

Corporate social responsibility in the UK gambling industry

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Abstract

Purpose – *The purpose of this paper is to offer a preliminary case study exploration of the corporate social responsibility issues being addressed and reported by a number of the UK's major gambling operators.*

Design/methodology/approach – *The paper begins with a short discussion of the characteristics and origins of CSR and this is followed by a brief outline of the structure of the gambling industry within the UK. The paper draws its empirical material from the CSR reports and information posted on the world wide web by a number of the major gambling operators and by a small number of organisations concerned with the regulation and social impact of gambling.*

Findings – *The findings reveal that there are substantial variations in the nature and the extent of reporting. Four companies produced CSR reports while others produced more limited information confined largely to responsible gambling. More specifically, the paper focuses upon four sets of CSR issues namely those relating to the marketplace; the workplace; the environment; and the community and then provides some reflections on these issues.*

Research limitations/implications – *CSR within the UK's gambling industry has received relatively little attention from academics but the paper suggests a number of fertile grounds for future enquiry and research. The paper offers a preliminary exploration of CSR issues as reported on the world wide web and more in depth work will be needed before more definitive conclusions can be drawn.*

Originality/value – *The paper provides an accessible review of the CSR issues and agendas being reported by some of the UK's major gambling operators and as such it will interest academics and practitioners working on and in the gambling industry and those professionals who work with the industry.*

Keywords *Corporate social responsibility, Betting, United Kingdom*

Paper type *Case study*

Introduction

Within the UK gambling has traditionally been heavily regulated. Miers (2004), for example, in tracing its regulation from the eighteenth century to the modern day, examines how the law was initially used to suppress popular gambling and how prohibition eventually gave way to the recognition that regulation offered an effective method of controlling gambling activities. In recent years there has been growing pressure to modernise gambling regulation. Such pressure reflects a number of factors including the widespread social acceptance of gambling; developments in Information and Communication Technologies which allow gambling across traditional regulatory jurisdictions; and a desire to enable gambling operators to respond more rapidly to consumer demands and to compete in global gambling markets. While the UK Government is still committed to regulating gambling in the public interest, the Gambling Act 2005 introduced a more relaxed regulatory regime but it also made social responsibility a licence condition for gambling operators for the first time. Many of the major gambling operators are now explicitly addressing and reporting on their corporate social responsibility (CSR) and this reflects the spirit of the 2005 Act and the

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growing commitment to CSR within the business community. This paper offers a review of the CSR issues being addressed within the UK gambling industry. It includes an introduction to CSR, an outline of the structure of the UK gambling industry, details of the method of enquiry, a discussion of the CSR commitments and achievements reported by the major gambling operators and some reflections on CSR and socially responsible gambling within the gambling industry.

Corporate social responsibility

CSR is concerned with the integration of environmental, social, economic and ethical considerations into business strategies and practices. While Werner and Chandler (2005) have argued that “consistent, definitions, labels and vocabulary have yet to be solidly established in the field of CSR” numerous definitions have been offered. Wood (1991), for example suggests that “the basic idea of CSR is that business and society are interwoven rather than distinct entities” while for Brown and Dacin (1997) “Corporate social responsibility associations reflect the organisation’s status and activities with respect to its perceived societal obligations.” Although CSR has gained increasing momentum across the business community during the past decade the underlying concept has a long history. Hopkins and Crowe (2003), for example, suggest that there has always been a tension between business and social goals and they cite the power of the craft guilds in the Middle Ages, the slave trade and the struggles to improve living and working conditions in Britain’s rapidly growing towns and cities during the nineteenth century, as graphic evidence of these tensions. Sadler (2004) has argued that “the definition of the functions of the corporation with relation to wider social and moral obligations began to take place in the centres of capitalist development in the 19th century.”

A variety of factors are cited as being important in building the current momentum behind CSR. Ernst & Young (2002) suggest that five key drivers have influenced the increasing business focus on CSR namely greater stakeholder awareness of corporate ethical, social and environmental behaviour; direct stakeholder pressures; investor pressure; peer pressure and an increased sense of social responsibility. Porter and Kramer (2006) argue that there are “four prevailing justifications for CSR” namely “moral obligation, sustainability, license to operate and reputation.” The three dominant theories that have been used to analyse and explain CSR have been succinctly summarised by Moir (2001). Stakeholder theory suggests that it makes sound business sense for companies to understand the needs and aspirations of all their stakeholders be they investors, governments, employees, communities, customers or suppliers and that these needs and aspirations should be reflected in corporate strategy. Social Contracts theory asserts that companies may pursue CSR not because it is in their commercial interests but because it is how society expects companies to operate. Legitimacy theory stresses that society grants power to businesses and it expects them to use that power in a responsible manner.

The business case for CSR is seen to focus on a wide range of potential benefits (Bevan *et al.*, 2004). These include improved financial performance and profitability; reduced operating costs; long-term sustainability for companies and their employees; increased staff commitment and involvement; enhanced capacity to innovate; good relations with government and communities; better risk and crisis management; enhanced reputation and brand value; and the development of closer links with customers and greater awareness of their needs. However Porter and Kramer (2006) have argued that “the prevailing approaches to CSR are so fragmented and so disconnected from business and strategy as to obscure many of the greatest opportunities for companies to benefit society.” They propose a new framework to explore the interdependence between business and society and argue that “when looked at strategically corporate social responsibility can become a source of tremendous social progress, as the business applies its considerable resources, expertise, and insights to activities that benefit society.”

At the same time there are those who would champion the case against companies integrating CSR into their core business. Such arguments might follow Friedmann (1982) in

affirming that “there is one and only one social responsibility of business-to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say engages in open and free competition without deception or fraud.” Henderson (2001) has argued that seemingly growing business commitment to CSR is “deeply flawed” in that “it rests on a mistaken view of issues and events and its general adoption by business would reduce welfare and undermine the market economy.” More generally Kitchin (2003) argues that CSR is “too narrow to engage management attention, too broad and unquantifiable to be taken seriously by the financial community and just woolly enough to be exploited by charlatans and opportunists.”

Outline structure of the UK gambling industry

Gambling is big business in the UK. The Gambling Commission's (2006a) most recent annual report records that annual turnover of the gambling industry in 2003-2004 was some £53 billion, which in turn generated a gross yield of just over £8 billion, while Mintel (2006a) estimates that the corresponding figures for 2006 were £79 billion and £10 billion respectively and the gambling sector provides some 180,000 full time jobs. This massive and dynamic market includes a number of elements namely sports betting, casinos, lotteries, online gaming, bingo, gaming machines and football pools (Gambling Commission, 2006b). Although a large number of companies are involved in the gambling industry there has been increasing concentration in recent years with a small number of large companies taking a dominant share of the market. Some companies specialise in one sector of the market whilst others are major players in more than one sector.

Betting on sporting events is the largest sector of the gambling market in terms of net expenditure and it is divided between “on course” betting which takes place at horse race courses and greyhound dog tracks and “off course” betting which takes place in betting shops and increasingly via the internet. The betting shop business provides a clear illustration of the process of concentration referred to above. The first betting shops were opened in 1961 following the passage of the 1960 Betting and Gambling Act and by the end of the 1960's the vast majority of the 16,000 betting shops were owned by independent small scale local bookmakers. Since then a small number of companies have become increasingly dominant players and as they have opened larger and better appointed premises so the total number of shops and operators has declined. At the end of the 1960's the four largest companies namely William Hill, Ladbrokes, Corals (now Gala Coral) and Mecca between them owned just 10 per cent of all betting shops. This figure rose to 25 per cent by 1977 and following the merger of William Hill and Mecca in 1990 to 50 per cent by the mid 1990's. A decade later the three companies owned almost 60 per cent of the UK's 8,800 betting shops and were estimated to have a 70 per cent market share of the business. William Hill, Ladbrokes and Gala Coral also have a major presence in the Internet sports betting market but there are also a number of specialist operators including Bet365, Betfair and Sportingbet.

The online gaming market, particularly focused on poker, blackjack, baccarat, craps and roulette, has been growing rapidly and Mintel (2006b) estimated that it was worth £640 million in 2006. Here again William Hill, Ladbrokes and Corals, have a significant presence, as do Sportingbet, but Mintel (2006b) suggests that there may be as many as 1,700 gaming web sites. The overwhelming majority of these are registered outside the UK, where they are thus beyond the UK's regulatory and financial reporting jurisdiction. The major companies include 32Red plc, 888 holdings plc, the Gaming Corporation plc and the Rank Group. 32Red plc, for example, was established in 2002 and the company, based in Gibraltar, offers casino games and poker via two separate web sites, the one concentrating on casino games and the other on poker. The company (32Redplc, 2007) claims that most of its customers are based in the UK and it further claims that “Patsy Kensit provides the voice of the casino dealer and adds to the distinctly British feeling of our offering.”

Within the UK there were some 625 dedicated bingo clubs in 2007 and the game is also played in a large number of working men's and social clubs. The two biggest, Gala Coral and

the Rank Group (who trade under the Mecca banner), operate 43 per cent of all the dedicated clubs but are responsible for close to 60 per cent of all admissions and have some 70 per cent of the high value “linked” and “National Game” bingo business. A further five companies operate 15 per cent of all bingo clubs with just over 40 per cent being run by smaller local independent companies. There are currently some 235,000 gaming machines within the UK and they are often linked to other sectors of the gambling market in that many of them are located in bingo clubs, betting shops and casinos as well as in public houses, social clubs, amusement arcades and fast food outlets. The market is dominated by three groups namely IGT, Danoptra Holdings and Leisure Link, though a number of smaller companies are also well established within the market.

The National Lottery, operated by Camelot, is the most popular form of gambling in the UK with an estimated 65 per cent of the adult population taking part and total National Lottery ticket sales for 2005-2006 were just over £5 billion. There are several other types of lotteries within the UK including small and private lotteries, which are not formally registered, and some society lotteries, which are licensed and regulated by either the Gambling Commission or by local authorities depending on their turnover and character. Proceeds from these society lotteries amounted to some £137 million in 2005-2006. The UK casino industry is dominated by two players of roughly equal standing namely Stanley Casinos and Rank which in 2006 operated 66 per cent of the UK’s 165 casinos and accounted for some 50 per cent of the £820 million turnover of the casino market. Just two companies namely Sportech, which owns the Littlewoods and Zetters brand, and Ladbrokes, which own the Vernons brand control the football pools market and this is the most concentrated element of the overall gambling market.

Method of enquiry

Information for the review of CSR within the UK gambling industry was obtained from two sets of sources namely from the major gambling operators and from a number of government departments, organisations and associations concerned with the regulation and the social impact of gambling. First in an attempt to review the nature of the CSR agendas being pursued and publicly reported within the gambling industry 16 leading operators were selected for study:

1. Gala Coral.
2. Ladbrokes.
3. Williams Hill.
4. Camelot.
5. Rank Group.
6. Sporting Bet.
7. The Tote.
8. Bet 365.
9. Betfair.
10. Stanley Leisure.
11. 888 Holdings.
12. Sportech.
13. 32 Red.
14. IGT.
15. Danoptra Holdings.
16. Leisure Link.

Bowen (2003) has suggested that the majority of companies have realised the potential of the Internet as a mechanism for reporting CSR activities and has argued that its interactivity, updatability and its ability to handle complexity adds value to the reporting process. With this in mind the authors undertook an internet search of each of the selected gambling operators' corporate web sites in May 2007 employing Google as the search engine. The authors then navigated each of the sites in a search for the most recent CSR material. While the precise patterns of navigation varied from one operator to another depending on the layout of each site and the quantity of CSR information they contained, the authors were satisfied that they were able to form a clear picture of the CSR agendas and that the information met the reliability and validity criteria for information collected via the Internet set out by Saunders *et al.* (2007).

The internet search revealed considerable variation in the volume, character and detail of the CSR information that the selected gambling operators had posted on the Internet. Four companies, Camelot, Gala Coral, Ladbrokes and William Hill had posted CSR reports and a further nine Betfair, 32Red, 888 Holdings, IGT, Rank Group, Sportech, Sportingbet, Stanley Casinos and the Tote had some limited information about corporate social responsibility, social responsibility or responsible gambling/gambling on their corporate web site. There was no CSR information available at that time on the internet for the remaining three companies.

Second in an attempt to some gain wider perspectives on CSR within the gambling industry the authors gathered information from the Department for Culture, Media and Sport (DCMS), the Gambling Commission and the Responsibility in Gambling Trust (RIGT) (2007), Gamcare, the Church of England (2007), the Salvation Army and the British Medical Association (BMA). The DCMS is the Government Department that has overall responsibility for gambling. The Gambling Commission, a non departmental government body, sponsored by the DCMS, is responsible for regulating all gambling activities apart from the National Lottery. The RIGT and Gamcare are charitable organisations who are concerned with the social impact of gambling and who work to promote a socially responsible approach to gambling. Here again the authors undertook an internet search of the website of each the four organisation.

CSR overview

The four companies which posted CSR reports all claim in one way or another to be integrating CSR into their core business. Camelot (2006), for example, claims to "integrate corporate responsibility into every aspect of our business" while Ladbrokes emphasises that the company's "financial success is rigorously underpinned by a solid foundation of long term responsible thinking". The Gala Coral (2006) report argues the business case for CSR, which it sees as being:

- "to support and undertake Responsible Gaming Programmes so as to enhance the Gala Coral's status with Government and other external bodies, thereby protecting and enabling Gala Coral to grow its profit";
- "to maintain and enhance Gala Coral's Corporate Reputation which will in turn enhance shareholder value"; and
- "to help promote Gala Coral as an Employer of choice both internally and externally, on the basis that people want to work for companies that care".

Six of the other seven companies make no explicit mention of CSR as a strategic business imperative the sole exception being IGT (2007) which emphasises that "social responsibility is a cornerstone of IGT's business philosophy."

There is the sense that in explicitly committing themselves to CSR the four companies recognise that they are moving into new territory. William Hill (2007), for example, claims that it "is committed to improving continuously its practices in the area of corporate social responsibility" and in prefacing the Gala Coral (2006) report the company chairman stresses

“It must be accepted that we are at the starting point and understand that Gala Coral's commitment to social responsibility is a journey, not a destination.” Turning to specific CSR agendas and commitments the gambling operators that do report on CSR (and on social responsibility and responsible gambling) do so in a variety of ways and under a variety of headings but in this paper the authors follow Whooley (2004) in adopting the four fold classification of marketplace, workplace, community and environment as a basic framework with which to review CSR commitments and agendas.

Marketplace

Within the CSR literature the term marketplace is generally seen to embrace both the sourcing of goods and services and their sale to customers. The gambling operators report and provide CSR information on a number of market place issues but responsible gambling very much dominates the commentary. The general thrust of this commentary is that gambling is a legitimate, socially accepted and exciting leisure activity and that the operators claim to encourage a socially responsible attitude to gambling. More specifically they emphasise their commitment to preventing children and vulnerable people being harmed or exploited by gambling and their active support for the work of Gamcare, an organisation, which offers support to people who are concerned about their gambling. The seven operators who do not produce CSR reports concentrate almost exclusively on the issue of responsible gambling. Sportingbet (2007), for example, claims to provide a “protected entertainment environment” and to have focused upon creating and installing software and staff training that will identify vulnerable or problematic individuals and they report working with suppliers to develop and test programmes to identify behaviour patterns such as rising bet sizes, accelerating frequency of betting, repeated losses or mismatches between stakes and social backgrounds that may indicate problem gambling. At the same time with the advent of multiplayer environments such as poker, the company reports being particularly vigilant about the risk of collusion or irregular fund movements between participants.

In a similar vein Ladbrokes (2006), for example, argues that as a company that “earns its living through betting and gaming” it has a responsibility to help tackle problem gambling, understand its causes and promote its treatment. Further the company reports training all its employees in responsible gambling practice, rigorously enforcing the 18 year age limit through clear signage and age checks both on and offline. All online customers must complete a detailed registration form and must specify the amount of money they are able to deposit into their account on either a daily or a weekly basis and the operation of a nationwide self exclusion policy for customers who recognise that they have a gambling problem. The company also reports devoting a display area in each of its betting shops to socially responsible messaging and the accent here is on reminding customers of four key points namely that gambling should be seen as entertainment rather than a means of making money; that they should avoid “chasing” losses; that they should only gamble what they can afford to lose; and that they should keep track of the time and money spent on gambling.

While a commitment to responsible gambling is a consistent CSR theme some of the gambling operators also report on other marketplace issues but there is little consistency of commitment between operators. A wider commitment to customer service is reported by a number of the gambling operators. William Hill (2007), for example, stresses its commitment to high standards of customer service and to resolving all betting disputes in a fair, equitable and consistent manner. Gala Coral (2006) report developing a “Partner Ethical Contract Code” and its “Inclusiveness Policy.” Under the former the company claim that all new Gala Coral purchasing contracts will contain an ethical dimension that informs suppliers about the company's ethical expectations while the latter focuses upon disability awareness and the provision of bingo facilities for the visually impaired. Stanley Casinos (2007) reports on its privacy policy and on the physical, electronic and managerial procedures it claims to have put in place to safeguard and secure the information about its customers and their gambling behaviour. Camelot and Ladbrokes are alone in discussing in any detail its relationships with

retailers and suppliers. Camelot (2006) reports high levels of satisfaction with the relationships amongst both independent and multiple retailers and amongst their suppliers while Ladbrokes (2006) claims that it regularly audits the commitment of its suppliers to corporate and social responsibility.

Workplace

A number of the gambling operators report on their commitment to their employees arguing that caring for their staff is essential to their continuing success and growth and they evidence this commitment in a variety of ways. Such evidence covers a range of themes including remuneration and reward, working conditions, well being and diversity, training and development, career progression and accelerated promotion, flexible working, effective communication with employees, health and safety and equal opportunities. Ladbrokes (2006), for example reports on “The Ladbroke Academy”, which was set up in 2005 and which provides a range of development tools and training for employees throughout its business. All of the company's training is competency based and designed to provide a supportive and multi-stimulus approach to learning. This “Academy” also provides resources to support employees in developing job related skills and in making informed decisions about potential career paths.

Camelot (2006) stresses its desire to create a working environment that promotes its employees' health and well being including an appropriate balance between work and the rest of their lives. At the same time the company reports its concern that levels of sickness absence are above the benchmark of other companies in the private sector and that the number of working days being lost due to stress is unacceptable. William Hill (2007) emphasises the importance of maintaining effective two-way communications with all its employees. The company claims, for example, that employee representatives are consulted regularly on a wide range of issues affecting their current and future working conditions and prospects and reports that during 2005 it completed a communication programme designed to keep all employees informed about progress in introducing an electronic point of sale system within its portfolio of betting shops. In a similar vein Sportingbet (2007) reports recognising the need for effective communication with its growing and increasingly diverse global workforce.

Community

Five of the 11 gambling operators report or provide information on their impact on, and contribution to, the communities in which they operate and on their charitable donations. Ladbrokes (2006) claims that its betting shops are typically at the heart of the communities in which it operates and the company specifically reports on its “Promoting community safety initiative”. Since 1998 Ladbrokes has worked with Crimestoppers, the organisation, which encourages people to give anonymous information on crime to the police, and it displays Crimestoppers leaflets and posters in all its UK betting shops. The company also encourages its employees to volunteer to help Crimestoppers.

Contributions to a range of charities are also reported by a number of the gambling operators. The Ladbrokes in the Community Charitable Trust, for example, established in 2003, has raised over £2.3 million for charity and has supported a range of organisations including Help the Aged, Children in Need, Macmillan Cancer Support and Sue Ryder Care as well as many local hospices and health related and victim support charities (Ladbrokes, 2006). William Hill (2007) reports a more focussed approach to charitable donations in that in 2005 the company resolved that the major focus of its efforts would be in supporting organisations that promote a responsible approach to gambling and that undertake research into gambling; greyhound and horserace welfare; and provide support to disadvantaged individuals in horse and greyhound racing.

Environment

Environmental issues generally receive relatively limited, and often no, attention in the CSR reports and information posted by the eleven operators. That said William Hill (2007) recognises that its business activities have both a direct and an indirect impact on the environment and the company claims to strive to act in a responsible environmental manner. More specifically the company argues that its main impact on the environment is through the buildings it operates and the resources used by its staff in their daily work. With that in mind the company reports a number of the measures it has taken to reduce its environmental impact including the installation of a number of energy saving and energy efficiency fittings and devices including high frequency light fitting, time clocks for air conditioning and fascia lighting and water management systems in betting shop toilets.

In addition to energy consumption, recycling and transport are the other two environmental issues that receive attention. Camelot (2006), for example, reports that all of its lottery tickets are printed on recycled paper, saving some 1,000 tonnes of virgin paper each year, while Gala Coral (2006) claims to save a similar amount by printing its bingo tickets on recycled paper. Camelot (2006) also reports on the Camelot Green Team which is a group of 20 volunteers whose aim is to get employees involved in recycling and saving energy and on a number of local initiatives which led, for example, to increasing paper recycling at its Watford offices by 44 per cent during 2005/2006 and to the establishment of recycling facilities for cardboard, paper, plastic and cans in all its offices.

Discussion

The majority of the UK's major gambling operators are reporting on how they are looking to encourage socially responsible gambling, though some of them are doing so as part of their wide commitment to CSR, and a number of issues merit discussion. First there are broad questions about the responsibilities of companies whose goods and services can have a potentially harmful effect within society and here gambling, along with smoking cigarettes and consuming alcohol often seems to be particularly demonised. There is a literature on both the alcohol industry (e.g. Grant and O'Connor, 2005; Jones *et al.*, 2006) and the tobacco industry (Hirschhorn, 2004; Lee and Bialous, 2006) but the current discussion will focus exclusively on gambling. Here CSR might be seen to start with companies looking to minimise any potentially negative impacts before going on to try to ensure that they have as positive an impact on society as possible.

The Department for Culture, Media and Sport's (2001) *Gambling Review Report* which in many ways laid the foundation for the Gambling Act 2005 drew attention to what it described as "the central dilemma" namely that between "the desire to permit free choice and the fear that such choice may lead to harm either to the individual or to society more widely." The Gambling Act 2005 effectively translated this fear into one of the three Licensing Objectives which guide work of the Gambling Commission (2006a,b,c) namely "to protect children and other vulnerable persons from being harmed or exploited by gambling." The majority of the major gambling operators are now reporting on their commitment to socially responsible gambling and on the steps they are taking to minimise problem gambling and as such they can be seen to be at least meeting minimum CSR obligations. Indeed the RIGT (2007) clearly recognises the efforts of the majority in trying to ensure that the potential for problem gambling is minimised.

Second the four major gambling companies namely Gala Coral, Ladbrokes, William Hill and Camelot, report a much wider commitment to CSR that goes well beyond socially responsible gambling to embrace a diverse range of economic, social and environmental agendas and they claim to be integrating CSR agendas into their core business activities. As customers, investors, trade unions and government departments as well as the regulatory bodies become increasingly interested in, and concerned about, issues of social responsibility then gambling operators that can demonstrate and evidence their CSR commitments may be able to build and enhance their competitive advantage and reputation within the rapidly growing gambling marketplace. Ladbrokes (2006) for example, argues

that “responsible behaviour is not only central to our licence to operate, it also fully supports our strategy for growth.” In some ways Ladbroke’s position is reinforced at the consumer level by Mintel (2006b) which argues that “The significance of familiarity and trust when betting online is underscored by further data indicating that frequent gamblers are significantly more inclined to bet with Ladbrokes and William Hill when using their own money than when offered a free £5 bet to place on whichever web site they wish.”

Third however it is important to recognise the inevitable tensions between social responsibility and business performance within what is a fiercely competitive market environment and this can be explored at both the corporate and the operational levels. At the corporate level some of the four major gambling operators, which publish CSR reports do publicly recognise the potential tensions between social responsibility and their commercial goals. Gala Coral (2006), for example, reports that its “social contribution will be delivered alongside our economic performance, not at the expense of it,” but at the same time the company adds the proviso that “There will always be limits to the extent that any company can spread its commitment to corporate citizenship.” Camelot (2006) poses a more specific question for itself in its CSR report namely “How can you sell more lottery tickets and protect vulnerable players at the same time?” In answering this question the company argues that its commitment is to grow the lottery in a way that earns trust and respect from all its stakeholders means that it needs to do all it can to protect those at risk. More specifically it suggests that the ideal way to deliver “responsible growth” is to have millions of players spending relatively small amounts and the solution here is seen to be introducing new games and improving access to games. However some critics of gambling might view this as exposing more people to the risks of problem gambling rather than reducing such risks.

Similar tensions may occasionally arise at the operational level. Betting shop managers, for example are working to meet what may often be demanding financial targets and/or to achieve performance based bonuses and may be reluctant to enforce company policies when they have reason to believe, for instance, individuals playing the fixed odds terminals for hours at a time may be gambling excessively. Indeed anecdotal evidence suggests that employees who look to enforce the excessive gambling policies which simply drive gamblers to a rival company’s betting facility may fall foul of their shop or area manager. In a similar vein bingo hall managers may try to encourage customers to play with additional cards in order to improve their chances of winning. More generally if CSR commitments begin to have damaging commercial consequences for the gambling operators at either the corporate or the operational level then these agendas may be severely tested.

Fourth many of the CSR commitments and agendas reported by Ladbrokes, Gala Coral, William Hill and Camelot can be interpreted as being driven as much by business imperatives as by a concern for demonstrating social responsibility. Thus while some of the environmental commitments concerned, for example, with reducing energy use and waste emissions and to make greater use of recycled paper also serve to cut costs. In a similar vein workforce commitments focused upon flexible working, health and safety at work and staff training and development can all help to promote stability, security and efficiency within a company’s workforce. Perhaps more pointedly the need to be seen to be promoting socially responsible gambling in order to comply with the letter, and to meet the spirit, of the Gambling Act 2005 can be seen very much as a business imperative for all gambling operators. More generally there are arguments (e.g. Corporate Watch, 2006) that CSR is effectively a smokescreen which helps to mask damaging impacts with selective illustrative examples of ways in which companies are having positive impacts within the economy, society and on the environment.

Fifth while the British Gambling Prevalence Survey (National Centre for Social Research, 2007) published in September 2007 showed a decline in the number of people gambling and no increase in the prevalence of problem gambling since the previous survey in 1999 a number of organisations have expressed serious concerns about the scale and impact of problem gambling and gambling addiction. In its response to this survey while The Salvation Army (2007), for example, welcomed the fact that problem gambling rates had not increased

since 1999 it expressed its concern that so many people were still experiencing gambling problems. In addition the Salvation Army stressed that it is not just the quarter of a million problem gamblers whose lives are affected but also their families, friends, employers and communities at large.

In a similar vein The Church of England (2006) has drawn attention “to the evil potential of gambling and its possible destructive effect on health and family life.” More specifically The Church of England highlights what it perceives to be the social and economic effects of gambling on poor communities. Here the concerns, for example, are about money spent gambling on the National Lottery, which far exceeds the cultural, sporting and community investment from which communities may benefit and which is thus seen to be a highly regressive form of taxation bearing most heavily on those who can least afford it. At the same time the Church of England argues that within poor communities gambling promotes “a culture of corporate despair and acquiescence in the huge divisions between rich and poor which are becoming entrenched in the global economy. Rather than being encouraged to invest together to improve their communities, people are tempted to seek individual escape. By definition, this succeeds only for a vanishingly tiny minority, leaving the majority worse off, and some families broken by the ravages of compulsive gambling.”

In focusing on the medical issues associated with gambling the BMA (2007) has suggested that while most people gamble occasionally as part of their leisure activities, problem gambling can negatively affect physical and mental health. At the same time The BMA reports “significant co-morbidities with problem gambling, including depression, alcoholism and obsessive-compulsive behaviours, which may exacerbate, or be exacerbated by, problem gambling.” Such is the BMA’s concerns about problem gambling that it recommends that all healthcare professionals should be aware of problem gambling and the co-morbidities associated with it and that General Practitioners should receive training in the diagnosis, appropriate referral and treatment of gambling problems.

Finally there are more general issues about the tensions between statutory and voluntary regulation on the one hand and between public interest versus private interest regulation on the other. The first of these tensions can be illustrated by the debate surrounding the relaxation of the controls on the advertising of gambling. From September 2007 gambling operators have been permitted to advertise more freely in the media and prior to that the Gambling Commission published a consultation paper (Gambling Commission, 2007a) designed to explore whether measures should be taken to ensure that such advertising is socially responsible. One of the questions raised by the Gambling Commission was whether the inclusion of social responsibility messages within advertisements should be made compulsory. In their responses to the consultation (Gambling Commission, 2007b) a number of the major gambling operators stressed that they were unconvinced that compulsory messages were required and Gala Coral (2007), for example, argued that a voluntary operator led approach would “carry more weight in the eyes of consumers” and “allow greater flexibility for operators to be innovative and proportionate in their messages.” The Church of England (2006), on the other hand, in its response to the Committee of Advertising Practice and the Broadcast Committee of Advertising Practice consultation (Committee of Advertising Practice, 2006) on the advertising of gambling conducted in 2006, argued that there was a case for compulsory social responsible messages in gambling advertisements as an additional means of protecting vulnerable people from harm and exploitation.

Public interests might be seen to be reflected in the desire to ensure that gambling is conducted in a fair and open way, to prevent gambling being seen as a source of crime and disorder and to protect children and other vulnerable individuals from being harmed or exploited by gambling. Although the gambling operators want to draw attention to what they perceive to be the growing social acceptance of gambling the Department for Culture, Media and Sport’s (2001) *Gambling Review Report* concluded that there was little indication of any radical change in the attitudes of the public towards gambling. This would suggest a continuing measure of public support for protective public interest regulation. Private interests, on the other hand, are seen to be reflected, for example, in the operators’ desire to

be able to bring new products and services to the market, to respond more rapidly to consumer demands and to compete effectively in the rapidly evolving global gambling market. More fundamentally there is the question of how, within this global market, national governments regulate gambling which lies outside their jurisdiction but this vexed issue lies outside the scope of the current paper.

Conclusion

The majority of the UK's major gambling operators publicly report on their commitment to socially responsible gambling and in some cases this is part of a wider commitment to CSR but there are marked variations in the nature, content and extent of that reporting. On the one hand four operators namely Gala Coral, Camelot, Ladbrokes and William Hill now publish annual CSR reports which cover broadly similar sets of issues with commitments to integrating CSR into their businesses and to the marketplace, the workplace, the community and the environment. On the other hand other major operators concentrate more narrowly on what they define as socially responsible gambling. That said there is limited evidence that these four companies are looking to use key performance indicators to measure, monitor, benchmark or compare their CSR performance over time or within their sector of the economy. While some of the other gambling operators included in this study publish limited information on their approach to socially responsible gambling others publish none whatsoever. Looking to the future as the regulatory bodies seek to enforce the provisions of the Gambling Act 2005 so it seems likely that more and more gambling operators will look to formally and transparently frame CSR commitments and agendas and report publicly on them.

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