not at that time been published in a reputable academic journal where it would have been subjected to independent and anonymous peer review. It did not have to be while it was the private property of Oflot. It should have been before it was made available to the media.

6. Cold fusion

I have had experience of a research disaster of international proportions when the world was told something was true that simply wasn't. I was responsible for public relations at the Atomic Energy Authority when two eminent physicists held a press conference to announce that they had discovered cold fusion. They never published their research. They held a press conference to announce cold fusion to the world. And weeks later I had to call a press conference to say that Harwell could not replicate their findings. If they had waited until the academic community had authenticated their findings it would have solved a lot of embarrassment for them and us.

7. Prevalence study

That is history. But the plan to conduct a gambling prevalence study through GamCare is not. It is a live issue. So I have to tell you that BACTA is not persuaded that the industry associations should contribute to it. Of course we will look at any detailed proposals that are put to us. I agree that a study is desirable as a starting point for new gaming legislation. I am not persuaded that GamCare is the right organisation to organise it. And I think the government should pay for it. It is necessary for effective governance by the Home Office. To do the job properly will cost around £300,000 in our estimation. It should look at all the compulsive behaviours for which the Home Office is responsible. It needs the credibility and rigour of the National Crime Survey. Business makes a huge contribution to government expenditure by paying taxes. It is for the government to do the research it needs to regulate effectively.

8. Quaint legislation

Finally I will use the opportunity of leaving the gambling world to make a purely personal observation. I think the level of government control over gambling will be seen in years to come as rather quaint, just as the bookie's runner now looks silly. The idea that the government should pontificate about the level of prizes will be seen to be equally absurd. The ratio between stakes and prizes will remain as a piece of consumer protection. But beyond that the triennial review will come to be seen as an anachronism of the nanny state.

9. Age control

The idea of state enforced age-control will probably remain but everybody will know it is a necessary fiction. Young people grow up by doing things they are not supposed to do. Prince Charles tells us that he gave up smoking when he was 11. All of us watched X-rated movies long before we were supposed to view them. Pubs are full of teenagers drinking long before they are allowed to. Fruit machines are played by youngsters making school trips to swimming pools or buying a takeaway. Soon they will be gambling on-line to Internet-based casinos and nation states will be powerless to stop them.

None of us came to any harm by growing up in this way. Funnily enough the alleged addictions of youth seem to disappear as a result of growing up. When one day there is a review of Britain's gaming laws I hope they will be many fewer details, intrusive and fuddyduddy. Who, apart from the Gaming Board, cares whether it is legal to trade two small teddy bears, won as prizes, for one big one.

Crime must be kept at bay but I expect the British public will be allowed to enjoy their leisure time with much less intrusion by an over-protective State.

PROBLEM GAMBLING

II A VIEW FROM LADBROKES

John O'Reilly

Chief Executive: Ladbroke Racing

A talk given at the Society's meeting on 10 November 1998

I am very pleased to be invited here today to indicate the continuing support of Ladbrokes, the biggest off-course bookmaker in the UK, for the promotion of responsible gambling. I know we are short of time but I hope to be able to show you the importance of the balance between the provision of betting facilities and the protection of the public, especially the younger and more vulnerable members of the public. Our responsibilities extend far outside the rightly regulated environments of our betting shops and we are more than willing to accept those wider responsibilities.

Help for GamCare should be one of them, and I would include in that support for the prevalence study. We have been involved with Paul Bellringer and his team from the beginning and we are even more pleased to be supporters of GamCare now that we have had an opportunity to see at first hand the excellent work carried out by Paul and his terrific team of staff and volunteers at Catherine House.

Our involvement with GamCare is borne out of a commercial motive. Put simply, our business is not assisted by having problem gamblers, even if they are few in number.

The people who come into our shops to place bets are adults who, in the vast majority of cases, can afford to risk their bet and obtain enjoyment from placing it. Each year in the UK some 7 million people enter betting shops to place 1.3 billion bets. Many of these bets are made on "institutional" events such as the Grand National. About a quarter of our customers are regulars, that is customers who use our shops at least once or twice a week, and it is only a small minority who either engage in "excessive gambling" or have problems as a result of their activity.

Responsibility for the effects of gambling must be shared by all of us - the Government, the Regulators, the gambling industry, organisations such as GamCare and of course those who gamble themselves. At Ladbrokes we are certainly prepared to accept our share of that responsibility.

We need to take particular care in respect of that small minority I mentioned who either engage in excessive gambling or have problems as a result of their activity. We are also particularly conscious, as I have said, to protect the younger members of the community.

At Ladbrokes we have introduced a number of initiatives because we intend that no-one under the age of 18 should be in any of our shops. Our managers are thoroughly trained to ensure that this is so. Ladbrokes is, to our knowledge, the only betting shop operator to check the situation on the ground systematically with Mystery Shopper exercises. A visit is made to every Ladbrokes shop by customers who appear under 18 - but are not of course (it would be illegal if they were) - to test our own internal standards, the effectiveness of our training and the reality of the application. And this is not just an isolated exercise, it is an integral part of our "Customers First" staff measurement and incentive programme which is one of the major performance measures for staff throughout Ladbrokes.

Ladbrokes were the first bookmaker to introduce the Portman Group's "prove it" scheme. Application forms for the prove it cards are available in every shop and used by staff to "soften the blow" in that difficult conversation they are required to have with anyone who appears to be under 18.

We are currently working with Citizen Card and are planning to introduce the Citizen Card scheme into our shops early in 1999. It is not, of course, that betting shops are an important target for the under age gambler - this simply isn't the case, but our programme ensures that our staff remain vigilant and commercially ensures that we don't have a problem protecting our licences in the future, should the positioning and perception of betting shops and their products change.

With regard to 'over-age' problem gambling - if I can describe it as this - we have begun a number of initiatives together with GamCare. Firstly we have introduced literature identifying GamCare's services into all our locations, leaflets which encourage the reader to question whether they may have a problem with their gambling. We have also instigated, with Paul Bellringer's considerable help, a series of focus training groups concentrating on how staff can identify potential problem bettors and how they might be helped. These are early steps but in many ways represent a considerable movement in the right direction for our industry.

Before I finish I want to make particular reference to what is potentially a much bigger problem area for the problem gambler. Betting has existed since time immemorial. Regulated, licensed betting shops, restricted to adults, offering products solely of interest to those adults who choose to bet, were only legalised in 1960/61. Regulated betting shops provide for both consumer protection and, importantly to Mr Brown, collection of betting taxes (The Right Hon Gordon that is, not the William Hill variety for those who know our arch enemy John).

Betting shops operate at gross margins before duty and levy of around 24% - after duty and levy the gross margin is around 15% and the net margin after costs is around 3 - 4%. Now imagine running a betting business without paying duty and levy and without the operating costs of running regulated, licensed betting shops. Little wonder the illegal betting market in the UK is alive and well - indeed it is thriving.

Barney Curley, the one time trainer and so-called professional gambler, has recently published a book called *Giving a Little Back* in which he describes personally betting up to £50,000 a day via an underground network. Colin Mackenzie, writing in the *Daily Mail*, described the illegal betting market as being worth some 25% of all betting turnover, in excess of £1 billion annually - £1 - billion wagered illegally, in pubs and via the telephone with illegal bookmakers. These are bookmakers paying no duty, paying no levy, bookmakers for whom the legal reality that betting debts are not legally enforceable is something of an irrelevance. Legal, licensed, regulated bookmakers provide cash betting facilities and operate tight credit facilities in what is a very small credit betting market. Illegal bookmakers are not constrained in this way. The customers get better value in the sense that they avoid duty and levy: the customer receives a line of credit but losing gamblers are required to pay their illegal gambling debts. Little wonder that where there is unregulated gambling there is the involvement of the organised criminal fraternity.

I believe we are fortunate to have a well established and responsible betting industry in the UK. Working together we can build on this and provide even more safeguards for the consumer within regulated, licensed, adult restricted and well managed betting shop premises.

At Ladbrokes we will encourage with energy continued movement in this direction but we will also strive to ensure that Customs and Excise, the Police and the Regulators take actions to safeguard the consumer from illegal, tax free betting operations.

I will finish by saying that at Ladbrokes we will do all we can to help and promote the future work of GamCare to build on the work that we at Ladbrokes have and are doing, and generally to pursue ends consistent with strong social obligations.

THE FUNCTIONS OF THE LEVY BOARD AND THE ADMINISTRATION OF BETTING RINGS AT HORSE RACECOURSES

Lucilla Evers, Head of Legal Department, Horserace Betting Levy Board

1. Introduction

The Horserace Betting Levy Board, commonly referred to as the Levy Board, is one of the three statutory bodies in horseracing, the others being the Tote and the Bookmakers' Committee and, through its expenditure of the levy, a prime funder of horseracing. The Levy Board has no regulatory role - bookmakers' permits and betting office licences are issued by the local licensing justices.

The Levy Board was established in 1961, when off-course betting was first legalised, and collects a levy on all off-course horserace betting turnover. (On-course betting is, since 1987, tax-free) The levy is the mechanism by which one of racing's customers, the punter, pays, through the bookmakers, for betting on horseracing. The Board also issues Certificates of Approval for all horse racecourses, without which on-course betting would be illegal.

2. Statutory body

The Levy Board is a statutory body, answerable to the Home Secretary, who appoints three members of the Board. The membership of the Board is set out by statute, and comprises eight members.

Three members, including the Chairman, are appointed by the Home Secretary, three by the Jockey Club (the three Jockey Club members are, by agreement, nominated by the British Horseracing Board). The final two members are ex-officio posts: the Chairman of the Tote and the Chairman of the Bookmakers' Committee. The Levy Board is the only body on which representatives from racing, bookmaking and the Tote regularly meet, together with the government-appointed members, to make decisions for the benefit of all parties.

The independent members appointed by the Home Secretary have an important role, particularly during the annual levy negotiations, in balancing the needs of racing for funds and the amount the punter, through the bookmaker, pays for the racing product.

Bookmaking and horseracing are closely linked and, whilst neither owes the other a living, both industries have a great many reasons for working together. Horseracing has a clear interest in seeking to accommodate the needs of the punters, many of whom never visit a racetrack but make up a large majority of racing's customers. Equally, bookmaking has a clear interest in the continuing health of an industry from which it derives nearly three quarters of its turnover. The Levy Board, particularly the three government-appointed members, seeks to balance the needs of racing and the requirements of the bookmakers when agreeing the amount of the levy to be collected and its expenditure.

The Levy Board is responsible for the collection and distribution of the levy which is paid by punters through the 9% deduction from all bets and collected from the bookmakers. Horseracing accounts for 70% of bookmakers turnover, but is the only sport with a statutory levy.

The amount of the levy is agreed annually with the Bookmakers' Committee, the statutory body set up for the purpose. The mechanism for agreeing the levy, and the timetable, is set out by statute. The Bookmakers' Committee, representing both on-course and off-course bookmakers, submits to the Levy Board annually recommendations for the levy. The Levy Board may accept the proposals or reject them with observations; it may not itself propose the amount of the annual levy, nor how it should be paid; the terms of the annual Levy Scheme are as proposed by the Bookmakers' Committee.

The annual levy year commences on the 1st April and the terms of each Scheme must be agreed by the end of October in the preceding year. Failing agreement the levy is automatically referred to the Home Secretary for determination. Despite successive Home Secretaries making it clear that they do not welcome the responsibility of determining Levy Schemes, which should be settled between bookmaking and horseracing, the majority of Levy Schemes have, until recently, been referred. Five years ago, bookmaking and horseracing entered into an historic agreement, whereby the terms of the Levy Scheme were agreed for five years, amended only to take account of inflation. The Levy Scheme for the fifth and final year of the agreement, effective from 1st April 1999 has been approved and promulgated. The current informal agreement has greatly benefited both industries and encouraged a degree of openness and co-operation between racing, bookmaking and the Tote, allowing all the parties, and the Levy Board, to make long term plans unhindered by the uncertainties arising from the annual wrangle and exaggerated demands made by the respective parties which have accompanied past levy negotiations. It remains to be seen whether bookmaking and horseracing can build on the goodwill generated by the five year agreement to start the new millennium in a spirit of harmony or whether, later this year, the Levy Board will be informing the Home Secretary that the parties have failed to agree, and calling upon him to determine the next Scheme.

3. The Levy

Levy is collected by bookmakers on their horseracing betting turnover and amounts to about 1.2% of overall horserace turnover. The terms of the Levy Scheme provide support for shops with a small turnover, which pay an annual fixed rate. The support via the levy payments for smaller bookmakers is intended to protect against illegal betting, which often proliferates when small bookmakers with no competition close down. The Board collects the levy from bookmakers, who are required to declare their turnover annually, as signed off by a competent accountant.

The amount of the levy yield has increased substantially in the past six years, largely through assistance from government. In 1991/92 the levy yield was £36m and in 97/98 over £55m. This increase can be attributed partly to a 0.25% reduction in General Betting Duty (GBD) in March 1992 which was translated directly to the levy, together with a further 1% reduction in March 1996 which enabled the betting industry to cut its deduction from punters to 9% and to

contribute an additional £5m to the levy. The cuts in GBD which flowed through to the levy, coupled with government deregulation initiatives, particularly evening and Sunday opening of betting shops, and the installation of AWP machines, were crucial in enabling betting and horseracing to combat the adverse effect of the National Lottery on turnover.

We have calculated that the drop in levy income in the year following the introduction of the lottery in November 1994 was 10%. This reduction has been partly reversed but the levy is calculated to be 8% lower as a result of the lottery. The advent of 49s, introduced by the bookmakers in response to the lottery and the increase in sports betting has resulted in horseracing's share of bookmakers' turnover falling from 73% in 1994 to 69% earlier this year. There are signs that horseracing's decline in the overall share in the betting market has been arrested as it is stabilising at around 70%. Racing must, however, continue to provide a product that appeals to the punter, in addition to its other customers, the racegoer, owners and sponsors if it is to retain its share of the betting market.

The Levy Board's annual income in the year 1997/98 amounted to some £60m. Just over £55m is levy paid by the bookmakers, £3.25 is levy by the Tote and £2.25m is provided from gross interest and services to third parties.

4. Statutory purposes

The purposes to which the Board may put the levy are also laid down by statute, being one or more of the following:

- the improvement of breeds of horses
- the advancement or encouragement of veterinary science or veterinary education
- the improvement of horseracing

The Board allocates funds to each of the statutory purposes, with the major part, over 90%, to the improvement of horseracing.

The Board regards the provision of efficient integrity services as essential for both the horseracing and betting industries and applies a substantial part of the annual levy towards the funding of integrity services. In the last financial year £7.2m was provided for the funding of the camera patrol services required by the stewards, the photo-finish races and the starting stalls for Flat and All Weather races; £2.6m was provided to the Board's subsidiary the Horseracing Forensic Laboratory, for the dope testing of all winning horses, and other horses identified by the racecourse vets as required, and £5.1m for the provision of Jockey Club officials, such as the Starter, the Judge and the Stewards Secretaries, making a total of £14.9m to protect the integrity of racing in the interests of the owners, the racing public and punters. It is essential that all those involved in the outcome of races, whether as owners or punters, are confident that the sport is, and is seen to be, run fairly and properly regulated. In addition, over 50% of the annual expenditure in 1998, some £29m, was paid towards prize money.

The Board allocates its prize money to each racecourse in such a way as to give the racecourses the incentive to maximise their own executive contribution, and the contribution they obtain from sponsors and owners through entry fees. The greater a racecourse's contribution and its improvement in the annual league table indicating each racecourse's performance in this area, the higher the Levy Board's contribution towards the individual racecourse's prize money pool. Racecourses that under-perform and provide little executive contribution to the prize money paid will receive little or no incentive payments from the Levy Board on top of the basic prize money payment. Overall, the Levy Board's contribution to the total prize money pool has risen from 46% in 1990 to 48% in 1997.

In addition to the prize money contributions made by the Levy Board and the fixture fees towards the cost of providing the race-day officials at racecourses, the Board also makes fixture incentive payments to racecourses to encourage a balanced programme of racing throughout the year.

In addition to using its funds in those areas which are for the benefit of horseracing and which are beneficial to bookmakers, the Board also allocates funds to the other two statutory purposes. £1.3m was distributed in 1997/98 towards the advancement of veterinary science and education, by way of grants for research projects and residencies to develop and maintain a skilled pool of equine specialists in Great Britain.

In 1997 £1.35m was paid to the breeders of British-bred winners to encourage the thoroughbred breeding industry and a quarter of a million was paid to breed societies to support and protect the native breeds of horses and ponies. Additional grants are made towards horserace projects such as all-weather tracks, grants to apprentice training schools and in respect of industry training generally.

In addition to its annual payments and grants made by the Board for the benefit of horseracing, the Board also maintains a capital fund of just over £50m from which it annually provides about £10m of interest-free loans to racecourses to fund improvements to suitable facilities for horses, jockeys and racegoers. The Board encourages racecourses to provide modern facilities to enable the sport to compete with other sporting industries for the leisure pound. It is important that horseracing can offer facilities comparable with other sports and in the last ten years considerable advances have been made in providing modern grandstands, and upgrading the facilities for horses, jockeys and stable lads. Since the loans are interest free racecourses are required to repay them as quickly as possible in order that the capital may be recycled to other racecourses. The capital projects vary from large revenue producing developments such as the major Millennium Grandstand Project at Newmarket to loans to improve watering systems and drainage works for the improvement of racetracks, modern stabling and stable lads' hostels.

5. Certificates of Approval

The Board, in addition to collecting and expending the levy, issues the Certificates of Approval at racecourses which approve all the betting areas at racecourses.

By the Betting, Gaming and Lotteries Act 1963, betting is illegal unless conducted within the statutory exceptions. Betting on racecourses is made legal through the Levy Board's Certificate of Approval. The terms for the issue of the Certificates of Approval are set out in the 1963 Act which provides that the Board may issue Certificates of Approval, subject to such conditions as it may impose, with one mandatory condition, that a betting ring where bookmakers may resort is provided. The charge for admission to that betting ring is, by statute, restricted to no more than five times the fee paid by the public. Within the betting ring, bookmakers pay no more for the best-sited pitch than for the least attractive pitch in the far corner of the ring. The system of allocation of pitches is therefore of fundamental importance to bookmakers as the potential turnover varies considerably depending upon its position. The extent of the Board's powers to impose conditions upon the Certificates of Approval was the subject of considerable legal discussion in September 1998 when the National Association of Bookmakers challenged the Board's powers in this area.

The legal proceedings originated from the Board's intention to impose conditions on its Certificates of Approval relating to the administration of the betting ring. The decision to impose new conditions arose from the failure of the long-running talks between the National Association of Bookmakers, who had until 8th October 1998 administered the betting ring, and the Racecourse Association on behalf of the racecourses, to reach agreement on modernising the services provided in the betting ring. Racecourses are providing modernised facilities and services to the racegoer, whilst the on-course bookmakers were offering the same customers a service that had hardly changed since 1958 when the NAB first assumed responsibility for the administration of the betting ring.

The outward appearance and method of working of bookmakers have made no concession to modern working practices. Prices are still calculated in fractions despite the introduction of decimalisation. The on-course bookmakers provide the starting price to the betting shops, and as the vast majority of bets in shops are placed at the starting price it is important to ensure that the small number of bookmakers in any betting ring who set the price for the whole industry provide a competitive service. Punters, both on the racecourse and in the betting shops, must have confidence in the strength of the starting price. The Board therefore has a legitimate concern in the proper administration of the betting ring and the strength of the starting price.

In response to those concerns and to the lack of progress in the talks between the ring bookmakers and the racecourses, the Board appointed in October 1997 a sub-committee, comprising the three Government appointed members, to carry out a review of the betting ring and make recommendations to the Board in March 1998. The Review Committee carried out a full review and consultation with all interested parties and duly presented its report to the Board in March. The recommendations for change, which were accepted by the Board, proposed putting in place a new structure for the administration of the betting ring, transferring responsibility for the National Association of Bookmakers to a new body, the National Joint Pitch Council, which comprises Directors appointed by the Board and representatives from the ring bookmakers, the rails bookmakers and the racecourses.

The new arrangements, which came into force on the 8th October 1998, incorporate changes which will be fully implemented in the early part of next year with improved arrangements for the administration of the betting rings, both in the short and long term, which will result in higher standards of customer service, a strengthened integrity of the starting price, and a significant reduction in illegal betting. The betting ring will be revitalised to the benefit, not only of the bookmakers and racegoers, but also the racecourses and off-course punters.

The new arrangements include provisions for transfer of seniority positions thereby allowing new entrants to the betting ring, which will make for greater competition between bookmakers, for the benefit of the punters. Bookmakers must attend on a regular basis if they are to maintain their seniority position and the new Rules will encourage more full time bookmakers with the opportunity to purchase the best positions rather than allocating them upon long service, which has stifled competition. No longer will senior bookmakers be able to attend only on the biggest day of the year, displacing a regular attendee on the best pitch.

Bookmakers will be required to display their terms clearly, price-up ten minutes before a race and commit themselves to a maximum bet. By the end of 1999 all bookmakers will be required to provide tickets with full details of the bet, in place of the existing betting ticket. The use of computers will be encouraged. During the course of 1999 new modern joints will appear in the betting ring, and will be compulsory. Betting advisors in information booths with up-to-date betting shows beamed to the ring will be on hand to advise new punters and settle any disputes. New Betting Ring Managers now oversee the betting ring and ensure that the new rules are obeyed. The new Rules and the formation of the NJPC are designed to ensure that a modern competitive service is provided without restricting the colour and individuality associated with the betting ring, which is one of the main attractions of British racing.

The NAB challenged the interpretation of "subject to such conditions as they may impose" by seeking an injunction by way of judicial review on the grounds that the conditions that may be attached to a Certificate of Approval did not extend to the administration of the betting ring. In giving his judgement, in favour of the Levy Board, the judge recognised the need for change and in circumstances where there was no agreement for change between the on-course bookmakers and the racecourses, the Levy Board has the power to impose conditions on the administration of the betting rings to the Certificates of Approval and the changes outlined earlier were approved.

6. Approval of Betting Areas

The Certificates of Approval issued by the Levy Board, in addition to identifying the Betting Ring where the on-course bookmakers may ply their trade in accordance with the new imposed conditions, also approves the siting of on-course betting offices. The Tote's pool betting operations do not require authorisation by the Board, but the Tote Credit Offices do. Care is taken by the Levy Board when considering applications from racecourses for new betting areas to ensure that there is sufficient demand for the additional facilities, that the facilities are not sited in bar areas and would not weaken the betting ring.

7. Conclusion

The functions of the Levy Board extend beyond the public perception of acting merely as a collector of the levy. It seeks to ensure by the distribution and allocation of its funds and its issue of Certificates of Approval that betting turnover is maximised and that the integrity of racing is preserved for the benefit of owners, punters and racegoers and to maintain a balance between the wishes of the bookmakers and the needs of racing in the allocation of its funds. It encourages self help and seeks to ensure that the levy is not used merely as a subsidy upon which racing becomes reliant. It encourages bookmaking and racing to act together and its funds are applied to increase horserace betting turnover for the benefit of bookmakers and racing, through maximising the levy.