

Responsible Gambling: General Principles and Minimal Requirements

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Abstract Many international jurisdictions have introduced responsible gambling programs. These programs intend to minimize negative consequences of excessive gambling, but vary considerably in their aims, focus, and content. Many responsible gambling programs lack a conceptual framework and, in the absence of empirical data, their components are based only on general considerations and impressions. This paper outlines the consensus viewpoint of an international group of researchers suggesting fundamental responsible gambling principles, roles of key stakeholders, and minimal requirements that stakeholders can use to frame and inform responsible gambling programs across jurisdictions. Such a framework does not purport to offer value statements regarding the legal status of gambling or its expansion. Rather, it proposes gambling-related initiatives aimed

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at government, industry, and individuals to promote responsible gambling and consumer protection. This paper argues that there is a set of basic principles and minimal requirements that should form the basis for every responsible gambling program.

Keywords Responsible gambling · Pathological gambling · Prevention

Emerging predominantly since the 1960s, significant shifts in social, economic and political perspectives have led to dramatic expansions in land-based and Internet gambling opportunities across North America, Europe, and Australasia. One potential negative aspect of this expansion is the adverse personal and social consequences of disordered gambling behaviours. Approximately 0.2–2.1% of adults within general populations meet criteria for pathological gambling (LaPlante et al. 2008), with higher rates of 2.5 and 4.0% in some jurisdictions such as China (Loo et al. 2008). Rates are significantly higher among special groups of individuals (Blaszczynski et al. 2001).

In response to community concerns centering on the negative social and personal repercussions associated with excessive gambling, regulators in many jurisdictions have required gambling operators to ensure that games of chance are safe and fair and that players have sufficient information available to make informed decisions. National Opinion Research Center (1999) and the Productivity Commission (1999, 2009) reports are seminal publications that highlight the need for collaborative enterprises directed toward promoting a culture of responsible gambling. Unfortunately, considerable variations currently exist in the degree to which regulators and operators act to implement specific initiatives with minimal consensus on the necessary components that constitute a systematic framework for facilitating informed choice (see Blaszczynski et al. 2008) and/or the relative responsibilities of government regulators, operators, and consumers.

The purpose of this paper is to describe the fundamental principles and minimal features necessary to sustain a safe environment for gamblers. It proposes a tripartite model that incorporates government, industry, and personal responsibilities in minimizing gambling-related harm. The authors adopt the premise that governments retain responsibility for enacting legislation that determines the nature and extent of gambling, positing requirements directed to maximizing consumer protection, and monitoring compliance with these requirements. For example, informed choice necessitates that service providers fully apprise consumers of all relevant and accurate information in a timely fashion to enable them to make educated gambling-related decisions.

In contrast, gambling providers bear the responsibility for ensuring that they do not make misleading claims, engage in exploitative practices, omit or disguise relevant information, develop products designed to foster excessive gambling, or target inappropriate subpopulations (e.g., adolescents, elderly, and other high risk population segments). Individuals bear the responsibility for understanding the nature and risks associated with the products they consume.

This paper takes no position about the legal or moral status of gambling. Similarly, we do not intend to provide prescriptive legislative and/or corporate guidelines by jurisdiction. Rather, this paper posits fundamental guidelines for consumer protection and shared responsibility, suggesting strategies for minimizing potential gambling-related harms while maintaining gambling as a recreational activity. The major contribution of this article is to describe the minimal components that we consider responsible gambling programs ought to contain. We divide this paper into four primary sections: (1) background and underlying

assumptions; (2) fundamental principles of responsible gambling; (3) roles of key stakeholders; and (4) minimal strategic requirements for responsible gambling programs.

Background and Underlying Assumptions

The authors, a group of international gambling researchers from Australia, Canada, France, Macau, South Africa, South America and the United States of America met in Boston, Massachusetts during February 2009 to discuss responsible gambling principles and to develop a basic framework regarding which of these principles were essential to building responsible gambling programs. The current paper distills key issues derived from that discussion. We recognize that not all components of the proposed framework will be appropriate for all jurisdictions; instead, the components are dependant upon local regulations and cultural factors. However, the authors represent the varying perspectives of their respective continents where gambling is legalized and propose this framework as a first step toward achieving international consensus about minimum responsible gambling principles.

Four primary assumptions underlie this framework:

1. Cultural and socio-political processes and government policies determine the nature, extent, and structure of gambling within a jurisdiction.
2. Where gambling is legalized, governments and gambling operators should establish policies and practices that encourage consumers to gamble in a responsible manner, that is, within their affordable limits of money, time and other resources. This set of policies and practices constitutes a '*responsible gambling program*'; a generic term that incorporates concepts of '*consumer protection*', '*harm minimization*', and '*harm reduction*' that, although used as synonyms, contain differing nuances in meaning.
3. The final choice of whether to commence gambling, that is 'informed consumer choice,' remains with the individual. To avoid potential misinterpretations of this position, we emphasise that this principle does not abrogate the responsibility of regulators and gambling operators to protect consumers from product-related harms or suggest that gamblers can gamble or continue sessions of gambling without due regard for the consequences of their behaviour. Gambling providers have a responsibility to make sure gamblers are aware of risks on a continuing basis. We acknowledge that gambling is associated with multiple risks, and the ultimate choice to participate in gambling activities remains that of the individual. Once informed about the attributes of an activity, gamblers assume the burden of gambling responsibly; they must consider the individual and social consequences of their gambling choices and decisions to persist within and across sessions.
4. Currently, there is no body of scientific evidence demonstrating consensus about the effectiveness of responsible gambling measures to prevent the incidence or reduce the prevalence of gambling-related harms. However, our recommendations are guided by the scientific evidence available to date. We acknowledge that there is a need for more comprehensive, rigorous, internationally-integrated procedures for evaluating the effectiveness and cost-effectiveness of the various elements comprising responsible gambling programs. Nevertheless, as a starting point, it is necessary to articulate and debate what ought to represent fundamental principles and basic requirements of any responsible gambling program.

Fundamental Principles of Responsible Gambling

Gambling is a risk-taking activity that involves an agreement between two or more parties where something of value is wagered on an event of uncertain outcome, and where chance determines the outcome of that event. For individual players, the frequency and intensity of gambling ranges on a continuum from none to considerable.

Various interests have divided the continuum of gambling into arbitrarily determined categories using inconsistent terminology. From the medical perspective, the American Psychiatric Association has dichotomized the continuum into pathological and non-pathological divisions (American Psychiatric Association (APA) 2004). Alternatively, clinicians use descriptors such as “problem,” “compulsive,” or “pathological,” to refer to gamblers of any age reporting lifetime and/or current clinical symptoms of impaired control, defined by spending more money on gambling than affordable, increasing amounts wagered, seeking bailouts to support their gambling, and other adverse signs associated with excessive gambling. Governments adopt a similar dichotomous view that is based upon a legally-defined age threshold, usually 18, 19 or 21 years. Communities often use terms such as “non-gamblers, social, recreational, regular, heavy, problem, excessive and compulsive” gamblers as labels to describe the spectrum of gambling involvement characteristic of community members.

Just as there is confusion about the definition of excessive gambling, there is considerable conceptual confusion surrounding the term ‘*responsible gambling*.’ Historically, the term originated from industry-based voluntary codes of conduct that emerged partly in response to government and community pressures. The gambling industry designed these early codes of conduct to set out “mission statements,” principles, and guidelines that gambling operators should follow to provide a “safe” gambling product or environment. These voluntary codes were supplemented by government-imposed legislation or directives designed to promote consumer protection (technical standards, minimum expected player percentage return rates, warning signage, and eliminating unacceptable business practices, excessive inducements, or exposure to unfair products), harm reduction (strategies aimed at restricting potential losses within sessions; setting maximum bets size, restricting note acceptors, and imposing breaks in play), and harm minimization (staff training in identifying and responding to patrons exhibiting high risk behaviours, educational campaigns, and player tracking systems). Whether industry- or government- derived, responsible gambling strategies attempt to impose a duty of care to protect the public from gambling-related adverse events by: (1) educating individuals about the nature of gambling as a recreational product containing associated risks, notably the potential to become excessively preoccupied with gambling and developing an inability to cease or control gambling despite negative consequences in domains of social, legal, employment and familial functioning; (2) encouraging players to wager within affordable limits; and (3) providing sufficient information about a game to allow players to exercise informed decisions regarding all aspects of their participation.

Although responsible gambling programs vary inconsistently across jurisdictions, the minimal essential components for these programs include the following:

- Initiating population-based education (e.g., media campaigns and school curriculum) about the nature of gambling and statistical odds of winning;
- Initiating staff training;
- Providing information on help-line numbers and brochures listing available rehabilitation/counseling treatment programs;

- Limiting direct marketing to underage populations, self-excluded gamblers, and those in receipt of social welfare payments;
- Displaying signs that warn about the possible adverse consequences associated with excessive gambling;
- Restricting underage gambling through enforcement procedures and employee training;
- Restricting the sale of alcohol to minors, to patrons while gambling, and to visibly intoxicated persons;
- Making available and accessible self-exclusion options to patrons;
- Establishing ethical practices for advertising and marketing materials that display responsible gambling messages (e.g., restricting advertisements that target minors or unduly expose minors to gambling activities);
- Modifying structural features and environmental variables that might contribute to excessive gambling (e.g., bill acceptors, free-spins, and reel ‘hold’ facilities on electronic gambling machines, and the availability of ATMs within gambling venues).

Despite these efforts, and in the absence of adequate industry reporting requirements, there is currently no scientific research documenting the extent to which venue operators have implemented these components. Similarly, there is little research demonstrating the efficacy and effectiveness of these program features in stimulating or maintaining responsibility among individuals who choose to gamble, or the impact of these programs on target audiences. Without research to identify the impact (i.e., number of people affected) and efficacy of responsible gambling programs, debate and confusion continues to abound as to the relative role and responsibilities that responsible gambling program stakeholders should accept.

Roles of Key Stakeholders

A guiding principle is that all stakeholders should advocate for program components that demonstrate rigorous cost-benefit efficacy and effectiveness. That is, stakeholders need to weigh the economic, social, and other benefits of gambling-related programs against gambling-related costs accruing to individuals and communities. It is important to acknowledge the conflicts of interests and tensions that can exist among: (1) commercial, shareholder, and government interests; (2) the prevention and reduction of excessive gambling behaviours; and (3) the need to determine priorities that will enable acceptable compromises to be achieved. Governments and gambling providers must balance profitability/taxation revenue against the economic burden of mental health care, social and legal costs, and the personal distress of problem gamblers and their family members.

Cost-benefit analyses should evaluate the relative weight ratio of programs, that is, the relationship of effectiveness to impact. Responsible gambling programs with high effectiveness but low impact will have less influence than programs with a broader impact and moderate to even low effectiveness. If programs are effective for only a few members of the target audience, they will have little influence on public health compared to those programs that are less effective but are taken up by many individuals. Ultimately, the collaborative involvement of governments, industry, and individuals will determine effectiveness of responsible gambling programs.

Governments need to balance the promotion of responsible gambling principles against restricted civil liberties. In addition, both government and industry operators should actively work to support efforts that lead to the identification of effective program

interventions; once established government and industry should work to monitor compliance with these program elements, and administer evidence-based programs that evaluators monitor routinely to ensure optimal and continued effectiveness. We provide guidelines for these components in a later section.

Policy makers should base responsible gambling programs upon a sound conceptual framework, containing well operationalized variables and outcomes. These programs must have four fundamental components: (1) a set of specific objectives formulated in operational terms that will facilitate their evaluation (e.g., raising awareness about responsible gambling, improving knowledge and attitudes about problem gamblers, providing skills to identify and intervene with gamblers in need); (2) a target audience toward which the program is directed (e.g., general public, individual gamblers, specific at risk groups, gambling venue employees, gambling industry, government, etc.); (3) a set of interventions (e.g., deposit limits, education, information, self-exclusion); and (4) a clear methodology for scientific evaluation (i.e., a systematic and replicable set of empirical methods) that can determine the efficacy, cost-effectiveness, and impact of the program.

The strength of influence of each intervention likely will vary in its contribution to the overall program efficacy and impact.

Prevention

Since the main goal of a responsible gambling program is to prevent gambling-related problems, programs should provide information that consumers use to make decisions. Key components aimed at prevention should address the following six areas:

- (1) *Company Policy*. Industry operators should: (a) adopt a written responsible gambling policy, signed by the CEO and all members of the Board and prominently displayed to staff and consumers; (b) include the policy in employee induction training and implement it in a manner that conveys commitment to providing entertainment in a responsible way that does not exploit human vulnerabilities; (c) specify protocols for encouraging problem gamblers to self-exclude and simultaneously seek treatment; (d) avoid all forms of predatory or misleading marketing; and (e) prevent minors from gambling. Provisions should be made for independent auditors to evaluate and report on compliance to maximize transparency of program implementation.
- (2) *Features of Games*. Jurisdictions should: (a) ban features that promote false beliefs (e.g., near-misses and stop buttons); (b) set size and frequency of pay-outs, including limits on note size for bill-acceptors; (c) publish average payout rates per machine; (d) introduce facilities for identifying total losses and winnings per sessions; (e) introduce loss-limiting facilities per session or other time period; and (f) provide information about the volatility of machines and the concept of losses disguised as wins (e.g., returns per trial that are less than the stake).
- (3) *Environmental features*. Venues should: (a) remove ATMs and other means that permit the players to withdraw cash impulsively or to obtain credit from the gambling floor.
- (4) *Informing Players*. Players should receive: (a) information about the dangers of excessive gambling and how to avoid them; (b) resources for help-seeking; (c) information about how games really work; and (d) education regarding common misconceptions that encourage false beliefs about the probabilities of winning.
- (5) *Location of the Venue*. Jurisdictions should evaluate the location, density and accessibility of gambling venues, particularly in low-income communities where

- gamblers can least afford to lose, to determine whether proximity of gambling opportunities may promote impulsive play and increase the risk of problem gambling.
- (6) *Marketing gambling in the Community*. Jurisdictions should evaluate: (a) the use of loyalty cards for marketing and the relationship of those cards to problem gambling; (b) whether potential limits should be placed on advertising gambling services; and (c) what constitutes unacceptably predatory marketing of gambling products to both the general public and to targeted high rollers.

Treatment

An effective program will provide information about treatment and self-help (e.g., Gamblers Anonymous) services within each jurisdiction and specify an efficient means of referring gamblers in need of assistance directly to mental health services with counselors trained in problem gambling treatment. Gambling venues also should consider establishing collaborative links with local gambling treatment services.

To make this linkage available, governments must ensure the development and adequately fund a network of treatment resources that should be available and accessible to gamblers and their families, independent of income and/or the presence or absence of private insurance. At the very least, these resources should include hotline services and individual and family therapy by counselors trained in problem gambling treatment. In addition, governments should require all gambling venues to adopt policies to educate employees about procedures for triaging gamblers to these services and offering information on the full range of services available in the jurisdiction.

Minimal Strategic Requirements

The intention to be responsible is not sufficient to sustain a responsible gambling program. Any responsible gambling program should include a systematic and empirical evaluation to determine if it has met its stated objectives. This evaluation should indicate the overall impact of the program and, more specifically, the contribution of each intervention to the program effect, if the program comprises more than one intervention.

The following paragraphs will highlight five main components of the evaluation process.

- (1) *Dependent variables and measures*. According to its objectives, a responsible gambling program will aim to modify opinions, knowledge, attitudes and, ideally, behaviours related to excessive gambling. Before implementing or launching the program, it is important to determine how researchers will evaluate the potential or expected changes by operationalizing what variables they will use. The program should evaluate at least one of the following areas: knowledge, reported skills, and/or attitudes. It is, likewise, important to evaluate the behavioural changes fostered or harm reduced by the program. What is the observable impact of the program? Does it satisfy the ultimate program goal: that community members who gamble will do so within their affordable limits (e.g., leisure time and discretionary disposable income) and in the absence of harm?
- (2) *Sample size*: Researchers must assure a sample size that is large enough to accommodate proper statistical analyses to answer the evaluative questions under consideration.

- (3) *Research designs*: The use of well-constructed research designs will provide information concerning the validity, reliability, and efficacy of the program. The minimal requirement is to use a one-group, repeated measures design where measures are taken before and after the implementation of the program. Unfortunately, such a procedure is associated with many methodological flaws, mainly threats to external validity. The inclusion of another comparison (control) group would reduce the possibility that changes in outcomes are due to factors other than the responsible gambling program.
- (4) *Follow-up measures*: Researchers can evaluate the impact of the program on a short-term basis; however, the important issue is whether the gains will be maintained over time. To support a claim that the program produces durable benefits, the measures should be re-administered at a future time, typically 6 months after the completion of the program.
- (5) *Dissemination of program outcomes*: The description of the program and results of the outcome evaluation should be available to the community. In addition, findings should be published in peer-reviewed journals to underscore the scientific and scholarly quality and integrity of the work. However, if this work is to be influential in shaping practice, it also will be important to make the material available in an easily-accessible and user-friendly format for policymakers, regulators, industry executives, journalists, and interested professionals to further enhance the promotion of effective programs with significant positive impact.

Conclusion

Current responsible gambling programs incorporate components that have not been evaluated adequately with respect to their efficacy or cost-effectiveness. This circumstance has resulted in various jurisdictions introducing programs that differ according to their content and emphasis, although all share the ultimate objective of consumer protection and reducing the incidence and prevalence of gambling-related problems. Contributing to this situation is the absence of a clear conceptual framework that can guide the development and implementation of responsible gambling initiatives. This paper advances the argument that governments, industry operators, and individuals hold a joint responsibility to work cooperatively to ensure that any harm consequent to excessive gambling is optimally minimized.

The authors have not prescribed which components should be included in each program. However, we suggest that all programs should contain initiatives that foster education and awareness, specify the target audience, maximize the potential for early identification and intervention for gambling-related problems, and incorporate evaluation through systematic research. Establishing a framework for responsible gambling represents an important step toward developing a common set of guidelines to assist governments and industry operators in implementing effective consumer protection initiatives. These initiatives should be aimed at minimizing negative consequences among community members who gamble to excess.

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