



**The Society for the Study of Gambling**

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# **Newsletter**

**Number 48 Autumn 2012**

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**Newsletter**

**Autumn 2012, Number 48**

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## **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, legal, social and economic aspects are concerned, and to inform and educate the public about these matters. In more recent times the Society has broadened its focus to include a wide range of issues relevant to the field of gambling.

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 gambling operators, regulators, academics, and those who work with problem gambling. 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.

### **Meetings**

The Society holds two meetings a year in London, usually in May and November. Meetings are held under The Chatham House Rule and cover a wide range of topics reflecting current gambling issues. In recent meetings this has included discussion on aspects of regulation, technology, research, and social responsibility.

### **Newsletter**

Talks and papers presented at the Society's meetings are often reproduced in the Newsletter at the invitation of the Editor and with the permission of the author. They are not intended to be an alternative to publication in a learned journal.

The Editor welcomes unsolicited manuscripts, book reviews, and other items which would be of interest to the Society's members.

An archive of previous newsletters is available on the Society's website:  
[www.societystudygambling.co.uk](http://www.societystudygambling.co.uk)

# CONTENTS

<b>Editorial</b>	<b>5</b>
Lorien Pilling	
<b>Policy Options for Internet Gambling</b>	<b>6</b>
Robert J. Williams, Robert T. Wood, and Jonathan Parke	
<b>Here We Go “Down that Wrong Road Again”: Casinos and Drugs Policies in the Netherlands</b>	<b>29</b>
William N. Thompson and Laura K. Thompson	
<b>Barnier’s Action Plan for European Gambling</b>	<b>41</b>
Jana Sedlakova	
<b>Gambling on Happiness: A Moral Conundrum</b>	<b>44</b>
Carolyn Downs	
<b>“Everyone that Comes into the Casino Stays”: Working Lives in a UK Local Casino</b>	<b>57</b>
Yvonne Guerrier and Guy Bohane	

## Editorial

Lorien Pilling, Research Director, Global Betting and Gaming Consultants

The decisions of politicians and the policy they introduce have great influence on the gambling industry and the nature of the gambling that can take place. This is one of the themes taken up in this edition of the newsletter and there are several articles looking at different aspects of gambling regulation.

Internet gambling has caused policy makers around the world particular problems in creating viable regulation. The opening article by Dr Robert Williams et al. assesses the approaches that different jurisdictions have adopted. The article is taken from the recently published *Handbook of Internet Gambling (Routledge, 2012)*.

Professor William Thompson's article focuses on gambling and drugs policies in the Netherlands and suggests that history might be repeating itself as the current government seeks to amend its regulation.

What the European Commission decides its policy will be with regard to internet gambling will have a significant impact on the regulatory landscape in Europe in the coming decade. Jana Sedlakova reports on the immediate reaction to Commissioner Barnier's speech in the summer of 2012.

Dr Carolyn Downs writes about attitudes to gambling and how the activity is perceived in society. She is currently seeking to develop a seminar series exploring sociological perspectives on gambling.

At the Society's meeting in May 2012 Professor Yvonne Guerrier and Dr. Guy Bohane from the University of Roehampton gave a presentation of their research into the social effects of casino gambling on those involved (both players and casino staff). They discuss their research in the final article of the newsletter.

## Policy Options for Internet Gambling

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It is republished here with kind permission of Dr Williams.

## CONTINUUM OF LEGAL APPROACHES<sup>1</sup>

Online gambling exists on a legal continuum. Currently, several countries prohibit most or all forms of online gambling. This includes Bermuda, Cambodia, China, Cuba, Germany, Greece, India, Malaysia, Romania, South Africa, and the Ukraine. In addition, many (predominantly Islamic) countries ban online gambling by virtue of their ban on all forms of gambling: Afghanistan, Algeria, Bangladesh, Bhutan, Indonesia, Iran, Jordan, Libya, Mali, Oman, Pakistan, Qatar, Saudi Arabia, Somalia, Sudan, Syria, United Arab Emirates, and Yemen (Online Casino Suite, 2011). At the other end are countries that have either completely legalized, or at least permit, all forms of online gambling. These include Antigua & Barbuda, Austria, Gibraltar, Liechtenstein, Netherland Antilles, Panama, Philippines, Slovakia, and the United Kingdom. In the middle are countries that have put some legal restrictions on it. For example, many countries allow certain forms (most typically online lotteries, instant lotteries, sports betting, horse racing) and make other forms illegal (most typically, casino games). Countries with this policy include Australia, Belgium, Brazil, Canadian provinces, Chile, Czech Republic, Denmark, Finland, France, Hong Kong, Hungary, Iceland, Israel, Italy, Japan, Latvia, Liechtenstein, Lithuania, Luxembourg, Macau, Netherlands, New Zealand, Norway, Poland, Portugal, Russia, Singapore, Slovenia, South Korea, Sweden, Switzerland, Taiwan, and the United States. Several jurisdictions allow participation in online gambling from domestic sites, but prohibit residents from accessing online gambling outside the country. Jurisdictions with this approach include Austria, Belgium, Denmark, Estonia, France, Germany, Hong Kong, Hungary, Israel, Italy, Norway, Slovenia, South Korea, and the United States. Some countries go further to restrict patronage of domestic online sites to residents only (e.g., Austria, Canadian provinces, Finland, Philippines). Finally, a few countries permit online gambling, but prohibit their own residents from accessing these sites (e.g., Australia for online casinos, Malta, Papua New Guinea).

Because of the newness of online gambling, there are also many countries that have no specific legislation that addresses it (e.g., many Central and South American countries (Fonseca-Sarmiento, 2010) and several African and Asian countries (Online Casino Suite, 2011). The legal approach in many countries also tends to be in flux. For example, some countries with prohibitionist stances have subsequently legalized online gambling or have indicated an intent to legalize it (e.g., Greece, Romania). Other countries that previously had legal online gambling have subsequently opted for a more prohibitionist stance (e.g., Cyprus, Germany, Poland, Russia, South Africa). Many other countries have changed their regulations regarding permissible forms, or how online gambling can be delivered. Part of this is driven by legal challenges to restrictive gambling laws that interfere with the free flow of goods and services. In particular, the European Commission has pressured several

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<sup>1</sup> The information in this section was collected by the first author from a considerable number of sources too numerous to list. Certain online gambling portals were helpful starting points: [www.casinocity.com](http://www.casinocity.com), [www.gamingzion.com](http://www.gamingzion.com), and [www.onlinecasinosuite.com](http://www.onlinecasinosuite.com) (World Gambling Review). Because the legal/regulatory situation is in constant flux, the information provided in this section should only be considered accurate as of July 2011.

countries that provide monopolistic online gambling to open their borders to competition to other member states in the European Economic Area (Haberling, 2012; Hornle & Zammit, 2010; Littler et al., 2011). The World Trade Organization has taken similar action against the United States.<sup>2</sup>

This diversity of legal approaches to Internet gambling is reflective of the lack of consensus about the appropriate legal stance that should be taken. The fact of the matter is that there are several good arguments for both prohibition and legalization of Internet gambling. The primary purpose of this paper is to elucidate these arguments to guide policy makers in their decision making.

## LEGALIZATION VERSUS PROHIBITION

The main arguments for legalization are as follows:

1. It is **very difficult to effectively prohibit online gambling**. This is because of the difficulty in blocking individual players' online access to these sites, and the difficulty in prosecuting companies that legally provide these services from other countries (e.g., Andrie, 2004; Bell, 1999; Clarke & Dempsey, 2001; Crowne-Mohammed & Andreacchi, 2009; Eadington, 2004; Friedrich, 2003; Parke and Griffiths, 2004; Watson et al., 2004).
2. It is **never a good thing to have laws that are widely disregarded as it may foster disregard for the general rule of law**. Some commentators cite the widespread societal disregard for alcohol prohibition as a model of what would happen with online gambling prohibition (e.g., Schmitt, 2007).
3. Creating domestic online gambling sites would **stem the outflow of revenue that is leaving the country and create economic benefits for the jurisdiction** (employment, increased government revenue). In addition, some of the new online gambling revenues could be used for the prevention and treatment of online problem gambling (e.g., Bell, 1999; Vandall, 2008).
4. Legally regulated sites would **better ensure player protection** (fair games, responsible gambling practices) (e.g., Parke & Griffiths, 2004; Pereira de Sena, 2008; Watson et al., 2004) and deter

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<sup>2</sup> In 2004 the World Trade Organization (WTO) ruled that the U.S. prohibition of online cross-border gambling services offered by Antigua and Barbuda to U.S. customers violated its commitment to free trade in gambling services it had made in the General Agreement on Trade and Services (Kelly, 2006; Rose, 2007). A U.S. appeal of this ruling in 2005 was unsuccessful. The appeal ruling noted that a legally permissible prohibition of online gambling to protect 'public morals' or 'maintain the public order' could not be used because the U.S. legally permits telephone and online wagering on horse racing across state lines. It is important to note that the U.S. has not altered its prohibitionist stance toward online gambling despite these 2004 and 2005 WTO rulings.

such things as money laundering.<sup>3</sup> The player protection features that currently exist on many unregulated foreign sites tends to be fairly minimal (Wiebe, 2006; Williams, Wood & Parke, 2012). Related to this point is that online gambling offers greater potential for player protection compared to many land-based forms of gambling. This is because the player's behaviour is recorded and therefore potentially available to analysis and automatic intervention (by either the player himself/herself or by a proactive operator).

5. It should **not be the job of the state to shape people's leisure behaviour** or how they spend their money even if engagement in this behaviour does harm some people (i.e., people should have freedom of choice) (e.g., Bell, 1999).
6. Research has found that the average household income of Internet gamblers tends to be *higher* than average (Wood & Williams, 2009). Thus, a **greater portion of Internet gambling revenue likely comes from middle and higher income people** *relative to what occurs for other forms of gambling*.
7. **It is inevitable** that online gambling will eventually be legally available on a widespread basis. In the past 30 years, whenever a new form of gambling or regulatory practice has been introduced in one jurisdiction, most other jurisdictions have followed suit. Expansion of gambling to the Internet is also just a natural 'evolution' that takes advantage of this important new medium for game play, communication, and financial transactions. Financial markets experienced a similar expansion to the Internet in the late 1990s. Online stock trading is now widespread.
8. Online gambling offers **better value to the consumer**. Online sites have the potential of providing better odds to the consumer because of having lower overhead costs. In addition, anything that increases competition within the market will lower the cost of the product. This has been most evident with sports betting, where online sites have effectively eroded the 'take-out' or 'hold' of bookmakers, to the benefit of consumers (Forrest, 2012).
9. Even if online gambling does initially increase rates of problem gambling, the evidence from land-based gambling suggests that, **over time, populations adapt to the presence of problematic products and develop some 'inoculation' from further harm** (LaPlante & Shaffer, 2007; Shaffer, LaBrie, and LaPlante, 2004). As evidence, the rates of problem gambling in Western countries appear to have stabilized or declined in recent years despite continuing expansion of gambling availability and increased revenues (Williams & Volberg, in press). Furthermore, an argument can be made that unless the populace will *never* be exposed to this product then it may be better to develop this inoculation early on rather than later.

However, there are also many compelling arguments for prohibition of Internet gambling and counterpoints to several of these above arguments:

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<sup>3</sup> This is similar to the arguments put forward for legalization of illicit drugs, prostitution, and euthanasia, and to the historical arguments for the legalization of gambling and alcohol.

1. The **purpose of the law is not to conform to people's behaviour, but to a) help shape it, and b) codify societal values.** There are several other online activities that are very difficult to control (e.g., child pornography; sites promoting illegal behaviour, sites containing hateful content toward certain groups). There are also many laws which the general public does not strictly adhere to (e.g., illicit substance use; drinking and driving; declaring all taxable income; etc.). However, just because a law is difficult to enforce does not mean that the activity should be legalized. Rather, legal efforts to limit these activities are somewhat helpful, and certainly preferable to no action and/or legalization.

There are three primary legal approaches to limiting illegal online gambling. One is legislation that prohibits the consumer from participating in it. This can be total prohibition of participation in all forms of online gambling as is done in China, or just prohibition of participation in foreign online gambling sites, as is done in Austria, Belgium, Denmark, Estonia, France, Germany, Hong Kong, Hungary, Israel, Italy, Norway, Slovenia, South Korea, and the United States.<sup>4</sup> However, the deterrent effect of these laws is likely very modest, as very few of these jurisdictions actively enforce these laws.

Another approach is to legally prohibit financial institutions from processing payments to online (usually foreign) gambling sites. This approach is currently used in Belgium, Estonia, France, Hungary, Israel, Malaysia, Netherlands, Norway, and the U.S.<sup>4</sup> Here again, the deterrent effect of this legal approach is likely quite modest, considering that there are many foreign financial intermediaries that provide a means to circumvent these rules (some of which have been created to meet this need) (Wood & Williams, 2009).

A final approach is to legally constrain what citizens have access to via their Internet Service Provider (ISP). People are often reticent about "Internet censorship" as they associate the concept with the pervasive Internet censorship that occurs in non-western countries such as China, Cuba, Iran, North Korea, and Saudi Arabia (OpenNet Initiative, 2011). However, as simply another form of broadcast medium it is unclear why the Internet should be treated differently from current Western laws regarding what can be legally broadcast on television, radio, or newsprint. In any case, "Internet censorship" has actually been occurring in Western jurisdictions for many years and is becoming increasingly common. Of their own initiative, Internet Service Providers in several countries have been filtering out content/websites that involve child pornography, promote hatred or violence against certain groups, or is offensive or illegal in some manner. This currently occurs in Australia, Belgium, Canada, Czech Republic, Denmark, Finland, Iceland, Netherlands, New Zealand, Norway, Sweden, and the United Kingdom (OpenNet Initiative, 2011). Although ISPs in these countries have done this without any legal requirement to do so, governments in most of these countries have often subsidized, encouraged, or somehow facilitated these efforts (OpenNet Initiative, 2011).

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<sup>4</sup> The information in this section was collected and verified by the first author from dozens of different sources. Because the legal/regulatory situation is in constant flux, the information provided in this section should only be considered accurate as of July 2011.

A smaller group of Western jurisdictions have gone further and have explicitly legislated ISPs to filter out material unsuitable for minors (certain Australian states), child pornography (Italy, France, South Africa), illegal copyrighted content (France) or terrorism and racial hatred (France) (OpenNet Initiative, 2011). It is fair to say that the additional desire to restrict access to *online gambling* has helped spur these legislative constraints on ISP content. In 2006 Italy became the first country to require all Italian ISPs to block local access to a 'blacklist' of foreign online gambling sites (Haberling, 2012). Several other Western countries have since enacted similar legislation: Belgium, Denmark, Estonia, France, Germany, Israel, Italy, and Slovenia.<sup>4</sup> Although it is not that difficult for technologically sophisticated people to circumvent ISP blocking, it is nonetheless expected that this approach has somewhat greater deterrent effect than financial blocking or laws prohibiting consumer participation.

2. **General disregard for the rule of law is more of a risk when prohibiting something the majority of people engage in (e.g., alcohol use) rather than when prohibiting something only a minority of people engage in (e.g., Internet gambling).** The prevalence of Internet gambling in most countries *that do not expressly permit it* is only in the range of 0.1% - 3% (Wood & Williams, 2009). This is roughly equivalent to the world wide prevalence of illicit 'hard' drug use (heroin, cocaine, ecstasy, methamphetamine) (UNODC, 2010), which very few countries have contemplated legalizing. Although the prevalence of Internet gambling may continue to increase in the next few years, it is also important to recognize that its relatively low market penetration after 16 years of existence (even in countries with permissive legislation) suggests it may only ever be a small niche market.
3. **Legalization will likely increase rates of problem gambling** (although the *jurisdiction-wide* rate of problem gambling will only increase to the extent that Internet gambling is widely patronized). There are two reasons for this. One is simply the fact that legalization of a product or service usually provides sanctioning and increased availability. This, in turn, typically results in at least a temporary increase in overall use. This is evident when legalizing new forms of gambling (e.g., Williams, Belanger, & Arthur, 2011), as well as the legalization/decriminalization of prostitution (Jakobsson & Kotadam, 2010; Raymond, 2003), abortion (Alan Guttmacher Institute, 2008), and cannabis (MacCoun, 2010). Worldwide, the drugs that typically cause the most problems in society are usually not the illegal ones, but rather the legal ones: i.e., alcohol, prescription drugs, tobacco.<sup>5</sup>

The prevalence of online gambling in each country roughly parallels its legal availability (Wood & Williams, 2009). For example, the U.K. has one the world's most liberal Internet gambling laws as well as the world's highest known rate (past year) of Internet gambling (14% in 2010,<sup>6</sup> NCSR, 2011). Furthermore, there is good evidence of increased Internet gambling participation subsequent to legalization or liberalization (e.g., Jonsson, 2012). Unfortunately, one of the basic tenets of 'single distribution theory' is that *with increased overall participation comes a reliable increase in problematic use in the general population* (Grun & McKeigue, 2000; Lund, 2008; Rose, 1985).<sup>7</sup>

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<sup>5</sup> This is not to say that the legal status of these drugs is exclusively responsible for their high rate of associated problems (i.e., alcohol would still cause problems even if it was illegal, due to its popularity).

<sup>6</sup> Although 50% of this is only buying lottery tickets online.

<sup>7</sup> This is an overall relationship that obscures differential impacts within specific subgroups.

The second reason that legalization will likely increase rates of problem gambling is because the nature of online gambling makes it inherently more problematic than most other forms of gambling. This is due to its greater convenience, 24 hour access, ability to play when intoxicated, lack of player protection features, the solitary nature of the play, the fact that gamblers are playing with 'electronic' cash, the ability to play multiple sites/games simultaneously, and because it is more difficult for *Internet* problem gamblers to curb their behaviour (i.e., it is much easier to avoid land-based casinos, racetracks, and bingo halls than it is to avoid computers or the Internet) (Griffiths, 1999; Griffiths, 2003; Griffiths and Parke, 2002; King, 1999; King and Barak, 1999; Schull, 2005; Wood, Williams, and Lawton, 2007).

Not surprisingly, then, research has found that the prevalence of problem gambling is 3 to 4 times higher among Internet gamblers compared to non-Internet gamblers (Griffiths and Barnes, 2008; Jonsson, 2012; Ladd and Petry, 2002; Wood and Williams, 2007; 2009). However, while there are good theoretical grounds to believe that Internet gambling contributes to problem gambling, it is also quite possible that problem gamblers have simply added Internet gambling to their repertoire. To date, there is very limited evidence on the directional nature of this relationship. However, very recent longitudinal research in Ontario, Canada has found that both directional routes occur, as well as simultaneous development of Internet gambling and problem gambling (Wood, Williams, & Parke, 2012). Nonetheless, *Internet gambling leading to problem gambling tends to be a more common route than either of the other pathways* (Wood, Williams, & Parke, 2012).

4. **Player protection tools are likely to have modest efficacy.** It is true that online gambling gives online operators and players better ability (compared to some land-based forms of gambling) to potentially monitor online gambling behaviour and proactively intervene (e.g., algorithms that alert the player to 'risky' gambling behaviour; players setting limits on time or money spent, or allowing the person to temporarily block all his/her activity on the site) (Griffiths, 2012; Williams, 2010). It is also true that there is currently considerable interest among some operators to provide these tools.

However, the problem is that the pre-commitment constraints that most online sites allow players to impose tend to be voluntary, of short duration, and sometimes revocable. Drawing upon the lessons of problem gambling prevention research (Williams et al., 2007; 2008) as well as the research that exists on the general effectiveness of 'pre-commitment' strategies (land-based or online), it is reasonable to surmise that these types of constraints are of primary benefit to non-problem gamblers (which may or may not translate into a decreased future incidence of problem gambling), but are unlikely to have significant benefit to the compulsive and addictive behaviour of pathological gambling (Griffiths, 2012; Nower & Blaszczynski, 2010; Williams, 2010).<sup>8</sup>

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<sup>8</sup> Only a minority of people use player protection tools when they are voluntary, and often not the people most in need of these restraints (Williams, 2010). It is also unrealistic to expect that compulsive gamblers will be ready and able to gamble responsibly following a one week or one month imposed break. The primary benefit to problem gamblers who opt to use these tools is likely the ability of these tools to potentially inhibit within-session 'chasing' (at that particular site).

However, even if mandatory, longer-term, and irrevocable constraints were available (as they will undoubtedly be on a few of the more socially responsible sites<sup>9</sup>), a significant disadvantage of online gambling is the ability of the player to circumvent these restrictions by directing his/her play to over 2,000 other sites (recognizing that problem gamblers are much more likely than nonproblem gamblers to patronize non-domestic sites to begin with, e.g., Jonsson, 2012). It is very unlikely that there will ever be a system whereby constraints and/or banning at one site will be universally recognized and adopted at other sites. Despite many years of ongoing efforts to create industry-wide standards, only a minority of sites and/or owners have sought and/or received eCOGRA certification (E-Commerce and Online Gaming Regulation and Assurance) or membership in the Remote Gambling Association (Williams, Wood & Parke, 2012)<sup>10</sup>. Furthermore, the online gambling industry has expressed reluctance about cross-operator application of player-imposed restrictions because of privacy issues, cost, trust, and differing technology standards (Dragicevic, 2011). The reality is that effective preclusion of 'site jumping' minimally would require legislation requiring domestic Internet Service Providers to block foreign online gambling sites and for there to be active enforcement of this legislation.

There is also a potentially important historical lesson from alcohol. The re-introduction of legal alcohol following prohibition was coincident with, and facilitated by, the simultaneous introduction of several policies that were thought to have the ability to minimize the harm of alcohol (Catlin, 1931; Fosdick & Scott, 1933). For example, it was common in several Western jurisdictions to require people to apply to the police for a permit to purchase alcohol; for there to be limits on the amount of alcohol that could be purchased by any individual in a certain period of time; and for alcohol vendors to refuse to sell alcohol and/or blacklist customers who were buying suspicious amounts of alcohol (Catlin, 1931; Fosdick & Scott, 1933). Some jurisdictions (e.g., Quebec) allowed third parties (employers, relatives, ministers/priests) to ban the sale of alcohol to individuals they deemed unable to use it responsibly. In the United States, it was illegal to sell alcohol to any Native American Indian. Finland employed a buyer surveillance system which sent social workers for a home visit to those who seemed to be purchasing too much (Järvinen, 1991). The point being made is that the introduction of these 'consumer protection' policies helped facilitate the end of alcohol prohibition and reassure everyone that alcohol could be delivered in a safe fashion. However, almost all of these policies were gradually eroded away following their initial introduction (despite their utility) are now just a distant memory.

**5. Without ISP blocking, only a portion of online gamblers will patronize a new domestic site, resulting in small or negative financial benefits to the jurisdiction and a modest increase in overall player protection.**

Creating new domestic opportunities provides no assurance that people will voluntarily patronize these domestic sites so as to capture the money that is leaving. This is a fairly saturated and mature market for new online companies trying to break in to. Legally-sanctioned

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<sup>9</sup>As exists in land-based gambling, there will always be a minority of jurisdictions who implement truly effective prevention techniques. However, this practice will never be widespread, partly because of the philosophical orientation of many gambling providers that the onus for responsible play lies with the player, and partly because truly effective prevention techniques compromise profits (see Point #6).

<sup>10</sup> In August 2011, eCOGRA listed 165 approved sites, only somewhat higher than the 116 listed in August 2007. Furthermore, only 4 of the top 50 online gambling sites identified by [www.online.casinocity.com](http://www.online.casinocity.com) currently have eCOGRA certification (i.e., Party Poker, 888 Casino, Party Casino, bwin Sportbook). The RGA only has 30 member companies, with only 12 of the top 50 site owners identified by [www.online.casinocity.com](http://www.online.casinocity.com) as having membership.

domestic sites (with better business and responsible gambling practices) will only be patronized to the extent they offer a competitive advantage to the consumer, which is often difficult to achieve. Existing 'offshore' jurisdictions will always retain a strong competitive advantage because of their longer established presence as an Internet gambling host, fewer regulations, less stringent enforcement of these regulations, and having much lower fees and taxes (Wilson, 2006).<sup>11</sup> The competitive advantages that larger and better regulated jurisdictions possess include: better player protection (fairness of games, responsible gambling practices, etc.), a more stable political environment, better capital markets, better bandwidth and hosting capabilities, and a larger pool of skilled workers (American Gaming Association, 2006; Wilson, 2006).<sup>12</sup> However, it is clear that there will always be many sites available willing to accept any patron with money.

Recognizing that overall prevalence will increase with legalization, unless there is an effective way of ensuring patronization of domestic sites (i.e., rigorous enforcement of ISP filtering/blocking), legalizing online gambling and providing domestic access may actually *increase* monetary outflow, rather than retaining it.<sup>13</sup> For example, the introduction of a legal domestic online poker site in Sweden in 2006 produced a significant increase in the prevalence of online poker play, but only a 27.5% capture of the market (although another 25% of Swedish online poker players reported patronizing several sites that included the domestic site) (Jonsson, 2012). In France, it is estimated that only 43% of the market is currently captured by legal domestic sites (MAG, 2011). In the U.K., it has been claimed that only 25% of the estimated 2.5 billion pounds that U.K. consumers currently spend on Internet gambling goes to operators licensed by the U.K. Gambling Commission (U.K. Hansard, 2011).

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<sup>11</sup> For example, Kahnawà:ke only charges a \$10,000 annual licensing fee, with no taxes. By comparison, the U.K. imposes a 15% tax on online gambling profits.

<sup>12</sup> A survey of six of the world's largest online gambling operators found that their choice of jurisdiction in which to locate their operations in was primarily based on the ability to repatriate funds; bandwidth and hosting capabilities; low gambling taxes; a commercial regulator; clear and comprehensive regulations; stable policy; and low corporate taxes (Mpande Advisors, 2005).

<sup>13</sup> This is the lesson of creating domestic casinos in North America in an attempt to capture gambling dollars that were being spent in Nevada and Atlantic City. The first author (Williams) has studied this in the provinces of Ontario, British Columbia, and Alberta, and in all cases found that trips to out-of-province casinos increased subsequent to the creation of domestic casinos (Blue Thorn et al., 2007; Williams, Belanger, & Arthur, 2011). Nevada actually experienced one of its greatest periods of expansion and increased revenues coincident with the introduction of domestic casinos in Canada and the United States in the late 1980s and 1990s. One reason for this is that the creation of domestic gambling opportunities tends to increase overall participation in casino gambling, which leads to a corresponding increase in out-of-jurisdiction casino patronization. Another reason appears to be that participation in domestic casino gambling increases people's interest in visiting major international gambling destinations.

It is also important to recognize that the amount of online gambling revenue currently leaving most jurisdictions is usually fairly insignificant and does not currently justify creating domestic sites to try and recoup it. For example, the Minister of Finance in the province of Ontario in Canada indicated that Ontario will be introducing online gambling in 2012, primarily “to recoup an estimated \$400 million per year that is spent on offshore sites” (Artuso, 2010). However, even if this figure was true, it compares to an Ontario Gross Domestic Product of \$550 billion. Thus, the loss only constitutes .07% of GDP. Most other jurisdictions have a similar very small percentage of GDP going to online gambling.

6. **A significant portion of online gambling revenue comes from problem gamblers.** Prior research has established that problem gamblers contribute approximately 1/3 of revenue from all types of gambling (Australian Productivity Commission, 1999; Williams and Wood, 2004, 2007). In a study by Wood & Williams (2009), problem gamblers accounted for 41.3% of all online gambling losses in Canada, and 27.0% internationally. It is ethically problematic to introduce new forms of revenue generation that are known to be disproportionately derived from a vulnerable segment of the population, especially in cases where the government is the primary operator and/or beneficiary.
7. **Online stock market trading has not been beneficial.** Research has found that investors who switched from phone-based to online trading trade more actively, more speculatively, and less profitably than before (underperforming the market by around 3%). This appears to be due to overconfidence, augmented by self-attribution bias and the illusions of knowledge and control (Odean & Barber, 2002). Furthermore, the greater individual investor access to the stock market that has occurred with online trading has significantly exacerbated the losses that individual investors typically make relative to less active and speculative institutional traders (Barber, Lee, Liu, & Odean, 2009). Online trading has also created a large number of ‘day traders’, who almost always lose money in the long run (Barber, Lee, Liu, Odean, 2004).
8. **Legalizing online gambling and redirecting some of the revenue into prevention and treatment does not offset the harm that would likely be caused.** First, educational efforts to prevent problem gambling have fairly limited efficacy (Williams et al., 2007; 2008). Second, most of the financial, psychological, social, work/school, legal harms associated with problem gambling cannot be undone. Once an addiction has been established, a lifelong propensity for this behaviour has been created. Treatment helps decrease risk of relapse, but does not eliminate it. Internet problem gambling is also difficult thing to treat. As mentioned earlier, people who develop addictions to land-based forms of gambling can make efforts to avoid their exposure to these things (and/or ban themselves). However, it is much more difficult for most people to avoid the use of computers or the Internet.

## **INTERMEDIATE SOLUTIONS**

There are several intermediate solutions that tend to be more common than either total prohibition or total legalization.

For example, less problematic and contentious forms of Internet gambling could be legalized (e.g., purchase of online lottery tickets or perhaps sports betting). The main concern here is that it then becomes a 'slippery slope'. Many jurisdictions that currently allow all forms of online gambling started with the legalization of online lotteries and sports/race betting and then expanded to other forms. More generally, the initial legalization of land-based lotteries in Western countries in the 1970s was followed by the successive legalization of all other forms of gambling in subsequent decades.

Another approach is just to prohibit access to foreign online gambling sites so as to decrease monetary outflow and to better ensure patronage of domestic sites having better player protection. However, without rigorous ISP filtering/blocking this type of legislation is difficult to enforce. As stated earlier, a downside of domestic legalization is that it will likely increase overall participation in Internet gambling and, therefore, at least a temporary increase in the numbers of problem gamblers.

A third option would be only to allow *non-residents* access to domestic sites (a strategy that was historically used for land-based casinos in many countries). While there is both economic and social value in such a policy, other countries are likely to see this as a Machiavellian and predatory approach. Furthermore, this policy also provides some legitimacy and potential encouragement of online play among domestic residents.

## **THE BEST LEGAL APPROACH IS SOMEWHAT DEPENDENT ON THE INDIVIDUAL JURISDICTION**

Support for prohibition, legalization, or something in between hinges on the relative importance different individuals and different societies place on each of the above arguments. Furthermore, the 'best' regulatory stance will depend somewhat on the circumstances of the individual jurisdiction:

- Jurisdictional regions (e.g., Europe) that are able to establish high quality industry practices across all individual jurisdictions have greater potential for delivering fair games, minimization of criminal activity, capture of the domestic market, and minimization of social harm.
- Jurisdictions with highly functional/resilient populations having low rates of social problems and addictive behaviour despite widespread availability of addictive products are not likely to be as negatively impacted by Internet gambling legalization as jurisdictions with more vulnerable populations having high rates of existing social problems and addictive behaviour.
- Jurisdictions with small populations will accrue proportionally greater economic benefits with Internet gambling legalization compared to large jurisdictions, as the majority of online gambling revenue for small jurisdictions will come from outside the jurisdiction (i.e., from the U.S., China, and European countries with large populations), and represent a true influx of wealth rather than just domestic money being redistributed.
- Regulatory policy needs to take public attitudes into account. There are attitudinal differences between jurisdiction concerning whether online gambling should be legalized. Wood & Williams (2009) found that roughly 65% of people in Caribbean countries, Europe, and the United States favoured legalization of all forms of gambling, whereas this percentage was closer to 50% in Canada, Asia, and South America, and less than 45% in Africa, Australia and New Zealand.

## **BEST WAY OF PROVIDING LEGAL ONLINE GAMBLING**

In jurisdictions where online gambling is permitted there is wide divergence concerning how it is provided and who provides it. There are four basic approaches:

- A free market approach that allows commercial operators from any country to provide online gambling services in a manner similar to other commercial products (although sometimes taxed at a much higher rate). This is the approach used in countries such as Alderney, Antigua & Barbuda, Australia, Cyprus, Gibraltar, Ireland, Isle of Man, Italy, Kahnawà:ke Territory, Malta, and Netherland Antilles.
- Restricting the provision of all online gambling to one or two government owned or government controlled providers. This is the approach currently used in countries such as Brazil, Canada, Denmark, Finland, Hungary, Iceland, Israel, Luxembourg, Netherlands, Norway, Slovenia, South Korea, Sweden, and the Ukraine.
- Restricting the provision of all online gambling to private monopolies (e.g., Austria, Hong Kong, Macau, Portugal, Singapore).
- A mixture of government controlled monopolies (most typically providing online lotteries) and private commercial offerings (e.g., Belgium, France, Liechtenstein, Lithuania, New Zealand, Philippines, Slovakia, United Kingdom).

Essentially, the main issues are whether online gambling a) should be provided by the government or private commercial provider(s), and b) whether it should be provided by a single entity (monopoly) or multiple providers. An extensive literature exists on the benefits and drawbacks of each of these approaches in the delivery of various consumer products. It is beyond the scope of this paper to provide a review of this more generic literature. However, it is worthwhile to at least identify the main issues as they potentially relate to online gambling.

One of the arguments in favour of government delivery/control of online gambling is that it better ensures all domestic gambling revenue will be captured and stay within the jurisdiction, something that would likely occur to a lesser extent with private delivery. However, this is not a particularly strong argument, as revenue capture from private delivery could be quite high if there were high taxation rates, and private operators were also required to be locally based. Furthermore, this approach redirects money from wealth-producing sectors of the economy (i.e., private business) to sectors not known for wealth creation (i.e., government) (e.g., Gwartney, Holcombe & Lawson, 1998). Also, monopolistic delivery (of any kind) decreases the likelihood that online gambling will be provided in the most cost-efficient and commercially appealing manner, which may result in less overall revenue to the state.

Further to this last point, it is clear that competition among multiple online gambling providers better ensures a cost-efficient and appealing consumer product compared to monopolistic delivery (Forrest, 2012). However, it must also be recognized that a free market may also come at the cost of less player protection, as an open marketplace creates competitive pressure for having fewer restrictions. For example, when casino gambling was first introduced throughout the United States in the late 1980s, several player protection policies were routinely put in place (e.g., small maximum bet limits, maximum loss limits, no credit, etc.). However, to obtain a competitive advantage, casinos that opened in neighboring states tended to be slightly less restrictive (Schwartz, 2006). Over time, a level playing field developed such that currently there are almost no casino player protection policies in place in any state.<sup>14</sup> (Note also the earlier point about restrictions on alcohol provision gradually being eliminated after they were initially implemented). There is no doubt that this movement toward an unrestricted playing environment is partly driven by player preference. However, what may be preferred by most is not necessarily the best for everybody or for society more generally.<sup>15</sup>

A stronger argument for government control/delivery of online gambling is that it potentially provides better player protection because protection of its citizens would be of greater concern to the government than a private commercial provider (especially if it was offered in monopolistic way where there would be less need to compete with commercial offerings). There are some important lessons from the alcohol field, where the evidence indicates that monopolistic and/or government involvement in alcohol provision is associated with less harm to the general public (Miller et al., 2006; Popova et al., 2011; Wagenaar & Holder, 1996). However, the argument is sometimes made that acting in the best interests of its citizens is seriously compromised in the situation where the

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<sup>14</sup> One of the very last player protection policies remaining was Missouri's prohibiting casino gamblers from losing more than \$500 in 2 hours. This maximum loss policy was recently removed after several years of intensive lobbying by the Missouri casino industry to 'level the playing field' (Volkman, 2008).

<sup>15</sup> There are many laws that put constraints on the general public's unfettered use/ownership/provision of firearms, motor vehicles, and alcohol, even though these laws are primarily needed to deter the activities of a small minority of people who may use these things irresponsibly. Most people (not all!) accept these general restrictions, as it helps produce a healthier/safer society overall.

government also receives major financial benefits from the activity (Adams, Raeburn, & de Silva, 2009; Orford, 2009). While it is clear that prevention and treatment initiatives for problem gambling are more common in jurisdictions where government is the provider of gambling and/or receives most of the revenue (e.g., Canada, most European countries), it is also clear that most of the prevention initiatives that governments have chosen to implement have also tended to be the least effective ones that do not compromise revenue (Williams, West & Simpson, 2007, 2008).<sup>16</sup>

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<sup>16</sup> Most of these initiatives have focused on the fairly weak strategy of better education of consumers as opposed to more effective policy initiatives that constrain the availability of gambling and how it is provided. This is not the case in all jurisdictions. Some countries have enacted legislation that targets this conflict of interest and/or requires gambling providers (government or otherwise) to *effectively* mitigate the harm from the provision of gambling. This has been done to some extent in Germany, the Netherlands, and Switzerland. Germany has legislation that among other things a) prohibits the pay of gambling provider executives to be tied to gambling revenue; b) requires that the monitoring of compliance with gambling regulations be done by authorities not connected to the fiscal interests of the state; c) requires all new gambling products to be reviewed by an advisory board of gambling addiction experts prior to their introduction; d) requires gambling providers to detect and exclude problem gamblers from gambling venues (Meyer, Hayer & Griffiths, 2009). The Netherlands prohibits gambling providers from making a personal profit. All games are either for 'good causes' or taxes; the one exception is slot machines outside of casinos.

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## Here We Go “Down that Wrong Road Again”: Casinos and Drug Policies in the Netherlands

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In 1976, the Netherlands embraced two policy initiatives which encompassed similar objectives. One involved casino gambling, the other involved marijuana (cannabis) use. Over the years, these policies have taken the public down several paths. In some cases the paths have been similar, in others cases, they have been different. They have sometimes led to desired results (the right road), while at other times they have led to undesirable results (the wrong road). Now in 2012, without an observable crossroad or even fork in the road, The Netherlands is poised to deviate from a right road to travel down a wrong road. It is “kinda” like an old Crystal Gayle song from the 1970s: “*Down that Wrong Road Again*”. (1)

In 1976 the Netherlands experienced a wave of illegal gambling. (2) During this time, the Netherlands also experienced increases in the public’s usage of illegal drugs, especially marijuana. Moreover, it was believed that the unregulated use of marijuana led individuals into the use of harder drugs such as heroin and cocaine. (3) These were two problems that cried out for the same form of solution: legalization. Policy makers believed that the legalization of casinos could make citizens turn away from illegal casino games.(4) Similarly they believed that the legalization of Coffee Houses that were permitted to sell marijuana would not only reduce the overall consumption of marijuana but would also have the effect of turning citizens away from using illegal harder drugs through the separation of markets.(5)

The road that was chosen concerning casinos proved to be a twisting and difficult one, and for over a decade it seemed to be “the wrong road.” To win majority parliamentary support for legal casinos, policy makers had to give assurances to the public that the new gambling product would not be linked to the bad influences involved on the existing illegal gambling scene. (6) The control over the creation and operation of the casinos was given to a new governmental corporation. The casinos were not authorized to be in the major cities with their existing dens of inequities, but rather in three resort communities: two near the sea, and one in far forest lands near the border of Germany.(7)

The casinos were specifically forbidden from hiring any personnel who had experiences working with illegal gambling establishments. As a result of this decision, the government hired a foreign company with experienced casino dealers. Casinos Austria brought in many foreign dealers who could not speak Dutch. They were charged with the task of training new dealers who were hired from the local population. Yet instead of providing ethical training for the new dealers, they trained many on

how to cheat the casino by skimming off winnings for their own pockets. A major skimming scandal ensued. One motivation for which was that these foreign dealers were specifically hired to be temporary workers who knew they would soon be out of work, and therefore be leaving the country. By the time all was discovered, most had left and were beyond the reach of law enforcement.(8) Perhaps the biggest mistake in not hiring the Dutch who had gaming experience, albeit in illegal houses, was that these workers had a political presence. They demanded that they have work, and although they had previously worked in illegal houses, they had supporters who believed that their work should not be terminated by closing the businesses.(9)

The new government casinos were open for only afternoons and evenings, from 1:30 p.m. to 2 a.m. Players had to present identification cards and their names were recorded. They also paid a door fee.(10) The players had to be smartly dressed, and required coats and ties for men. The gaming stakes were rather high, and there were no slot machines. Furthermore, there were no complimentary services. Food and drinks were served in areas separate from the gaming floor, and the players paid for everything they consumed. There was no credit given to gamblers. Marketing and advertising campaigns were restricted. They could not be aimed at minors, nor could they suggest that gambling brought “easy money.” They could not use television or radio. Moreover, the government imposed a 25% tax on player wins in excess of \$500.(11)

A major point in the 1976 drug reform law was to distinguish between hard (schedule I) drugs such as heroin, cocaine, and LSD, and schedule II softer drugs such as marijuana (cannabis). In addition to being permitted to cultivate up to 5 grams of marijuana by oneself, a person could smoke marijuana in what was called a coffee shop—albeit the main product for sale and consumption was not coffee. (12) An informal norm followed throughout The Netherlands that one would not smoke marijuana in public. Enforcement of the new law would be somewhat discretionary based upon the classification of the drug.(13)

The newly legalized marijuana coffee houses that started in 1976 were licensed by local governments, (14) and were required to display the license document in the window of the house. The National Ministry of Justice gave enforcement powers under the law to local police and court authorities.(15) Customers had to be at least 16 years old, however, in 1996, this age barrier was raised to 18. (16). Under certain conditions the coffee houses could sell marijuana for use in limited quantities. Each customer was allowed to consume the product on sight, or take away quantities in bags of 30 grams—later amended in 1995 to 5 grams.(17) The house was limited to having a stock of only 500 grams (one’s usage in the coffee house was about 2 grams). A reform regulation in 1995 limited the potency of the marijuana to 15% THC.(18) Further, hard drugs and alcohol were not permitted in coffee shops. Public disturbances were banned, as was all advertising. (19)

The Minister of Justice gave local authorities wide discretion in how they would enforce the coffee shop policies. Violations of regulations could lead to the closing of a shop. Initially, the locations of the shops were on the back streets and alleys of cities, (20) and there were just a few shops, with only nine in Amsterdam in 1980. The numbers grew quickly to 71 in 1985, and to over 100 in 1988.

With the growth in the number of coffee shops, their locations also became more prominent. (21) By 1990, the houses had captured a majority of the marijuana market in the country. In the early nineties there were as many as 1500 coffee houses across The Netherlands.(22) In 1965 and 1996 regulations were reformed and the enforcement of rules strengthened to discourage coffee shops resulting in the closure of many of them. At the turn of the centuries, there were only 800 coffee shops, and today there are about 680 shops. (23)

While these policies on casino gambling and marijuana use were designed to achieve a common end- the reduction of illegal use, they actually led down two different roads. The casinos were headed down a winding twisting road for over a decade before authorities made a major change in their trajectory. While the goal of having the casinos was to quash the public's desire to participate in illegal games, the exact opposite happened. The existing illegal gambling went "public" in a major way, as an epidemic of new unauthorized casinos came on the scene.(24)

A new network of "illegal" (non-authorized) casinos offered a game called The Golden Ten. The game was played with a modified roulette wheel having 24 numbers and two —large golden "X's". The wheel was a large stationary bowl. A dealer would spin a ball into the bowl. As the ball would slowly go around in ellipse shaped circles, the player would place a bet on a number. Purportedly, this was an act of skill not chance, as a good player could correctly predict the winning number by watching how the ball moved around the wheel.(25)

The legal authorities challenged the game claiming that it represented illegal gambling. However, the courts asked the enforcement authorities to prove that it was a chance game by gathering statistics on how often players won and lost. However, when authorities went to the Golden Tens to monitor the games, the casino operators would stop the game.(26)

The judges also accepted the argument that Golden Ten players were only common citizens in the city who were seeking fun, and did not have the money needed to play at the fancy high stakes government casinos, nor could they easily afford to travel to the seaside or the remote forest land casinos. Their only crime was that they were competing with the newly established government casinos.(27)

Golden Tens proliferated. They were ubiquitous. Within ten years there were 150 across the Netherlands. Moreover, they had a great place to advertise. Golden Ten employees handed out leaflets at 2 a.m. at the doors of the legal casinos.(28) promising free transportation to their facilities and a free meal for anyone. No identifications would be required or requested. Names would not be recorded. It should be noted, however, that the Golden Tens did not serve alcoholic beverages as they were very conscious of obeying the strict beverage rules of the country.(29)

The older illegal gambling houses that preceded the opening of the government casinos slowly closed down. However, their owners were not out of business. They opened Golden Tens and employed their former workers who could not get jobs in the legal casinos. The players did not have to worry about the government tax on winnings since the Golden Tens paid no gambling taxes. Furthermore, if the players were sufficiently "skilful" to pick winning numbers consistently, the Golden Tens asked them to leave.

The popularity of the Golden Tens was enhanced by the fact that they had no dress code, their games were low stakes games, and there were no security cameras. (30)

By 1985 the government had gained a sense of the errors of its ways in casino policy. The skimming scandals led them to develop a state of the art internal security system (31), but more changes were needed. They decided to bring casinos to the players—to the cities. New casinos opened in Rotterdam, Amsterdam, Breda, Nijmegen, Groningen, and at Schiphol Airport.(32) The stakes for the table games were lowered, and slot machines were added to the gaming mix. More importantly, slots were permitted in bars and restaurants across the Netherlands. The dress codes were relaxed considerably, and the closing hour was moved to 3 a.m. (33) Taxes were also revised. They were no longer levied on players' winnings, but instead on casino gross profits.

By the 1990s, the casinos were on the right road as judicial officials took their side (and now the side of all the bars and restaurants with gaming machines) and ordered that the Golden Tens be closed, declaring that the game was an illegal chance game.(34) Moreover, evidence was presented to the courts that many Golden Ten casinos had ties to organized crime associates.(35)

By 2011, it also seemed that the coffee shops were on the right road. Over the course of 35 years, major changes had not been necessary, although some minor changes were made in 1995 and 1996. (37) One change reduced the amount of marijuana that a consumer could take away from the Coffee Houses, as it was discovered that many of those who took away 30 grams would often sell the marijuana to minors. Other policies remained pretty much in place. (38)

While there is not unanimous agreement that the coffee houses have met all their objectives, there is general agreement that some good results have been obtained, and that the reforms certainly have not been failures. One analyst, H.J.Van Vliet, conducted a cost-benefit study, which in 1998 concluded that "At the Beginning of the next (21st) century the Netherlands may prove to have been a leading country in (ushering in)...a global network of government regulated sales outlets for...less health damaging smoking products such as cannabis."(39) Van Vliet concluded that "cannabis functions less as a stepping stone to hard drugs in the Netherlands than elsewhere."(40) He found that there were lower numbers of younger addicts (to hard drugs) in the Netherlands as a consequence of the (coffee house) policies.(41) "For the Netherlands there is every reason to muddle on with its (in)famous coffee shops for some more years." (42) In sum, the policy is not a broken policy.

Through the 1980s until today, marijuana consumption patterns have been mixed in The Netherlands as they are in other countries. Waves of use and non-use have followed population age patterns as well as government policy changes. Consumption in The Netherlands waned during the 1980s, then increased in the 1990s, but stabilized after the reform changes of 1995.(43) The use of marijuana was a bit higher in the United States, which has maintained rather strict laws prohibiting use. Another study found no relationship between use and the government policies.(44)

However, and more importantly, there were some positive signs surrounding heroin use in The Netherlands. (45) It could be concluded that the linkage between the soft and hard drug was broken to a degree. Marijuana was no longer viewed as a gateway drug to the hard stuff. The finding was tied to the notion that those wanting marijuana no longer had to go to illegal suppliers who had incentives to sell them larger quantities and to use pressure tactics to market heroin and harder drugs to them.(46) One early study in 1983 found that Heroin consumption in the Netherlands had gone down 30% since 1976.(47) Van Vliet wrote in 1990 that “cannabis (is now) sold in an environment not featuring the availability of harder drugs.”(48)

A study by Abraham in 1999 found that only 22% of marijuana users in The Netherlands had ever used cocaine, while 33% of the users in the United States had done so.(49)

One consequence of the coffee house program was that the Netherlands gained an international reputation for allowing legal use of marijuana, and foreign tourists were attracted to the houses.(50) The reputation persisted even as multiple venues, including many American states permitted limited use of marijuana, often connected to sometimes bogus efforts to tie use to medical needs of users.(51)

Former American President Ronald Reagan (a.k.a. “Dutch”) was a critic of expanding government with new programs and agencies. An old quotation was part of his lexicon: “If it ain’t broke, don’t fix it.” The coffee house program seemed to be working rather well in 2011.(52) It wasn’t broken. However, a new government controlled by conservative parties (a coalition of the Liberal and Christian Democrat parties) didn’t like the coffee house policy or the reputation that the Netherlands had formed as having an open drug culture.(53) They also asserted that the presence of the coffee shops increased consumption and that the current policy had the effect of increasing crime, both being assertions without strong support—and with dissensions, as noted above—in academic studies.(54) On the one hand it could be surmised that the conservative coalition would have been fans of President Reagan, but on the other hand they did not abide by his words. They launched a plan to fix that which was not broken.

A new law was proposed in 2011 which won a majority vote in the parliament in 2012.(54) It took effect for three southern Netherlands provinces on April 27, 2012, and will be implemented nationwide on January 1, 2013.(55) History would suggest that the marijuana drug policy of the Netherlands will now be headed down a wrong road similar to the one used by casino policy makers in the 1970s and 1980s.

The new law bans all foreigners from entering coffee shops. While this blatant discrimination (especially against other citizens of the European Union) would seem to violate EU policies, a Dutch Court made an initial ruling that the discrimination was permissible.(56) Persons coming into the houses will have to show identification, and they will have their names recorded (perhaps on a public document). In a sense the customers will have to become members of the coffee house “club.” Each coffee house will be allowed a maximum of 2000 “members”.(57)

On two days in May 2012, the attitudes of employees and customers of fourteen coffee shops located in various neighbourhoods in central Amsterdam were surveyed.(58) A total of twenty-eight interviews were conducted with nine coffee shop employees and nineteen customers. With the exception of one, all employees were Dutch, seven of them identified as male, and two as female. The employees ranged from 20 to 50 years old, with a mean age of 30 and a median of 28. Then nineteen customers came from ten different countries. Only two customers were Dutch. Twelve of the customers identified as male, and seven as female. Customers ranged from 19 to 52 years of age, with a mean age of 26 and a median of 24.5.

Interviews were conducted in morning, afternoon, and evening hours. Every respondent was aware of the impending legal changes, and their opinions of the consequences delivered a consensus view of the situation. Not a single respondent believed that the law changes would lead to a reduction of their personal use of marijuana or an overall reduction of use in The Netherlands.(59)

The following comments were offered to those conducting the survey (60):

“Reduce my consumption? Not at all.”

“How the hell can you forbid a tourist from using marijuana? If I can’t buy it in a coffee shop, I’ll buy it in the streets.”

“Nothing will change.”

“I’ll keep on smoking, maybe I’ll even make a few bucks.”

“I won’t be hanging out in coffee shops anymore. Now I’ll have to do something illegal to get it.”

“We’ll just go back to the old days—buying it from someone you know.”

A resident user said he would not be coming to the shops under the new regulations, claiming “I do not like to be labeled as a smoker. Another stated angrily, “I don’t want a stamp on my head that says I’m a user.”

The employees offered several views.

One commented that the new rules “will affect business negatively.”

Another, “I think it will be real bad. They are already really strict. The business is based upon tourism, and many coffee shops will be really harmed by this.”

One offered this: “Usually if you make things less accessible, it makes it more fun. America is one of the heaviest prohibitionist countries and has some of the heaviest marijuana use.”

Other employees had doubts that the policy would be put into effect in the cities. One said, “I’m 100% positive it won’t affect anything.”

One stated “the government will lose so much money.” (It should be added that about \$400 million-Euros-worth of marijuana is sold each year in the shops, but there is no direct tax on the sales, and European courts have ruled that the VAT may not be applied to the sales). The coffee shops do

furnish several millions of Euros to the government in business taxes, but this is not considered a major tax contribution.(61)

Other employees agreed with their customers, one saying, “the tourists will still come. They’ll just buy it on the streets. More dealers will be standing on the streets.” (62)

Another offered, “More business will go underground...It will just go back to the black market.”

Others said that crime will rise. “It will definitely boost criminality,” was one’s remarks, while another offered, “I think there will be more crime in the streets. A lot of people will grow it themselves and sell it...People are still going to buy it and support criminals. In fact, there will be more criminals, and they won’t be concerned whether someone is eighteen years old or not.”(63)

ABC News Travel carried this similar comment, “Drug dealers are going to love this law, it will drive the drugs back to the black market where they won’t be taxed. Expect some violence between drug gangs who want to control the turf.” (64)

The rather uniform opinions were supported by comments found in the press. Interior Minister Joelle Milquet made this statement: “The new policy of The Netherlands can have side effects in Belgium as more cannabis planting illegal sales moving (across the border) or more touts looking for potential customers on the highways.” (65)

Michael Veling, a spokesman for the Dutch Cannabis Retailers Association indicated that the new policy “puts our customers in a difficult spot, because why do you have to register to buy a substance that is still illegal?” (66)

The Mayor of Amsterdam, Eberhart van der Laan commented on the impact of the law for tourism, “One-third of the city’s tourists visit to smoke cannabis in the cafes.”(67)

At this point in time others can only join the authors in adding their own speculations about the consequences that will follow a full implementation of the new law. One initial reaction may be that the policy will be reversed rather quickly—either that or it will experience an almost total absence of enforcement. Local police authorities like police everywhere have very important tasks to fulfil in guarding the public safety—this is not one of them. Multiple cases of discrimination will flood the courts, and judges will not be necessarily be sympathetic with the new policies. Initially 20 coffee shops in southern areas affected by the beginning enforcement of the new rules did sue to stop the law.(68) A Dutch court rejected their position and allowed enforcement to begin. The houses quickly announced that they would appeal the decision all the way to the European Union courts on the grounds that the law now has overt national discrimination against non-residents of The Netherlands—something that would absolutely not be allowed if the coffee houses were selling cups of coffee. (69)

The proponents of the new law suggest that they don’t want marijuana tourists, yet these tourists to which they are referring only go to the coffee shops for a brief time during their stay in the Netherlands. (70) At other times they are pursuing other tourist activities and spending money. Therefore, the sales in the coffee shops do not reflect all of their economic activity. Tourists are certainly spending money on meals. The new policy will probably be seen as reducing tourism to a

degree that will hurt the economy overall. The providers of tourist commodities will be able to exert pressure to have the new law reversed.

The proponents suggest that the foreign visitors to coffee shops can now go home and use the services of illegal drug dealers. (71) While this would burden neighbouring countries with extra crime, it is naïve to believe that illegal drug dealers can be isolated by national boundaries—especially unguarded boundaries as in Europe. Quite simply this law change will create more criminal drug activity: but not just in other countries.

There is a demand for marijuana, perhaps it can even be called an un-stimulated demand. People will seek out marijuana for use. In the coffee houses they have satisfied their needs in a controlled setting. They know the drug is “pure” and regulated as to contents. (72) They know the facility is safe. This new law will deny legal access to marijuana use either directly or indirectly. Direct access will be denied to non-Netherlands citizens. Direct access will be denied to all people when a coffee shop has exhausted its capacity in regards to their list of members. Indirect access will be denied to persons who would simply like to enjoy limited use of marijuana privately—without having their name and time of use recorded. As indicated above, many “users” do not want to register their names on a list that might be observed by others—such as employers, relatives, friends, co-workers and colleagues. (73)

How will these people meet their un-stimulated demands? Potentially, the foreigners may return home to illegal dealers. But why take the trip home where enforcement laws may be applied more severely, instead of using the illegal dealers of Netherlands? We can imagine those dealers (like dealers of “illegal” gambling did at casino doors) standing by the doors of the coffee houses with their leaflets—at closing hours, but also all day long, greeting would-be coffee house patrons as they are turned away from the doors. And these dealers are not restricted in terms of the amount of drugs they can sell to their patrons, nor are they restricted in terms of the kinds of drugs they sell, nor are they limited to meeting the un-stimulated demands of the customer. They will very likely stimulate greater drug use in the Netherlands. Been there, done that with the casinos. Here we go down that wrong road again.

#### Notes:

(1)[www.song-database.com/song.php.sid=30735](http://www.song-database.com/song.php.sid=30735). Accessed June 27, 2012.

“Wrong Road Again,” written by Allen Reynolds, recorded by Crystal Gayle, 1974.

(2)Hoogendoorn, Chris. 1999. “The Netherlands.” In Cabot, A., Thompson, W.N., Tottenham, A., and Braunlich. C. *International Casinop Law* (3ed.). Reno: University of Nevada Institute of Gambling Studies. 446-451; Thompson, W.N., and Pinney, J.K., 1990. “The Emergence of Dutch Casinos: A Case Study of Mismarketing? *Journal of Gambling Studies*, v. 63(3): 205-221; Thompson, W.N. 2010. *The International Encyclopedia of Gaming*, 457-460.

- (3)Boekhout Van Solinge, T. 1999. "Dutch Drug Policy in a European Context." *Journal of Drug Issues*, v. 29(3): 511-528.
- (4)Thompson and Pinney. 1990, note 2; and Thompson, 2010, note 2.
- (5) Boekhout Van Solinge 1999, note 3; Van Vliet, H.J. 1990. "Separation of Drug Markets and the Normalization of Drug Problems in The Netherlands: An Example for Other Nations?" *Journal of Drug Issues*, v. 20: 463-471.
- (6)Thompson and Pinney 1990, 212-213; Kingma, Sytze. 2004. "Gambling and the Risk Society: The Liberalisation and legitimization Crisis of Gambling in The Netherlands." *International Gambling Studies*. V. 4(1) 47-67.
- (7)Hoogendoorn 1999, note 2; and Thompson and Pinney 1999, 212-213, note 2.
- (8)Thompson and Pinney 1990. 213-214, note 2.
- (9)ibid. 214-215; Thompson, W. 1987. "Holland's Illegal Casinos: Here to Stay?" *Casino Gaming Magazine*. July-August, 14-16.
- (10)Thompson and Pinney. 1990. 208-219 note 2.
- (11) Hoogendoorn 1999, note 2.
- (12)Boekhout Van Solinge. 1999 note 3; Reinerman, C., Cohen, P., and Kaal, H.L. 2004. "The Limited Relevance of Drug Policy: Cannabis in Amsterdam and in San Francisco." *American Journal of Public Health*. V. 94:836-842.
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- (14)Boekhout Van Solinge, 1991, note 3.
- (15) Ibid.
- (16) Korf, D.J. 2002. "Dutch Coffee Shops and Trends in Cannabis Use." *Addictive Behaviors*. V. 27:851-866, at 863.
- (17)MacCoun, R.,and Reuter, P. 2001. "Evaluating Alternative Cannabis Regimes." *British Journal of Psychiatry*. V. 178: 123-128.
- (18)Ibid.; Abraham, M.D., Cohen, P.D.A., and Vantil, R. 1999. "Licit and Illicit Drug Use in The Netherlands 1997." Amsterdam Center for Drug Research.

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(20). MacCoun and Reuter 2001, note 17.

(21)Ibid.

(22)Ibid. at 123.

(23)Jolly 2012, note 13.

(24)Thompson. 1987, note 9.

(25)Ibid.

(26)Ibid., and Thompson and Pinney 1990, note 2, at 214-216; and Kingma, 2004, note 6 at 53.

(27)Ibid.

(28)Ibid.

(29)Ibid.

(30)Thompson, 1987, note 9.

(31)Thompson and Pinney, 1990, note 2; Hoogendoorn, 1999, note 2.

(32)Ibid.

(33)Hoogendoorn, 1999, note 2; Thompson 2010, note 2; and Kingma, 2004, note 6.

(34)Ibid.

(35)Ibid.

(36)Ibid.

(37) Boekhout Van Solinge 1999, note 3; and Korf, 2002, note 16.

(38)Ibid.

(39)Van Vliet, H.J. 1998. “The Narrow Margins of the Dutch Drug Policy: A Cost benefit Analysis.” European Journal of Criminal Policy and research. V. 6: 369-394; Van Vliet, H.J. 1990. “Uneasy Decriminalization: A Perspective on Dutch Policy.” Hofstra Law review. V. 18(3):717-750.

(40)Van Vliet 1998, note 39, at 375.

(41)Ibid., at 374.

(42)Ibid., at 391.

(43)Macoun and Reuter 2001, note 17, at 124-125.

(44) Korf, 2002. note 16.

(45)MacCoun and Reuter 2001, note 17, at 126.

(46)Ibid., and Boekhout Van Solinge, 1999, note 3 at 513-514.

(47) Abraham

(48) Van Vliet, 1990, note 5, at...

(49) Abraham, Cohen and Vantil, 1999. note 18; and MacCoun and Reuter 20012, note 17.

(50)Boekhout Van Solinge, 1999, note 3.

(51)Ibid.; and MacCoun and Reuter 2001, note 17

(52) Van Vliet, 1998, note 39.

(53)Jolly, D. 2012, note 13 (April 2), and note 19 (April 27). "Ban Upheld By Dutch Court," Huffington Post Travel, April 27, 2012.

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(55)Ibid.

(56)Jolly, 2012, note 18 (April 27).

(57)B.B.C. News April 27, 2012.

(58) Thompson, L, & Hall, M. (2012). "How Will Changes to Dutch Drug Policy Impact Coffee Shops and Their Clients?" Unpublished paper prepared for the Global Perspectives in Alcohol & Other Drug Policies Summer Graduate class (Syracuse University) Amsterdam, May, 2012

(59) Ibid.

(60) Ibid.

(61)Van Vliet, 1998, note 39, at 382.

(62) Thompson, L, & Hall, M. (2012). "How Will Changes to Dutch Drug Policy Impact Coffee Shops and Their Clients?" Unpublished paper prepared for the Global Perspectives in Alcohol & Other Drug Policies Summer Graduate class (Syracuse University) Amsterdam, May, 2012

(63) Ibid.

(64) ABC News travel, April 27, 2012 <http://abcnews.go.com/blogs/2012/04/netherlands...html>  
June 27, 2012

(65) The Traveller, May 2, 2012. [www.smh.com.au/travel/travel-news/tourist-ban-on-cannabis-coffeehouses...html](http://www.smh.com.au/travel/travel-news/tourist-ban-on-cannabis-coffeehouses...html) retrieved June 27, 2012.

(66) B.B.C. News, "Judge Backs Café cannabis Ban," April 27, 2012 [www.bbc.co.uk/news/world-europe.html](http://www.bbc.co.uk/news/world-europe.html) accessed June 27, 2012

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(69) Ibid.

(70) Ibid.

(71) Brown, R. (2012, May 1). Tourists lose out as Dutch cannabis law upheld. ABC News. Retrieved from: <http://www.abc.net.au/news/2012-04-27/dutch-court-upholds-ban-on-tourists-buying-cannabis/3977618> accessed June 27, 2012.

(72) Van Vliet, note 39, at 378.

(73) See comments from study in note 58.

## Barnier's Action Plan for European Gambling

Jana Sedlakova, Freelance gambling researcher and journalist

In June 2012 Commissioner Barnier's speech confirmed the trend in Europe of moving towards the unified understanding of certain requirements for governing the online gambling industry. Respecting "subsidiarity" as a general principle of EU law will be crucial. The European Parliament has accepted this and called for an EU wide regime. The single licensing regime is one of the items on the European Gaming and Betting Association's ('EGBA') 'wish list'.

Victor Chandler, for one, would support this concept. Michael Carlton, CEO at Victor Chandler commented:

*"we would strongly support the concept of a single licence across the EU. As I have said previously, only proper reciprocal arrangements which would recognise licences issued in one part of the EU with the harmonisation and common standards this would require are capable of delivering a truly pan-European competitive industry with the best chances of ensuring consumer protection and the prevention of fraud. Our call is for the Commission to remain committed to this objective, rather than be diverted into protectionist agendas of individual Members States or monopolistic concerns."*

As stated in the Remote Gambling Association's ('RGA') press release of 28 June 2012:

*"Commissioner Barnier used the opportunity of the Parliament's event to give MEPs, some national authorities and stakeholders an outline of the upcoming Commission's Communication on online gambling in the Internal Market, which will include an action plan. He advocated EU action in the field of online gambling given the cross-border and even global nature of that activity and the difficulty for Member States to respond alone to the challenges that it poses."*

Sigrid Ligne, General Secretary at EGBA, explained "what is not necessarily at stake for the time being is a sector specific directive. But we are moving towards an EU framework for online gambling starting with the development of a common European base of principles and consumer protection measures, of efficient age verification tools to prevent underage gambling, the inclusion of the sector in the money laundering directive, the introduction of responsible online gambling advertising rules. Commissioner Barnier also referred to a package of measures to tackle issues such as identity theft and the security of online gambling equipment. These are highly relevant areas to be tackled at EU level."

Michael Carlton said that the main obstacle in the current regulatory regime "is the plethora of different licensing and regulatory regimes that are cropping up in Europe. This is happening because of the lack of clear direction and harmonisation at EU level. The fragmentation and burden caused by such lack of harmonisation is not sustainable in the long run."

Barnier has established that the role of the Commission is to help the Member states govern online gambling in such a way that would take account of national particularities whilst conforming to the EU Treaties. He emphasised the importance of increasing consumer demand for online gambling relevant to the 'legitimate expectations of operators' and the need of consumer protection.

To his question whether there is added value in consumer protection and appreciation of the subsidiarity principle, Barnier answered “yes, because no Member state can deal alone with all the risks associated with this activity” whilst expressing that the value added may materialise in different ways. Firstly, he said “more effectively clamping down on the many illegal websites, often hosted in offshore havens; [secondly] developing – where this is allowed – a legal alternative which is attractive enough to permanently undermine any clandestine and therefore unregulated offers; [and thirdly] it can – and must – also take the form of support measures to prevent any undesirable drift that could stem from an uncontrolled development of online betting and gambling.”

Commissioner Barnier’s speech also intimated that following industry rhetoric the time for action has now come. In his detailed response the areas he pointed to in his action plan were: (1) to protect consumers (and citizens), (2) fraud prevention, and (3) maintaining the integrity of sport.

As part of fraud prevention a proposal to extend the Money Laundering Directive to gambling and betting was announced. Sigrid Ligne responded “we are generally supportive of the sector’s inclusion in European legislation as it will improve legal certainty and market access conditions for European operators. Multi-licensed operators are currently facing very fragmented and sometimes contradictory requirements in various Member States. Consequently we would welcome a more harmonized and risk based approach for the upcoming 4th Anti Money Laundering Directive with a focus on Know Your Customers rules (KYC) to improve the electronic verification of customers.”

Michael Carlton, of Victor Chandler said “we support the extension of these anti-money laundering requirements to gambling and betting. We believe all measures that will ensure that this industry continues to be licensed and regulated in the best possible fashion must be positive and that the position of Gibraltar as a premier jurisdiction in the sector is maintained and enhanced.”

Concerning the integrity of sport a ban of certain betting types on some sports has been proposed. Sigrid Ligne has expressed that “it has been mentioned as one option, but preventing European regulated operators to offer certain gambling products will have no impact on the integrity of European sport. As already established by an expert workshop on sport integrity organized by the European commission in May 2010, risks do not emanate from regulated operators or betting products as such “but from unregulated online gambling offers mainly coming from Asia”. Such bans would only push consumers to seek those products on the black market or outside of the EU jurisdiction. Enabling regulated operators to offer popular and attractive products is the only efficient way to cut off the lifeblood from unregulated, black market operators, and to minimize the possibility of fraud.”

In order to implement the action plan Commissioner Barnier emphasised the importance of Member state involvement and administrative cooperation whilst supporting national distinctions where legitimate; whilst conforming to the EU laws. Michael Carlton said that “increased cooperation will generally be welcomed by us [Victor Chandler] given it would open the door to more harmonised standards and, therefore, a genuine pan-European market. This is desperately needed to ensure that we can retain our competitive edge against US and Asian operations that will be challenging the pre-eminence of the European operators.”

Concerning infringements relating to the Internal market the RGA in their press release stated that the Commission has not made any formal decision since February 2008, “apart from the closure of some of them. This inaction means that none of the eleven Member States that were the object of an infringement procedure in 2008 have been taken to the ECJ. Furthermore, the Commission has

not proceeded so far with any of the internal market complaints lodged by the online gambling industry against other Member States' gambling laws."

Clive Hawkswood, RGA Chief Executive, quoted in the press release said: "we can only welcome any action on infringements, considering that many Member States seem to have assumed that EU law will never be enforced against them. However, we do not know yet the content of the Commission's red lines and whether effective action will be taken against Member States who are found to be violating them. We very much hope that Commissioner Barnier's announcement will lead to some meaningful results before the end of his term".

The RGA welcomed the speech's suggestion that seemed to confirm the status of the "Commission as Guardian of the Treaties" and claim that whilst the Commissioner Barnier's commitment is "encouraging", "concrete action will be needed if real change is to be brought about, especially when so many Member States remain non-compliant with EU law."

Michael Carlton said that "we would like to see the European Commission engaged more proactively in supporting the single market. The online gaming sector is one example of an industry in which European companies genuinely lead the way at a global level. This runs a real risk of being severely undermined by the lack of an EU-wide framework. Whilst we, therefore, fully support administrative cooperation among Member States to increase consumer protection and prevent fraud, we look forward to the Commission moving towards Member States adopting a competitive, European-wide licensing and regulatory regime. We see no reason why online gaming should not be a service capable of being provided on a full cross-border basis with reciprocal recognition of licences being the norm as is the case with financial services and other areas of economic activity where the rights of consumers and integrity issues are equally of fundamental importance."

He also believes that "technology which covers harmonised arrangements and, therefore, could be structured to provide efficiencies on a cross-border basis would certainly provide much better consumer protection, fraud prevention and ensure the integrity of sport than individual and fragmented state regulatory compliance requirements. The current trend of piecemeal regulatory response within the EU will only make matters worse unless the Commission steps in to ensure coherence and harmonisation. The matter is also critically important given the whole future of e-commerce within the EU."

## Gambling on Happiness: a Moral Conundrum

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A 'delight in gambling,' is an 'English obsession' and it has long been claimed that gambling is the pleasure of the masses, most particularly the working-class masses.<sup>17</sup> A significant motivation for playing cited by gamblers is the pleasure they get from the activity.<sup>18</sup> They joyfully anticipate a win, feel an adrenaline rush when the race is being run or the numbers are called and even experience a buzz from 'near wins'.<sup>19</sup> Moreover, the gambling thrill can be pursued *ad infinitum*, through placing another bet and trying again.<sup>20</sup> Life does not offer many consecutive rays of hope, but gambling offers a package of happiness-inducing sensations, including providing excitement, helping make sense of risk and adding colour and hope to routine lives. This paper will consider why it is that, although gambling contains many of the elements which make people happy, it is rarely thought of as enhancing well-being in any way.

Gambling is culturally embedded in British society with a tradition of commercial and quasi-commercial gambling as a mass pleasure that stretches back for centuries. The government recognised the role of gambling in providing leisure and pleasure for the mass of the people in 1960 and 1968 with legislation that established a level of equilibrium between the punters and the providers, allowing pleasure while minimising harm. However, with the Gambling Act (2005) the balance may change. By radically liberalising gambling the government may simply be fulfilling Jeremy Bentham's dictum that one of their main aims should be to bring as much happiness to as many people as possible. Or could it be that liberalisation will move the gambling public from a pastime offering the majority of gamblers elements of happiness and hope, and even potential benefits in terms of well-being, onto new forms of gambling that increase the potential for social harms.

The hugely popular television series *The Apprentice* has not been renowned for offering moral judgements, but Nick Hower, a board member and marketing expert on the show, was firm in his opinion of an aftershave christened 'Roulette'. 'In my view roulette equals gambling, equals debt,

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<sup>17</sup> J.M. Golby and A.W. Purdue, *The Civilisation of the Crowd: Popular Culture in England 1750-1900*, London, 1984, p. 75 and Ross McKibbin, *Classes and Cultures: England 1918-1951*, Cambridge, 1998, p. 370. See also Mark Clapson, *A Bit of a Flutter: Popular Gambling in England, 1823-1961*, Manchester, Manchester University Press, 1991; Carl Chinn, *Better Betting with a Decent Feller: betting, bookmaking and the British working class, 1750-1990*, Hemel Hempstead, Harvester Wheatsheaf, 1991.

<sup>18</sup> See for example, Rachel Dixey and Margaret Talbot, *Women, Leisure and Bingo*, Leeds, 1982; Clapson, *A Bit of a Flutter*; Mass Observation 'Mass Gambling' File Report 2545c in particular, although the MO archives at the University of Sussex hold a range of material collected on gambling.

<sup>19</sup> See works by Mark Griffiths in particular for a discussion of the importance of this phenomenon.

<sup>20</sup> See for example A. C. Bruce, and J. E. V. Johnson, 'Toward an Explanation of Betting as a Leisure Pursuit', *Leisure Studies* 11:201-18, 1992; A. C. Bruce, and J. E. V. Johnson, 'Costing Excitement in Leisure Betting', *Leisure Studies* 14:48-63, 1995.

equals misery.<sup>21</sup> Gambling is an activity that can generate a powerful aura of disapproval. The *Daily Mail* ran a prominent campaign against the Gambling Act (2005) under the slogan 'Kill the Bill', and there were so many voices raised against the proposal for resort (or super) casinos to be permitted in the UK that the government had to back-track, first hinting that 40 resort casinos might be opened, then agreeing to limit numbers to eight and finally allowing only one resort casino. This was awarded to Manchester after a competition which Blackpool had been expected to win, and was finally vetoed in February 2008, although an expansion of casino provision across the UK has occurred since 2000 with little press comment. Since 2005 there has also been a rapid expansion of betting shop provision, which has also elicited press concern, with worries centred around the high-stakes gambling machines located in the shops, the presence of several outlets in close proximity, anecdotal evidence of betting shops as a site for illegal activities (fencing of stolen goods, loan sharking etc) and complaints from other commercial ventures that the proliferation of betting shops harms their trade.

Even in an increasingly secular society views on gambling tend to reflect past religious stances towards the pastime. These views have a distinct sectarian feel to them. In Britain the main influences on moral thought have been Christian, and while the Roman Catholic church has taken a liberal stance on gambling, Protestant groups have been more generally opposed to gambling, especially commercial gambling. The Anglican church is known for taking a 'broad church' approach to a number of moral issues and a wide range of opinions on gambling will be offered by the Church of England, from the liberal Anglo-Catholics who would not see anything wrong in gambling within one's means and might even support church funds with a 'hundred club' to the more evangelical wing of the church whose adherents might even include individuals who would express unease about a church raffle, on the grounds that it was promoting the gambling spirit.<sup>22</sup> Religious objections to gambling argue that gambling weakens trust in God to provide for human needs, supports superstition over faith, undermines the Biblical command to work, encourages greed, which is a sin, promotes financial hardship amongst the poor and is likely to be addictive. The more liberal religious view of toleration associated with the Catholic church and some Anglicans was neatly articulated by the Catholic Bishop of Southwark, Mgr Cyril Cowderoy (1905-1976) thus: 'Betting is not wrong in itself, neither is it wrong to play for stakes, even large stakes, providing the players can afford it and the game is not vitiated by circumstances that would make it wrong.'<sup>23</sup>

Attitudinal surveys on gambling conducted in 2002 and 2007 found that most people had negative attitudes towards gambling, and showed a surprising degree of congruence with the arguments used by the more Protestant churches in their objections to gambling. Work done by Mark Griffiths showed that 51% thought gambling to be 'generally addictive' and 56% believed it to be 'a waste of money'.<sup>24</sup> Nevertheless, the recent Gambling Prevalence survey found that despite the majority of the population expressing negative views about gambling, 68% of the population

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<sup>21</sup> The Apprentice, 11 June 2008, BBC2.

<sup>22</sup> A 'hundred club' is a regular lottery. Members purchase a number or numbers (between 1-100) and this number is included in a draw (usually monthly). A significant proportion of the stakes is retained to support the church but there are three or four prizes each month and usually a larger prize at Christmas.

<sup>23</sup> *The Times*, 9 March 1950, 3b.

<sup>24</sup> Around 20% believed it to be an 'unhealthy activity', 22% classified gambling as a 'dangerous activity' Mark Griffiths, 'Internet Gambling: Preliminary Results of the First U.K. Prevalence Study', *Electronic Journal of Gambling Issues*, no. 5, 2002.

gambled. The UK gambling industry had a turnover of around £53bn before the recent liberalisation, with a significant amount of revenue from gambling going to the Treasury each year.<sup>25</sup> Social attitudes towards gambling are important as they have an impact on research agendas. Gambling research in Britain occupies a small number of researchers competing for limited funding; it has tended to concentrate on the problem of addiction and the place of treatment. Problem gambling has undeniably devastating impacts for the gambler, their families and friends and the wider community. Problem gamblers struggle with debt, guilt, loss of trust from friends and families. They may become involved in acquisitive crime to fund their addiction and can find it difficult to seek help because of the stigma of the nature of the addiction. Gambling is frequently referred to as the hidden addiction, with families often only finding out about a problem when the gambler can no longer juggle their money in order to play. However, the recent Gambling Prevalence survey found that only 0.5-0.6% of the population could be classified as pathological problem gamblers, with a further 2.5% registering as 'at risk' gamblers.<sup>26</sup> More recently gambling research has begun to move towards a public health approach. Again, gambling is pathologised, for this approach looks upon gambling as a disease vector and education as the tool for inoculating people against the disease. Gambling has been part of human activity for millennia, first as a tool for divining the will of the gods in an uncertain and dangerous world, and as a quasi commercial or commercial form of leisure for more than two thousand years. It seems strange to approach something so universally a part of human culture as a disease, but nevertheless the recognition of the need for gambling awareness education is an important step forward in minimising the risks to those who could suffer harms from gambling and in raising public awareness of this 'hidden addiction'. Gambling research that takes an anthropological or sociological approach is less common, and particularly unusual is research that looks at non-problem gambling behaviours, the cultural place of gambling in various social groups and the potential health and well-being benefits of gambling.<sup>27</sup>

One finding that continues to puzzle researchers is that although the largest group of non-gamblers is found among the poorest groups in society, nevertheless 61% of this group gamble regularly. The poorest people appear to spend relatively small amounts regularly, which nevertheless are often significant proportions of their income, on an activity that can be regarded as irrational. This paradox has been noted in the past. Lady Florence Bell (1907), B.S. Rowntree (1901, 1941) and Ferdynand Zweig (1948, 1952, 1961) all commented on the same apparently irrational behaviour and proposed a range of explanations.

During the period of Puritan rule in Britain (1649-1660) gambling was severely curtailed, although never entirely suppressed. However, the Restoration of 1660 ushered in such a wave of gambling that there were immediate cries for action to be taken; society was seen to have a duty to protect people from harms that might cause social disintegration. There were many regulations seeking to control gambling before the Restoration, but they had been based upon the need to

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<sup>25</sup> Heather Wardle, Kerry Sproston, Jim Orford, Bob Erens, Mark Griffiths, Rebecca Constantine, Sarah Pigott, *British Gambling Prevalence Survey, 2007*, National Centre for Social Research, 2007.

<sup>26</sup> The highest estimate for problem gamblers in the UK is 378,000, Wardle et al, *Gambling Prevalence Survey 2007*, p. 84.

<sup>27</sup> Qualitative social psychology and sociological studies of problem gamblers have been undertaken with two recent important additions being Gill Valentine and Kahryn Hughes, *New Forms of Participation: Problem Internet Gambling and the Role of the Family*, London, ESRC, 2007; and Professor Ros Corney's work on Women Internet Gamblers (published autumn 2008). The work of Gerda Reith, *Age of Chance*, London, 1998, looks at cultural aspects of gambling while Rebecca Cassidy is developing important anthropological approaches into non-problem gambling. See also Carolyn Downs for a cultural / anthropological approach.

regulate the use of time, as archery practice and labour were believed to be being lost to gambling. The impact of decades of Protestantism ushered in centuries of moral regulation of gambling, with prohibition of particular forms of gambling - especially the forms participated in by the poor - being a central plank of government policy. The government finally recognised the ubiquitous nature of gambling in the 1950s and moved from a broadly prohibitive approach to a regulated regime. After the Gaming Act (1968) the British approach was considered a model of socially responsible gambling across the world. The government decided to liberalise gambling still further in 1999 and the impacts of the resultant Gambling Act (2005) remain to be assessed. The approach to gambling in 21<sup>st</sup> century Britain is that it is not intrinsically wrong providing children and the vulnerable are protected from any harms related to gambling.

While the recent legislation has taken as its starting point that gambling is not wrong, it does not suggest that gambling might have a positive side. Indeed, given that even people who gamble tend to view the activity as a minor vice or dangerous pursuit rather than a legitimate leisure activity, it would be difficult to suggest that gambling may play an important social and cultural role, and that it could potentially enhance well-being. The origins of gambling lie in religious ritual and practice. It was enormously important for people to know the will of the gods and this was often achieved through divination. Casting the bones (the religious astragal became the earliest dice) or drawing lots were commonly used techniques. These were methods designed to give an illusion of control in a risky world. There were big questions that could not be answered by human endeavour and gambling-like divination provided a credible route to reassurance. There are few means of control available to an individual in a very uncertain world. Knowledge is central to removing feelings of helplessness and gaining a sense of ownership and control over events. Without knowledge, even if uncertain knowledge, people do not have the courage to move out in a new direction. Those who dared to cast the bones dared to seek the knowledge of the gods and had power. As gambling developed into the pastime of the masses the masses were, in effect, taking ownership of a powerful magic. The survival of that magic is seen in many of the rituals that surround everyday routine gambling behaviours; Lady Luck and Dame Fortune are pleaded to and placated. The gods and goddesses of hope still have a powerful role in modern society. A bookie's wife said:

What else have they got to look forward too? They would never hope to get out of their rut, only with a little bit of luck they hope to find in gambling. You'd be surprised if you knew how heavily and regularly the working man bets. It's his kind of religion – it brings him some hope.<sup>28</sup>

As with mainstream religion there are tokens and symbols that even the rational take to be signs and portents of their future and the will of the gods. An engineer who won over £100,000 at bingo described his belief in lucky omens:

The sun was shining on this object and it gleamed like gold, I picked it up and saw it was a sort of bolt, though most unusual. I'm an engineer and normally recognise bolts, but this is one I have not seen before. I thought, is this an omen? A bolt from the blue? And I decided to take it with me to bingo. I also won another £30 house later that evening, and my wife borrowed it to take to bingo on Monday afternoon and won £10! I am going to take good care of that bolt.<sup>29</sup>

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<sup>28</sup> Mass Observation, 'Mass Gambling', 1947.

<sup>29</sup> Amy Hutchins, 'Bingo: The brain game', *Independent* 31 July 2002.  
[http://enjoyment.independent.co.uk/low\\_res/story.jsp?story=320169&host=5&dir=53](http://enjoyment.independent.co.uk/low_res/story.jsp?story=320169&host=5&dir=53)

Alongside the continuation of traditional superstitious behaviours and practices associated with gambling behaviours we live in an increasingly risk-averse world. There is less understanding of how risk should be calculated, what risk means and who is responsible for the risks that we take.<sup>30</sup> Individuals increasingly seek to hedge their bets, to avoid risk in everyday life, but mankind evolved in a risky world and thus may still need to play with risk. Gambling provides a route for playing with risk that, for the great majority of the population, is safe and controlled.

The link to happiness and hope from gambling is not new. Historical reports of the very poor gambling, as a way of chasing hope, can be found dating back to the mid-16<sup>th</sup> century, but a comment made by the Pilgrim Trust in 1938 illustrates the importance of gambling in supporting the need for control and as a means of giving value to individual lives.

Betting offers... the only possibility of making a decision, of a choice between alternatives, in a life otherwise prescribed in every detail by poverty and necessity, and always the object of other people's decision.

The poorest people have always lived the riskiest lives. They tend to have jobs with higher rates of accidents and deaths, their housing tenure is often not secure, they have little agency in their work, in their life choices, in the place where they live. This lack of day-to-day control over many elements in their lives heightens the importance of optimism and hope in the lives of people living in difficult circumstances. One of the unseen consequences of poverty is the impact it can have on an individual's will to act, 'Severe poverty demoralises people when it erodes their sense of control.'<sup>31</sup> While there are many instances of people becoming depressed and hopeless as a result of poverty, it has also been noted that: 'The poorest person in the country can be more joyously optimistic than the richest man in the world.'<sup>32</sup> Gambling has been noted as providing a source of hope, and this comes through in the work of Florence Bell (1907), BS Rowntree (1901, 1941), Ferdynand Zweig (1948, 1952, 1961) in the past and more recently in studies funded by the Joseph Rowntree Foundation: 'Most people on low incomes dream of winning the pools or the National Lottery.'<sup>33</sup> Emma Casey similarly found that the poor women in her study 'were motivated by the prizes that they occasionally won' and that day-dreams about winning were important in the daily lives of her study cohort.<sup>34</sup> There has always been condemnation of the gambling behaviour of poorer groups in society, with commentators pointing to the dissipation of a limited income on gambling. Headlines criticised working-class bingo-players, styling the game a 'cretinous pastime' and a waste of housekeeping money.<sup>35</sup> What is not so readily recognised is that, where the amount of disposable

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<sup>30</sup> See for example, Gerd Gigerenzer, *Reckoning with Risk: learning to live with uncertainty*, Penguin, Harmondsworth, 2003, for an accessible account of modern understandings of risk.

<sup>31</sup> David G Myers, 'Hope and Happiness', pp. 323-337 in Jane E. Gilham (ed), *The Science of Optimism and Hope: research essays in honour of Martin E.P. Seligman*, Philadelphia, 2000, p. 329.

<sup>32</sup> John Moores (of Littlewoods Pools) in Barbara Clegg, *The Man who Made Littlewoods: The Story of John Moores*, London, 1993 p.81.

<sup>33</sup> Elaine Kempson, *Life on a Low Income*, York, 1997, p.8.

<sup>34</sup> Emma Casey, 'Gambling and Consumption: working-class women and National Lottery play', *Journal of Consumer Culture*, 2003, 3 (2), pp. 245-263.

<sup>35</sup> *The Times*, 29 Dec. 1961 4 e-f.

income is small, savings make very little difference. Gambling offers hope for the future and a degree of happiness (adrenaline, thrill of a win or near win, company, and the status of daring to place a scarce resource on validating an opinion) during the experience. The economic logic of gambling, in terms of hope and happiness, may be weighed by the low-income non-problem gambler against moral disapproval, and in many cases moral disapproval loses. The benefits of gambling are well understood by those among the poor who gamble; there is a narrative tradition that fuels the activity, with stories of winners, 'people like us', appearing in the press and immortalised in song.<sup>36</sup> There are morality tales of those who won too much and were reckless, or who lost their place in the community as a result of trying to live above their station. The National Lottery makes use of these traditional understandings with the message: 'It could be YOU', reiterating the fact that people can gain control over chance, and that the goal is both legitimate and achievable. If gambling is seen as a bridge to lifestyle desires and enough people make their way over, and are reported as having made it, then this encourages hope to survive and even flourish in the lives of poorer people who gamble.

Optimism does not constitute an isolated belief like an obscure theology, but rather comprises part of a complex knowledge system that can impact on physical well-being in numerous ways.<sup>37</sup>

Non-problem gambling offers hope that is buttressed by the knowledge of life-transforming wins of others like themselves, and even the disappointment of not winning can be mitigated by having another go. In any event, as Jenny Murray of BBC Radio 4's Women's Hour reminisced recently, her grandmother, and many other non-problem gamblers, found as much pleasure from recounting how she nearly won at bingo, and in anticipating an evening playing the game, as she did from her regular small wins.<sup>38</sup>

The role of agents of change that are controlled by luck, fate and chance are set in narrative frames which are so well-understood that they may not need to be articulated by gamblers, but yet for those who use gambling as a means of generating hope, controlling risk and adding spice to their lives the activity may also have a positive impact on overall well-being that has not previously been acknowledged and that awaits exploration. Gaining control over chance, or at least taking chance on, through a gamble or bet, could also offer non-problem gamblers a way of increasing self-worth as well as potentially increasing actual worth. The idea that life having purpose or worth is critical to the maintenance of subjective and objective well-being is long-established.<sup>39</sup> Interestingly, the potential relationships between gambling and control or gambling and optimism (which is hope by another name) and good mental health were noted, but not commented on, in experiments that grew out of the work of the psychologist Martin E.P. Seligman.<sup>40</sup>

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<sup>36</sup> See Carolyn Downs, 'The Changing Face of Gambling: the Gambling Act (2005) and working class gambling cultures', in *Relocating the Leisure Society: media, consumption and spaces* (LSA 101) eds J. Caudwell, S. Redhead, A. Tomlinson, LSA Publication No. 101, Brighton, 2008.

<sup>37</sup> Christopher Peterson, 'Optimistic Explanatory Style and Health, pp.145-161, in Gillham (ed), *The Science of Optimism and Hope*, 2000, p.151.

<sup>38</sup> National Lottery Commission Women and Gambling Conference, 3<sup>rd</sup> June 2008, Cumberland Hotel, London.

<sup>39</sup> See for example, A. Antonovsky, *Unravelling the Mystery of Health: how people manage stress and stay well*, San Francisco, Jossey-Bass Publishers, 1987; Ronnie Janoff-Bulman, 'Happystance. A review of *Subjective Well-Being: An Interdisciplinary Perspective*', *Contemporary Psychology*, 37, 1992, pp.162-163.

<sup>40</sup> For an overview, see Martin E. P. Seligman and Mihaly Csikszentmihalyi, 'Positive psychology: an introduction', *American Psychologist*, 2000, Jan, Vol 55(1) 5-14.

The genesis of Seligman's positive psychology was his work on pessimism and helplessness, based upon laboratory experiments on rats. Seligman and his colleagues realised not only that helplessness and pessimism could inform what was happening in the absence of pessimism and helplessness but that through investigating optimism and hope conclusions could be offered on emotional well-being, resilience to depression and coping with stress. Seligman's view that psychologists were over-prone to concentrating on the negative side of life - causes, prevention and treatment - led to the development of positive psychology. I am suggesting that this insight might be applied to the study of non-problem gambling. Traditionally gambling research has concentrated on problem and pathological gambling, although over 97 per cent of all gambling is not in this category. Historical perspectives suggest that there might be a range of positives in gambling that have been ignored by research. This is because attitudes towards gambling that date back to the Protestant Reformation have become received wisdom. These attitudes continue to cloud debates on socially responsible gambling and discourage research into non-problem gambling. Historically it is clear that significant numbers from social groups who might have been expected not to gamble as a result of poverty instead regularly risked small amounts, and even budgeted to risk small amounts in the hope of a life-changing win, in the certain knowledge that if they could win a small amount then that would lighten their daily life, and in the process they would gain much enjoyment from anticipation of a win, finding out the result, playing the game or watching the event.

Seligman found that people with an optimistic explanatory style felt more in control of their lives and were protected from feelings of helplessness, even when facing obstacles or difficulties in life, and that they were less likely to suffer from depression than those with a pessimistic explanatory style. Seligman's colleague Lyn Abramson wanted to find out whether the protective effects of optimism and feelings of control provided an effective means of predicting invulnerability to depression even where the sense of control was illusory. The team used a gambling task to measure levels of optimism. The game was computer-based and uncontrollable. Participants could win 25 cents on the random appearance of a white square and all participants won \$5 no matter what the outcome of the task. Optimistic participants showed an illusion of control, often talking to the computer as though words of encouragement might persuade the random event to occur and afterwards believing that they had done well at the task as a result of their skill and ability.<sup>41</sup> The behaviour of the study participants will resonate with those who have observed players muttering 'come on 20' under their breath as they wait for the last number on their bingo card to come up. The finding that illusory control had a similar effect to actual control on psychological health was replicated in a series of studies conducted as part of the long-term Temple-Wisconsin Cognitive Vulnerability to Depression (CVD) project. The team concluded that optimism was a good predictor of resilience to depression and that to an optimist illusory control was as effective in protecting against hopelessness as actually being able to control an event. 'Thus even when optimism is illusory it provides protection from depression.'<sup>42</sup> Follow-up work by Alloy and Clements in 1992 found those who believed they had control over objectively uncontrollable events were protected from depression both after continuous lab-based failure and in real life and that optimists felt less hopeless after experiencing naturalistic stressors.

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<sup>41</sup> L.Y. Abramson, L.B. Alloy, B.L. Hankis, C.M. Clements, L. Zhu, M.E. Hogan, W.G. Whitehouse, 'Optimistic Cognitive Styles and Invulnerability to Depression', pp. 75-99, in Gillham (ed), *The Science of Optimism and Hope*, 2000, p.85.

<sup>42</sup> L.Y. Abramson et al 'Optimistic Cognitive Styles' in Gillham (ed) *The Science of Optimism and Hope*, 2000 p.86

The cultural transmission of beliefs about non-problem gambling through well-understood narratives has been documented as occurring historically and is being studied in research currently underway amongst the Chinese community in London.<sup>43</sup> These beliefs include understandings of the nature of luck, and of making plans for 'when your boat comes in'. However, this research is in its infancy and is an area that urgently needs to be developed. It seems reasonable to assume that non-problem gambling, as a routine part of leisure, is transmitted along inter-generational routes, but without a well-founded research project this must remain an assumption. However, optimism has been found to be 'moderately heritable' in twin studies and it is generally accepted that problem gamblers often have parents who were themselves problem gamblers, suggesting that for some individuals with a gambling problem there is an element of intergenerational transmission of behaviours.<sup>44</sup> Just as there is evidence for the heritability of optimism so too is there evidence that optimism and hope can be transmitted through inter-personal communication.<sup>45</sup> If non-problem gambling is part of being moderately optimistic, which some scientists believe is the natural state of the majority of the population, then developing an evidence-based understanding of any relationship between optimism and non-problem gambling may have significant benefits.<sup>46</sup> These benefits would include developing an understanding of whether there is any relationship between gambling and well-being, as well as offering insights into the tipping point between problem and non-problem gambling. The advantage of having high levels of hope is that this encourages people to have clearly conceptualised goals and also a belief in their ability to travel on the path to the goal. Little (1989) pointed out that where problems are encountered pursuing goals this undermines well-being, and this would seem to be the case with developing goals that require a gambling win.<sup>47</sup> However, Seligman and Peterson found that a key feature of optimists' coping strategies for dealing with external stressors include blaming external factors when they fail to achieve goals.<sup>48</sup> Research may show this technique being adopted by non-problem gamblers. Luck, by its very nature, is usually conceptualised as external to self;

Well, put it this way. A lot of people don't believe that there's a God up there, but I do. If you're right good, you'll get luck put on to you. Do you know what I mean? If you do your work and don't do anything bad, the luck comes on.<sup>49</sup>

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<sup>43</sup> Downs, 'The Changing Face of Gambling' in Caudwell, Redhead, Tomlinson (eds), *Relocating the Leisure Society* 2000, ESRC /RIGT funded project; Dr Rebecca Cassidy (Goldsmiths), *Assessing the distinction between problem and non-problem gambling in the UK: an anthropological approach*. This project has not yet reported.

<sup>44</sup> P. Schulman, D. Keith and M.E.P. Seligman, (1993). Is optimism heritable? A study of twins. *Behaviour Research and Therapy*, 31, 569-574.

<sup>45</sup> A.J. Shatte, J. E. Gillham and K. Reivich, 'Promoting Hope in Children and Adolescents' in Gillham, (ed) *The Science of Optimism and Hope*, 2000, pp. 215-235.

There has been more interest in hopelessness research 'than to understanding the development of hope' (216). Pennsylvania Optimism Program – training children in developing hope – improved outcomes in reducing depression among teens.

<sup>46</sup> Tali Sharot, (neuroscientist, University College London) has conducted studies showing that up to 80% of the population have mainly optimistic natures. Reported in the *Boston Globe*, 2<sup>nd</sup> June, 2008. Accessed on [http://www.boston.com/news/health/articles/2008/06/02/how\\_do\\_you\\_see\\_this\\_glass/](http://www.boston.com/news/health/articles/2008/06/02/how_do_you_see_this_glass/) 24 June 2008.

<sup>47</sup> B. Little, 'Personal project analysis: trivial pursuits, magnificent obsessions, and the search for coherence', in Buss, D., Cantor, N. (eds), *Personality Psychology: Recent Trends and Emerging Issues*, Springer Verlag, New York, NY, pp.15-31 (1989).

<sup>48</sup> C. Peterson, and M.E.P Seligman, (1981), Helplessness and attributional style in depression: Parts I and II, *Tidsskrift for Norsk Psykologforening*, 18, 3-18, and 53-59.

<sup>49</sup> Dixey with Talbot, *Women, Leisure and Bingo*, 1982, p. 85.

Alloy et al (1992, 2000) found that optimism was encouraged by experience of controllable stressors, and again, although this needs testing, it may be that non-problem gambling provides a safe way to experience stressors through playing with risk.<sup>50</sup> Risk is a known stressor, but it may be that leisure gambling, with a demarcated budget, offers an environment where a stressor can be experienced and controlled. The psychologists developing Seligman's 'Positive Psychology' universally find that a key ingredient for hope (optimism) is agency; therefore it follows that hope is a thinking process, with the output of thought being finding paths to goals. As agency is not easily obtained by poor and powerless it is perhaps not surprising to discover that poorer people are more likely to suffer from depression.<sup>51</sup> However, poor people do turn to routine gambling and there is a good body of evidence in the historical archives and some evidence from recent work that this type of gambling provides hope, encourages optimism, assists in goal achievement and gives pleasure: "...because, like, when you're skint you think, just put a pound in and get twenty quid", and Emma Casey's recent study of lottery play amongst poorer women clearly illustrated how the women saw their routine gamble as assisting in goal achievement: 'The appeal of purchasing National Lottery tickets which the women believed offered a possible means of alleviating some of their financial concerns.'<sup>52</sup> While the lottery jackpot is elusive, and people realise they are very unlikely to win, they also have experience of small wins that stoke up the hope of winning a larger prize one day, and this belief keeps them optimistic and purchasing tickets. In the study of optimism conducted by Tali Sharot her participants 'were more likely to imagine positive events near in the future and negative events as distant in the future' which also suggests that Emma Casey's lottery playing women might be hoping that their turn at the jackpot is coming sooner rather than later.<sup>53</sup> However, the relationship between gambling and planning for the future has both the advantage that the dream can be repeated over again with another stake, and also the likelihood that small wins will make an appreciable difference to a tight budget. However, high-hope people have additional coping advantages even where goals are blocked. This is because they are accustomed to planning for a change of circumstances, either positive or negative, and they anticipate difficulties as part of normal life and plan in advance of difficulties.

In previous papers I have suggested reasons for the paradox of the poor who gamble, citing culturally-based and transmitted motivations, using analysis of the historical record (much originally collected by social scientists for other purposes) as a source of evidence. The records showed that non-problem gambling behaviour offered a range of attractive benefits: the thrill of the gamble, the role of escapism, the need to exercise control over an area of life for people unable to exercise control over other things (work, housing etc), the importance of being able to play with risk, the validation of opinion with a valuable commodity offering status, the social capital accrued by winners, who became viewed by their communities as a source of good opinion on matters outside gambling, the significance of even small winnings in providing valuable assistance to stretched budgets and also, and most importantly, the role of hope and the associated narratives that accompany hope, in creating a culture of non-problem gambling. Jason Satterfield posits the existence of 'cultural optimism' through which patterns of behaviour of large groups of people can be predicted. This would be a useful explanation for the reason why large numbers of the working class poor have always gambled even when they cannot afford to do so. In moving the research

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<sup>50</sup> L.B. Alloy, L. Abramson and A. Lipman, 'Attributional style as a vulnerability factor for depression; validation by past history of mood disorders', *Cognitive Therapy and Research*, 16, 391-407, 1992.

<sup>51</sup> The World Health Organisation recognises the links between poverty and depression, see for example Vikram Patel, 'Is Depression a Disease of Poverty?', *World Health Organization Regional Health Forum South-East Asia Region* (Volume 5, Number 1) 2008.

<sup>52</sup> Casey, 'Gambling and Consumption', 2003, p. 251.

<sup>53</sup> Tali Sharot reported in the *Boston Globe*, 2 June, 2008.

forward and asking the same questions in the twenty-first century the techniques and insights of positive psychology appear to fit well with the historical picture and offer exciting prospects for the study of non-problem gambling.

The unprecedented liberalisation of the Gambling Act (2005) which will lead to the development of around 100 new casinos, unlimited remote gambling, increased use of cashless technologies for gambling, far wider availability of the more addictive Fixed Odds Betting Terminals and Video Lottery Terminals, coupled with the decline of traditional types of commercial gambling such as bingo, all suggest that patterns of gambling behaviour may change. Seligman (1991) was clear that depression is, in part, caused by lack of social connections and individualised lives. Non-problem gambling of the types popular with the mass of the gambling public, including lottery syndicates, betting at the bookies and bingo, all offer social connections. Remote gambling tries to replicate this with message boards and gambling-related groups but nevertheless the nature of the social interactions and cultural practices associated with non-problem gambling will change. It is hoped that this paper has shown that 'gambling equals debt equals misery' is not true for the majority of the gambling population and that it may fulfil important cultural, social and well-being functions. The need for research into non-problem gambling and its potential to support the happiness of those who engage in it is pressing.

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# **“Everyone that Comes into the Casino Stays”: Working Lives in a UK Local Casino**

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*This article is based on a research study conducted in the G Casino Luton, which is part of the Rank Group. In this paper we are particularly using the results of the interviews we conducted with staff members to explore some issues about why staff were drawn to work within the casino and the skills that they needed in order to work there. We are grateful to the Rank Group and to managers and staff at the G Casino Luton for their support and time and to Southlands Methodist Trust for funding the research. The full report is available from the authors on request.*

## **Working in a casino**

A casino obviously offers a range of jobs: those specialising in gambling (dealers and inspectors) but also more general hospitality roles (receptionist, waiter, bar work, security work etc.). Many of the gaming staff we spoke to described how they had originally entered this line of work because it was convenient work. One spoke of coming out of university into an economy with high unemployment. He had decided to spend a couple of years travelling, by working on cruise ships:

“I did it for two years; went on the ships, and worked on the cruise ships for five years. And that’s a fantastic lifestyle, really nice.”

Another spoke of combining work in a casino with his university studies. Some of the female respondents talked of being attracted to work which they could combine with family responsibilities.

Whilst staff might have joined the casino because it was ‘convenient’ work, it can hardly be described as a ‘passing through’ occupation in that there was little evidence that people moved on to other lines of work. Once people join a casino they tend to stay:

“Generally speaking, everyone that comes into the casino stays.... When people leave, they go to another casino, you know.”

There was some evidence that the casino did offer good opportunities for progression for women, for those with no qualifications, and for older people, if they were prepared to work their way up.

## Attitudes and skills for casino work

The following quote summarises the elements that most staff appreciated about working in the casino:

“The best thing is, first of all, it's reasonable pay, so, and the managers and all are very good with staff. If you ever have any problem, it's like you don't feel intimidated to go and say. They are here actually to help you, and it's a fun environment as well.”

All customer service jobs require two sets of skills: technical skills and the “people” skills required to interact effectively with customers. When we talked to G Casino staff about what they needed to be able to do to be effective in their jobs, it was the customer service skills that were emphasised. For example, one staff member said:

“...We need to be customer obsessed ...If you have a need then you would want that need to be pre-empted, you don't want to have to ask.”

It was significant that the dealers talked about the importance of good customer service skills more than they talked about the demands of the technical skills required for dealing. Other studies of dealers have argued that, even though customer service is becoming more important, dealing is essentially about the handling of things rather than about the management of people (Austrin and West, 2005; Sallaz, 2002). Clearly, dealing needs to be done absolutely correctly, but the dealers we spoke to were less concerned about that aspect of their role because, once they were experienced, it became automatic. As one interviewee explained to us, it took considerable time to reach this stage:

“On average, it's a couple of years within the industry to be competent at the... Because when you're first, when you're first dealing on the tables, on the gaming tables, because you're... the technical side of it is so complex, your customer service is out the window. You're too busy focusing on what you have to do, etc. But after a couple of years you can balance, you can engage in conversation and also do what you have to do. “

This particular G Casino encourages staff to develop friendly and relaxed relationships with customers: staff who had worked in other casinos remarked on this. For example, one interviewee said:

“This is the...as far as, like, staff, customers wise, this is the friendliest casino I've worked at... here, there's a lot more...there's a lot more banter, a lot more fun between staff and customers.”

One of the distinctive features of working in a casino rather than in other parts of the leisure industry is that the nature of the ‘product’ is so intangible. Essentially, the casino is offering an experience. One respondent summed it up:

“It is a service industry, the same as anything else. The only problem with this industry is what do you get for your money, you know. You come and you... it's about the thrill and the excitement really. I mean, it's no different than spending your money, in one sense, going on

a roller coaster. You get the thrill from the roller coaster don't you, but you pay something and you get something back, it's that thrill. This is what the gambling's about, it is about that. And it's not about whether you've got thousands or whether you've got a couple of quid in your pocket. Everybody should be the same; they should get the same kind of thrill out of it."

Thus the task of the dealer is to manage the experience so that customers have had a good time and are happy whether they have won or they have lost. The skills involved in ensuring this are complex because the dealer may be working with same customer over an extended period of several hours and having to judge their changing moods and needs. They also have to manage people with different needs at the same table. A respondent explained:

"a customer who is particularly difficult, based on their circumstances, for instance you've mentioned if they're losing a lot of money, yes, and they can become quite frustrated, and if a member of staff is entertaining a table, you know, everyone's having a raucous time and really enjoying it, and then poor old Fred Bloggs in the corner there is sort of not having the best of times, then of course as a member of staff you have to gauge that and you have to understand that".

There has been considerable research on customer service work which indicates that, although staff often take great pride in their ability to manage and please customers, it can also be stressful to keep smiling in the face of difficult and sometimes abusive customers. In virtually all customer service roles, staff learn that a certain amount of abuse from customers 'goes with the job' and they have to learn to cope with it (Guerrier and Adib, 2000; Adib and Guerrier, 2001). G Casino was no different. One respondent commented:

"The nearest person to blame are the staff. And that is the most taxing. Obviously the amount of time I have spent in casinos you grow a thick skin to it. It's part of your job to take the blame, I suppose".

However, one of the factors which seemed to help staff to cope with the difficult situations they inevitably faced was the supportive work culture in this casino. Staff looked out for each other but also felt that they would be backed up by managers if they took a tough line with abusive customers. This is an example of 'good practice'. While occasional bad behaviour by customers may be universal, it is not the case in other similar environments that staff always feel they have the support of managers if they resist (Guerrier and Adib, 2000; Folgerø and Fjeldstad, 1995). For example, at G Casino swearing at staff members is not accepted:

"We do have a policy where if someone's actually swearing at a dealer, we will say, excuse me, please don't swear at the dealer. If they did it again we may even stop them from gambling; and if it got as bad as that, where they continued, they'll probably get barred from here, because the GM [general manager] doesn't have anything like that."

We had corroboration that this did actually happen both from an interview with a young customer whose friend had been banned for swearing and also from observation of an incident where a dealer

was quickly supported by colleagues when she was struggling to deal with some slightly unruly customers on her table.

One of the contributing factors to bad customer behaviour is alcohol consumption. It would not make good business sense to tolerate drunkenness in a venue which sells itself on being safe and well-run, regardless of any risk to the licence. Thus staff are trained to and do intervene although some commented that it could be difficult in practice to manage this effectively on a busy Friday or Saturday night and some commented they found working these nights quite stressful.

### **Everybody watches everybody**

One of the characteristics of casinos is the level of surveillance. Surveillance is built into the structure of the roles as one of the gaming inspectors explained:

“I watch the dealers. The pit boss watches me. The cameras watch everybody. The managers are watching. Everyone’s watching everybody else. It’s a security-minded industry, because there’s huge amounts of money involved at the end of the day, as it should be.”

This degree of surveillance is required not least to meet licensing requirements, but it is worth remembering that, even compared with other work environments where employees are checked up on (for example call-centres), staff in casinos are particularly closely monitored. So we were interested to explore what they thought about being watched all the time. In general the surveillance was seen as a tool which was there to protect them as much as the casino and not as oppressive. For example:

“You do get people that do cheat, well, that’s where that kicks in and, you know, it’s a two way thing: it’s there for your security and it’s also there for the company’s security. Mainly, I’m happy it’s there because – especially with the microphones as well – any issues that arise, we have evidence there and then, and 99% of the time the company is going to back you up.”

Other studies on employees in casinos (for example Austrin and West, 2005) have drawn similar conclusions.

The surveillance is not just about picking up cheating. There is a licensing requirement for staff to identify behaviours associated with problem gambling and to intervene. There is a well-developed training package for G Casinos and all the staff we talked to had done the training and were well aware of what was expected of them. Some of the staff felt that the friendly atmosphere in the Casino made it easier for them to notice when someone was developing a problem and to know how to talk to them about dealing with it. It also meant they were motivated to intervene not just because they were required to but also because they cared about the person, as this quote indicates:

“There are customers that... like I said, it’s a family atmosphere, not just with the staff, it’s a family with the customers as well. You get to know individual customers really well and it

helps with the problem gambling. You know, I don't know if you have family, but if your child has a problem you know without them speaking, you know from their actions. So do we. So do we with certain customers. So we can pick it... we can identify what that problem is early on because we have noticed a few things. And obviously we communicate with each other as well."

Problem gambling was a topic which provoked some interesting views from a number of participants. Whilst the views expressed above were typical, i.e. that staff wanted to be responsible and did intervene or alert their manager as appropriate if they noticed something, staff were also concerned that finally there was a limit to what they could do. Even if someone was barred from all the local casinos, there were plenty of other ways that they could gamble away their money if that was what they wanted to do. Compared with internet gambling, at least in a casino, "we see the people, and at least we can go and have a word with them".

### **Casino Culture**

Overall, there was a positive and supportive atmosphere amongst staff in the casino and considerable admiration and respect for the GM and management team. Other research has indicated that where managers allow staff to develop their own personalities and styles to the job and develop their own ways of dealing with customers, staff are more likely to retain a positive and committed attitude to their jobs (Sosteric, 1996; Seymour and Sandiford, 2005). We would argue that this was one reason for the positive work culture that had developed at G Casinos. Managers also tended to have worked their way up through operative roles and so they brought with them considerable skills and experience about how to manage situations and what staff might be facing.

This did not, of course, mean that all staff were equally satisfied. Many of the issues that arose were not with the nature of the work itself but with the demands of working in a 24 hour, 7 day a week operation and the impact this had not just on staff's working lives but also on their lives outside work. Work in the leisure sector is sometimes described as 'passing through' work; i.e. work that is taken up because it is convenient but people move on to something else once they have the opportunity. By contrast, casino work could be described as 'stuck in' work: even if someone had originally moved into this sector because it was convenient once there they tended not to move out. This was fine for those who had been able to develop good careers or those who continued to enjoy what they were doing and perhaps had been able to adapt their working patterns to fit changing life-styles (e.g. by doing more day shifts). But there were inevitably some staff who felt they were 'stuck' in the negative sense.

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