

Gambling and Problem Gambling In South Africa: A comparative report

A REPORT PREPARED FOR THE SOUTH AFRICAN RESPONSIBLE GAMBLING FOUNDATION (SARGF) BY PETER COLLINS (PROFESSOR OF PUBLIC POLICY STUDIES, UNIVERSITY OF SALFORD, UK AND EXECUTIVE DIRECTOR (SARGF)) AND GRAHAM BARR (PROFESSOR OF ECONOMICS AND STATISTICS, UNIVERSITY OF CAPE TOWN)

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INTRODUCTION



This is now the fourth report prepared by the present authors for the NRGF in which we estimate participation rates in different forms of gambling as well as the rates of problem gambling within the adult population.

Previously we reported on samples drawn from the adult population in 2000, 2003 and 2005. We now report on a sample surveyed in late 2008. We are therefore in a position to report on how rates of participation and problem gambling rates have changed (or not changed) since the beginning of the present century.

The present report, however, differs from previous reports in significant respects, most notably by being much shorter – and therefore, from the point of view of some policy-makers, regulators, industry executives, journalists and other interested members of the public, more rapidly accessible in terms of the issues in which they are most interested.

Some of this relative brevity results from the fact that we see no point in rehearsing here the lengthy section dealing with theoretical considerations which necessarily characterised our first report and in which we discussed matters (which were then and remain controversial) of definition, screening instruments, of assessing social costs and economic benefits of having legal, as opposed to illegal gambling industries and so on. This material remains available on our website, www.responsiblegambling.co.za. Nor did we see value in repeating facts and interpretations which appear in the theoretical and comparative discussions contained in subsequent reports by which we still largely stand. (Where we have significantly altered our views we say so in either the present or subsequent reports.)

However, by far the most important reason for the relative shortness and restricted scope of the present report has to do not with how much less the NRGF's research division has to report on in 2009; it is rather a function of how much more we have to report in relation to investigations and findings which require dedicated reports of their own.

This report, then, forms only the first of the Research Reports which will be published this year under the auspices of the considerably expanded NRGF Research Group whose principal investigator is Don Ross, Professor of Economics at UCT and at the University of Alabama, Birmingham. (See Appendix "A" for a fuller description of the Research Group and the work on which they will be reporting over the coming months.)

What has mainly made it possible to generate a richer diversity of research questions and answers has been the redesign of our basic questionnaire. This has enabled us to include questions not previously asked (notably about psychological disorders other than problem gambling). It has also enabled us to generate a panel of subjects for longitudinal follow-up studies of various kinds in order (hopefully) to answer questions about factors which differentiate those at risk of becoming problem gamblers at different times and in different circumstances from those not at risk, as well as identifying major social and economic risk-factors such as poverty and unemployment. We also are studying separately the best strategies for

INTRODUCTION (continued)

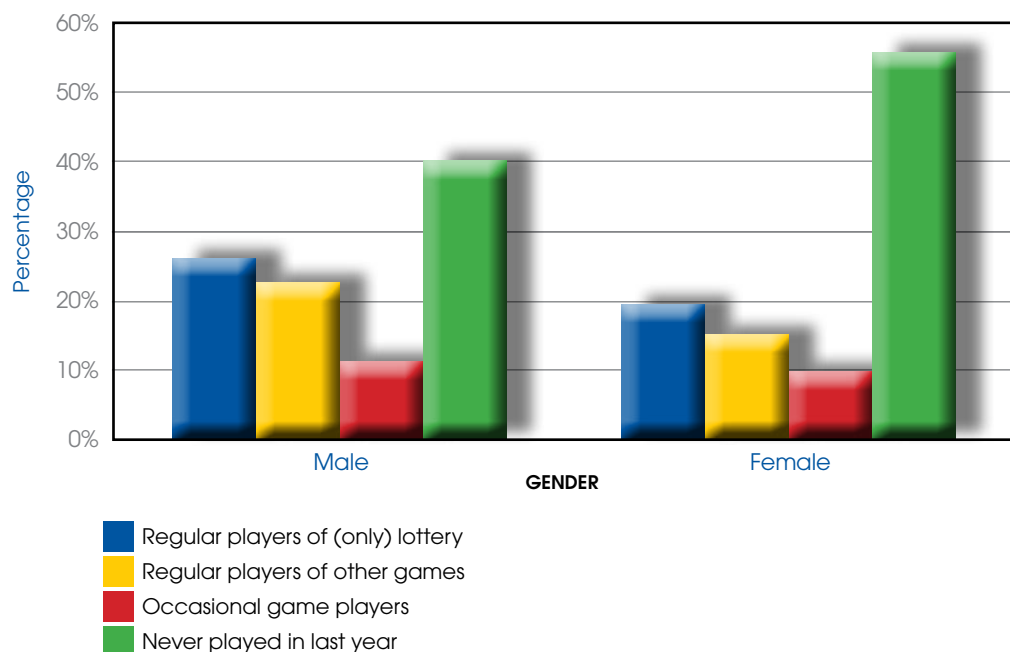


preventing self-destructive risk-behaviours and for assessing the role of superstition and other false beliefs in encouraging excessive gambling.

It should also be stressed that gambling research in South Africa has been greatly strengthened by the willingness of international scholars and scientists to participate in South African research projects without charging any fee and claiming only for modest expenses actually incurred. Obviously, we are extremely grateful for this generosity but believe it is also reflective of the position of gambling research in South Africa as being at the forefront of this and related kinds of cutting-edge research internationally.

Notwithstanding the above expansion and innovations in the NRGPs research programme since its inception, it has been felt by all involved to be of crucial importance that the present questionnaire and analysis make it possible for policy-makers, industry professionals and the general public to be able to access the key data about what has stayed the same and what has changed in relation to the big picture concerning gambling participation and problem gambling in South Africa since 2005 and earlier, as far as we can presently ascertain it.

GAMBLING CATEGORISATION BY GENDER



THE EVIDENTIAL BASIS



In 2001, we reported on a sample of 5800 people divided between the nine provinces of South Africa. We excluded from the sample the approximately 50% of South Africans who were under the age of 18 and therefore not legally permitted to gamble.

We also excluded (partly on grounds of cost, partly on grounds of the paucity of information such sampling would yield) the 8 million or so South Africans living in Tribal Trust or remote rural areas and, therefore, not likely to have access to the new forms of gambling legalised by the 1996 South African Gambling Act, viz, casinos, National Lottery product distributors and the Limited Payout Machines which, though legal, had not yet been established anywhere in SA by 2001. Effectively, then, our sample was of the +/- 12 million South African adults living in towns and cities.

Although members of households were sampled in order to ensure representivity within our target group, we interviewed only those members of households who claimed knowledge of total household budgets, i.e. income and expenditures for all those resident in the household. (This will have biased respondents in favour of senior members of households which may have affected results to some extent, e.g. if the head of household was likely to buy Lottery tickets for the whole family he or she may therefore have been thought of as the only member of the household who regularly played the Lottery). Despite the risk of some bias we chose this method of selection within households because we hoped to ascertain expenditure on gambling relative to other household expenditures.

The questionnaire was drawn up by Professors Collins and Barr in collaboration with the professional market research company, Roots Research. Some of the questionnaire design

drew on work commissioned from Professors Collins and Barr and carried out previously for the Western Cape Gambling and Racing Board collaborating with Dr Jannie Hofmeyr of *Synovate* Brand and Communication.

In 2003 we repeated this survey using an identically selected sample of 5816 subjects. The principal difference in the questionnaire was that, whereas previously we had used both the Gamblers Anonymous Questionnaire and the South Oaks Gambling Screen (SOGS) to test for problem gambling, we now dropped the SOGS since, with its emphasis on raising money through borrowing, bouncing cheques, selling assets etc, it was unsuitable for large sections of the South African population.

In 2005, having ascertained that 1) 80% of all gambling in South Africa took place in the three provinces of Gauteng, Western Cape and Kwazulu-Natal and 2) that including the remaining six provinces would make no statistically significant difference to overall participation or problem gambling rates, we surveyed 1 000 adults each in Gauteng, Western Cape and Kwa-Zulu Natal. By having a smaller sample we were able to include additional questions, notably those to do with false beliefs which gamblers might have about gambling including general superstitions and misconceptions about the chances of winning, as well as more objective indicators of socio-economic status (such as type of dwelling). Both the 2003 and 2005 surveys were administered by Roots Research.

THE EVIDENTIAL BASIS (continued)



In 2008, the research work of the NRGF was expanded as indicated earlier and a consequence of this was that the Prevalence Survey was made the responsibility of Professor Ross and his extended team of colleagues, with Professor Collins and Barr's contribution being supplemented by academic experts at other universities, both national and international.

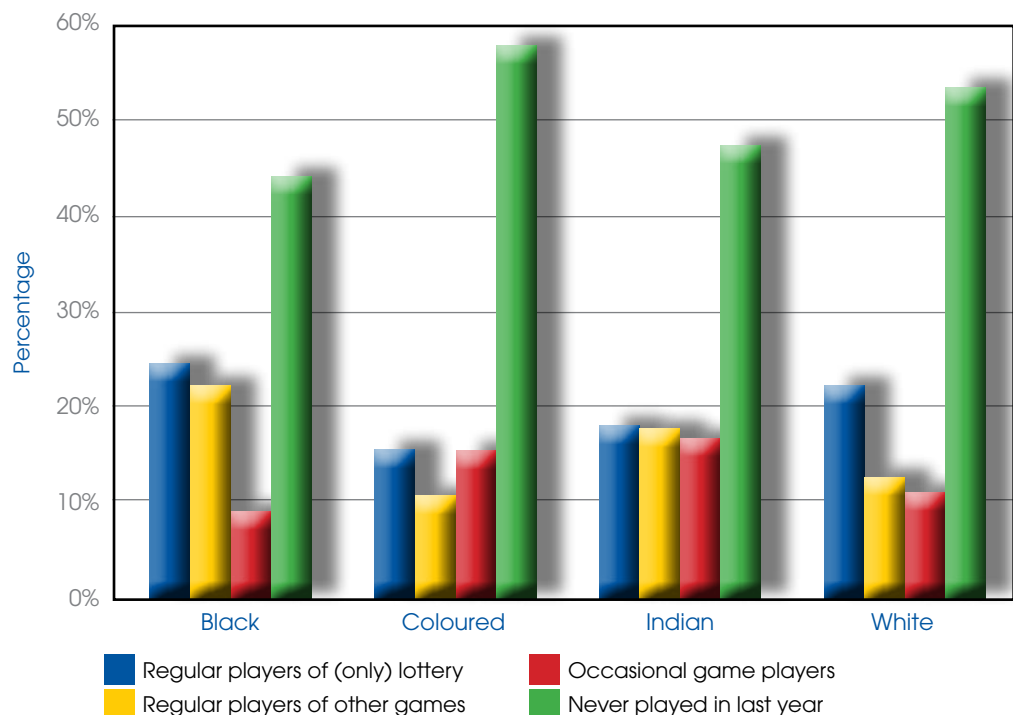
It was still essential to be able to track changes in participation and problem gambling rates amongst South Africans and relevant questions were therefore retained in the survey administered in November 2008. However, the 2008 survey differed from previous surveys in that

- 1 000 subjects were drawn from the three mainmetropolises(Johannesburg-Tshwane, Cape Town and eThekweni (Durban));
- the sample was designed to be demographically representative of the adult population of South Africa as a whole without selection for members of households with knowledge of household finances;

- advice to the researchers was given by Ipsos-Mori who also administered the survey;
- in addition to the Gamblers Anonymous 20 Questions used in all previous South African studies (where the identification point of problem gamblers is seven affirmative answers) this survey included the nine questions problem gambling Severity Index (PGSI) from the Canadian Problem Gambling Index (CPGI) which indicate severity of risk for problem gambling and where the highest risk is estimated at an aggregated score of 8+.

The results of this latest survey will form the basis of further analysis and supplementary research reports. In this report we are only concerned to identify what this report tells us about the changes that have taken place between 2005 and 2008 in gambling participation rates and problem gambling rates. There are four items that need to be highlighted and commented upon in this respect.

GAMBLING CATEGORISATION BY RACE



THE EVIDENTIAL BASIS (continued)



1. Participation rates of players of (on-line, big-prize) Lottery gambling who do not otherwise gamble have decreased dramatically between 2005 and 2008.

In 2005, 1578 out of 3003 (52.55%) people sampled regularly (once a month or more) played the Lottery (excluding scratch-cards) but engaged in no other form of gambling.

In 2008, 682 out of 3000 (22.73%) people sampled regularly (once a month or more) played the Lottery (excluding scratch-cards) but engaged in no other form of gambling.

2. Participation rates in gambling other than the Lottery have decreased significantly between 2005 and 2008.

In 2005, 1009 (33.60%) out of 3003 people sampled regularly (once a month or more) played at least one other game regardless of whether or not they also played the Lottery.

In 2008, 565 (18.83%) out of 3000 people sampled regularly (once a month or more) played at least one other game regardless of whether or not they also played the Lottery. Gambling in casinos has in line with the overall figure decreased substantially; regular slot players reduced from 418 (13.9%) in 2005 to 110 (3.67%) in 2008 and for regular roulette players from 67 (2.2%) in 2005 to 16 (0.53%) in 2008. In contrast, the playing of Fafi has increased sharply with the number of regular Fafi players rising from 119 (4.0% of the sample) in 2005 to 153 (5.1% of the sample). Other traditional forms of gambling have remained quite stable with regular dice players increasing from

49 (1.63%) in 2005 to 54 (1.80%) in 2008, but regular card players decreasing from 82 (2.73%) in 2005 to 67 (2.23%) in 2008.

It should also be noted, in relation to all participation rates, that between 2005 and 2008 the number of people who "occasionally" (less frequently than once a month) played any form of gambling game **rose** from 166 to 316. This suggests that many previously regular (once a month or more frequently) players became occasional (less frequently than once a month) players.

3 Non-gamblers have increased sharply.

The number of people who reported "never played" (in the last 12 months) in 2005 was 250 (8.33%). The number of people who reported "never played" (in the last 12 months) in 2008 was 1437 (47.90%).

This is by far the most astonishing statistic to have emerged from a comparison of responses to the 2005 and 2008 questionnaires. We seek to explain it below although we are aware that our explanations must be somewhat speculative in the absence of further evidence. In terms of basic demographics it is worth noting that the "never played" category reflects the profile of the overall sample, in that the composition of race and age (split between 35-and-under and over-35) very much mimics that of the whole sample. In the case of gender, the "never played" category is slightly weighted towards women (the category comprises 58% women and 42% men) as against a 50:50 split in the overall sample.



4 Problem gambling numbers have not increased.

In 2005, of the 1578 regular Lottery-only players, 37 scored seven or more affirmatives on the Gamblers Anonymous Scale which identifies them as problem gamblers.

In 2008, of the 682 regular Lottery-only players 29 scored seven or more affirmatives on the Gamblers Anonymous Scale.

In 2005, of the 1009 who regularly played at least one other game regardless of whether or not they also played the Lottery, 107 scored seven or more affirmatives on the Gamblers Anonymous Scale.

In 2008, of the 565 who regularly played at least one other game regardless of whether or not they also played the Lottery, 95 scored more than seven affirmatives on the Gamblers Anonymous Scale.

Obviously, given the decrease in participation in gambling overall, the numbers of problem gamblers as a percentage of regular and occasional gamblers has increased between 2005 and 2008 but the fact the number of individuals identified as problem gamblers has actually declined somewhat, makes it clear that, while problem gambling remains an obdurate, and for those affected by it, a tragic problem, it remains a comparatively small problem compared with other social problems and it may be that the steps taken to address it by the regulatory authorities, the gambling companies and the

SARGF are having some effect. Though the samples are too small to make valid statistical claims, the fact remains that there are fewer problem gamblers in our 2008 study than in our 2005 study. (If there had been many more, we would all have had reason to worry.)

5 Public Attitudes towards the Legalisation of Gambling.

In 2005, we asked a question about public attitudes towards the regulatory framework that controls legal gambling in South Africa. 34.37% of the sample indicated they were happy with the current framework, 47.65% were ambivalent but accepted the status quo, 17.41% thought gambling should be made illegal while the remainder did not offer any opinion. In 2008, 44.56% indicated that they were happy with the current framework, 23.1% thought there should be fewer opportunities to gamble legally than presently exist. Thus it can be seen that there continues to be an acceptance of the current regulatory framework governing gambling which controls the type of gambling allowed and where it may take place. Moreover, the public attitude to gambling has been fairly consistent over the last five years.

HYPOTHESES AND POSSIBLE EXPLANATIONS



The figures reported for 2005 are broadly consistent in terms of participation rates with those reported for 2001 and 2003 except that the numbers of those who report 'never gambling' declined markedly from 25.64% in 2001, through 20.07% in 2003, to a remarkable low of 8.33% in 2005.

The 2008 figures, by contrast, show a marked decrease in all forms of gambling and, in particular the figure of 47.90% for those who now claim never to have gambled in the last 12 months clearly requires explanation. Equally in need of explanation is why problem gambling numbers remains so constant in absolute terms regardless of how much gambling and of what kind takes place in the population as a whole.

In offering possible explanations of these phenomena we identify four hypotheses for which some confirmatory evidence exists and which seem, therefore, to be at least worthy of further testing.

1. The Decline of Regular Lottery Players.

The most substantial event which would contribute to a significant fall in overall gambling participation rates between 2005 and 2008 was the suspension of the National Lottery between April 2007 and October 2007. Publicly available numbers show clearly that this interruption to the National Lottery meant that a lot of people who perforce could no longer play the Lottery on a regular basis did not resume the habit of regular play once the National Lottery reopened for business. This may have cost the National Lottery not far short of half of its earnings. Since about half of all regular gamblers in South Africa, according to previous surveys and as in most jurisdictions, are Lottery-only players, a loss of a high proportion of Lottery-only players would substantially

reduce the number of formally identified "regular gamblers."

Nor does there seem to have been significant displacement from Lottery spend to other forms of legal gambling spend such as casinos. Casino revenues (and taxes) show no spiking effect during the period when the National Lottery was shut down and we saw that the figures for regular slot and roulette players have, in fact, declined for this 2008 sample, compared to the 2005 sample.

It is finally worth mentioning in this connection, that the experience from around the world shows that Lottery play (where the numbers include Lottery scratch-cards, whereas ours do not) tends to grow rapidly when the big prize game is introduced in a jurisdiction. Thereafter it tends to fall. To compensate for this, Lottery companies typically press for permission, often with the willing encouragement of governments, to introduce new and "harder" forms of gambling such as instant scratch-cards on line and even, as in Canada and China, electronic gambling machines now renamed "Video-Lottery Terminals." Also, of course, the internet may make it possible for South Africans to play illegally on very big prize lotteries such as "Euro-Millions." The internet has still made only limited inroads into the gambling market in SA; in this 2008 sample 63 people participated in internet gambling on the internet up from eight in the previous 2005 sample.

HYPOTHESES AND POSSIBLE EXPLANATIONS

(continued)



2. The Effect of Recession.

In 2005 the figures for those who regularly engage in at least one form of gambling other than the Lottery were 1009 (33.60%). In 2008 the comparable numbers were 565 and (18.83%).

It is, of course, probable that some of this decline in non-Lottery-only players is attributable to the fact that some of those who played the Lottery as well as at least one other type of gambling game regularly, gave up all forms of gambling when the Lottery was suspended and they were compelled at least to give up playing the Lottery. Just as some of the Lottery-only players may have decided not to take up Lottery play on a regular basis again, once the Lottery was resumed, so some of those who used to play the Lottery regularly and perhaps occasionally bet on a horse or visit a casino simply got out of the habit of gambling altogether or (as the move from regular to occasional gambling suggests) cut down on all forms of gambling.

This seems, however, likely not to be the whole story, partly because the numbers are implausibly large and partly because of what we know about the relationship between gambling spend and general trends in retail spend, especially consumer spend on leisure and luxury items.

Contrary to popular myth, when times are hard people don't tend to gamble more in the hope of getting out of financial difficulties: on the contrary they tend to gamble less because they have less to spend generally on entertainment.

This is well-documented in relation to gambling revenues around the world, both past and present. (For example gambling revenues for 2008 in Las Vegas and Macao). It is also unlikely to be an accident that gambling participation was dramatically down in South Africa in the autumn of 2008 when consumer confidence was very low here as it was throughout the rest of the world.

Probably, therefore, the principal reason for reduced participation numbers in 2008 was the global recession.

In this connection it is also worth stressing that casino gambling which accounted for 86% of all non-Lottery legal gambling spend in 2007 is primarily engaged in by the relatively affluent. This is simply because casino gambling is, in a number of senses, difficult to access by poor people: they typically have greater travel costs, they must pay an entrance fee, and above all the price of gambling is in the region of R100 per hour. This means that declines in casino play are likely to be the result of recession-driven choices about what to spend less on – choices which are unavailable to the poor who simply have to spend less on things that are not necessities.

3. Problem Gambling.

The numbers in South Africa relating to problem gambling are as follows:

- In 2001, out of a total sample of 5 800, there were 221 problem gamblers as measured by a score of 7 or more on the Gamblers Anonymous 20 Questions in a sample of 5800. Of these 39 were Lottery-

HYPOTHESES AND POSSIBLE EXPLANATIONS

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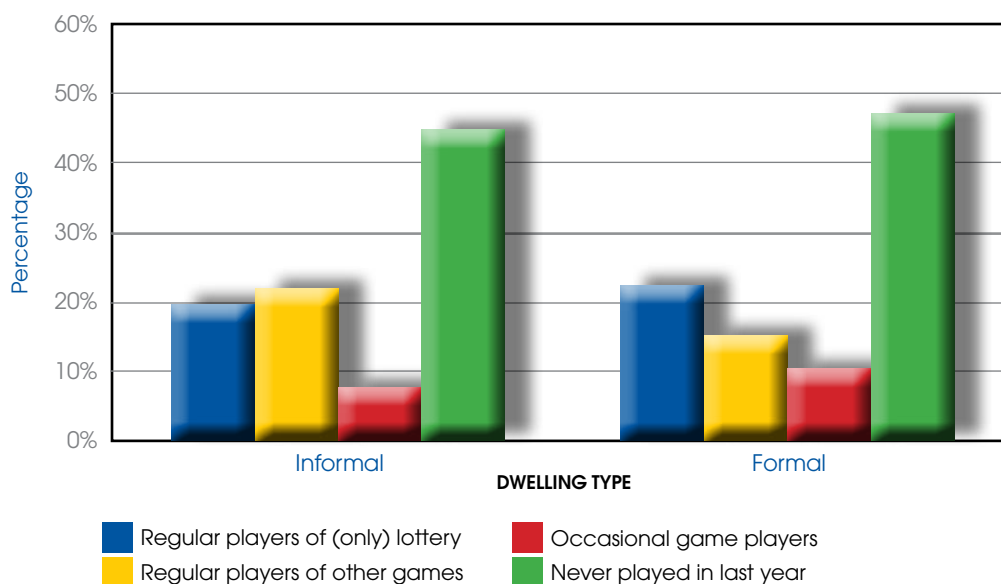
only players and 179 engaged in at least one other gambling activity apart from the Lottery, whether they also played the Lottery or not.

- In 2003, out of a total sample of 5 816, there were 270 problem gamblers as measured by a score of seven or more on the Gamblers Anonymous 20 Questions in a sample of 5800. Of these 87 were regular Lottery-only players and 182 engaged in at least one other gambling activity regularly apart from the Lottery whether they also played the Lottery or not. In other words, the entire increase in problem gambling was due to people gambling too much on the on-line, big prize national Lottery game.
- In 2005, out of a total sample of 3003, there were 144 problem gamblers as measured by a score of seven or more on the Gamblers Anonymous 20 Questions in a sample of 5800. Of these 37 were regular Lottery-only players

and 107 engaged in at least one other gambling activity regularly apart from the Lottery whether they also played the Lottery or not. Problem gambling amongst regular Lottery-only players had decreased significantly and increased slightly amongst regular non-Lottery-only players.

- In 2008, out of a total sample of 3000, there were 138[†] problem gamblers as measured by a score of seven or more on the Gamblers Anonymous 20 Questions in a sample of 5800. Of these 29 were regular Lottery-only players and 95 engaged regularly in at least one other gambling activity apart from the Lottery whether they also played the Lottery or not. Surprisingly, 14 problem gamblers identified themselves as “occasional” gamblers, i.e. who gambled less frequently more than once a month at no gambling activity including the Lottery. Previously, no occasional gambler had shown up amongst the GA problem group.

GAMBLING CATEGORISATION ACCORDING TO DWELLING TYPE



[†] Three members of the sample who answered “Never gambled in the last 12 months” completed the GA questionnaire and scored 7 or more. These records were excluded.

HYPOTHESES AND POSSIBLE EXPLANATIONS

(continued)



In 2008, the PGSI was also used with overall lower results, viz. 96[†] problem gamblers (defined by those who scored eight or more on PGSI in total, as opposed to 138 in the GA sample), 20 regular Lottery-only players (as opposed to 29), 70 regular players on something other than the Lottery (as opposed to 95), and six occasional players (as opposed to 14).

4. Sampling Differences.

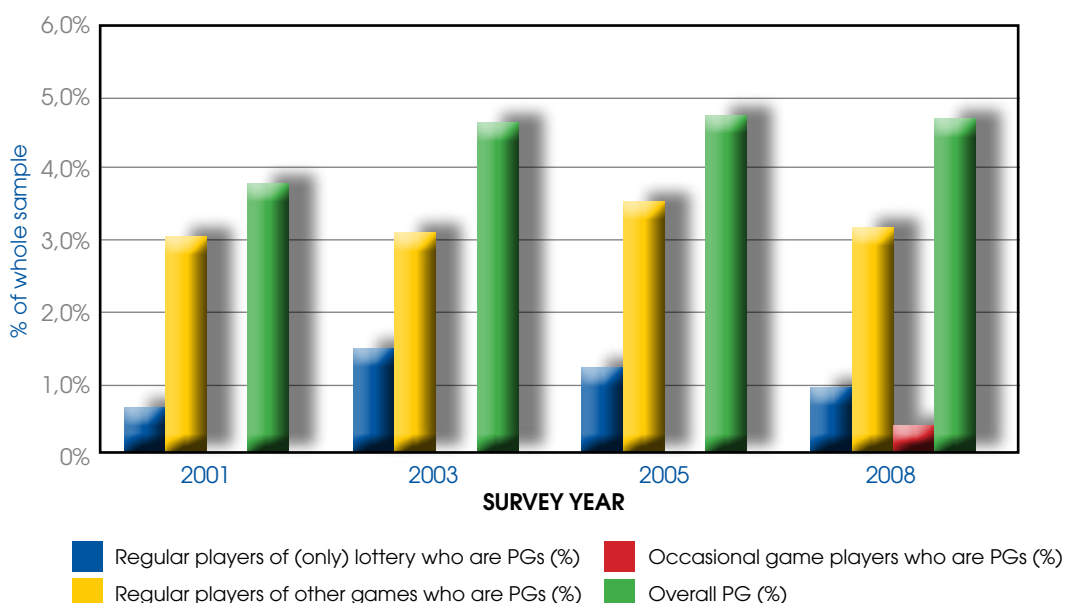
The most notable difference in the way the data was collected in 2005 as compared with 2008 was that the 2005 sample was, for reasons given above, deliberately skewed towards the “Developed or First World” sector of the South African economy rather than towards its “Developing or Third World” sector.

Thus, although reported income information for 2008 is too unreliable – there are too many refusals or don’t-knows to answer income and expenditure question - to track differences in proportions of relatively affluent South Africans versus

relatively poor South Africans, it is possible to make this distinction on the basis of proxies and in particular on types of dwelling. Thus, in the 2005 and previous surveys, approximately 90% of those surveyed lived in flats or houses made of brick, as opposed to living in shacks or other informal kinds of dwelling. In 2008, the figure was approximately 60%.

The first three surveys (2001/3/5) were primarily focused on the behaviour of the relatively affluent and mainly urban, that is those most likely to gamble at legal venues rather than gambling informally/ illegally. In contrast, the 2008 survey was focused on the South African population as a whole. There is nothing necessarily amiss methodologically about this demographic sampling fact, but it does suggest the need for further research which we are currently undertaking into gambling behaviour amongst the poor. (A dedicated study of gambling in poor communities has just, as of this writing, been carried out by an NRGF team in KZN as indicated in the Appendix.)

PERCENTAGE (OF TOTAL SAMPLE) OF PROBLEM GAMBLERS (BY CATEGORY)



[†] One member of the sample who answered “Never gambled in the last 12 months” completed the CPGI questionnaire and scored in the pathological gambling category. This record was excluded.

INTERNATIONAL INFORMATION



In interpreting these numbers, it should be borne in mind that studies around the world tend to show that:

- recreational problem gambling is a small problem by itself compared with other social and psychological problems – the prevalence of pathological gambling (acute, compulsive, gambling addiction) is about the same as schizophrenia and anorexia nervosa at 0.3% - 0.5% of the population
- wherever this has been tested, prevalence rates have tended to remain constant or to fall rather than to increase, regardless of the legal availability of gambling
- the best indicators of problem gambling are frequency of play and the number of gambling activities engaged in
- increasing or reducing the cost of gambling, as with all other products, affects consumption. However, it is difficult to know whether increasing the cost of gambling would make for a reduction in problem gamblers since they might get into worse trouble sooner as the price of their “fix” goes up. On the other hand non-addicted problem gamblers seem to reduce problematic play when it becomes painfully more expensive
- there is some evidence that public awareness about the dangers of gambling and how to avoid them as well as the availability of free, confidential, expert counselling services reduces the harm caused by excessive gambling
- most problems associated with gambling too much are not addictive or medical-type problems and are likely to respond well to brief interventions and better understanding by gamblers of what they are doing
- many people with gambling problems have other psychological problems as well and treating the “presenting” gambling problem may be a way into treating other sources of personal distress as well
- however, it also seems likely, given the abnormally high prevalence of problem gambling associated with games played by poor people that problem gambling is a symptom rather than a cause of poverty-related social ills, which it then exacerbates

PUBLIC ATTITUDES



Questions about whether respondents think gambling is well-regulated in South Africa have consistently been positive throughout the four periods surveyed. It is, however, notoriously easy to frame attitude questions to generate the results which those commissioning the research want to hear.

A further, more subtle and more interesting difficulty with attitude surveys arises because individual respondents and the public generally are ambivalent. In the case of gambling the general public believe, on the whole, that, provided they do no wrongful harm to others, individuals should be free to spend their own time and their own money on recreational activities of their own choosing, including gambling, even if some or a majority of their fellow citizens deem this activity to be immoral. On the other hand, these same individuals also believe that government should do all that it can to minimize the misery caused to individuals and those close to them when people ruin themselves and the lives of their children by falling prey to any kind of addiction.

The public and the politicians who must make decisions on its behalf are thus typically pulled in opposing directions and have to face questions including:

- If we liberalise gambling law, how many lives will be ruined which would not have been ruined had we not liberalized? (This is a hugely difficult empirical question to which no-one yet knows the answer).
- To what extent should we prevent the vast majority of those who enjoy gambling harmlessly from exercising their free choice, in the uncertain hope of preventing varying degrees of damage to problem gamblers and their families?

More deeply, they must ask themselves:

- Would our society be better off if nobody ever engaged in recreational gambling?
- Should governments use the law to impose the moral views of perhaps a majority of its citizens on the private conduct of a minority of individuals?

Leaving these deep philosophical questions aside, the evidence we have on attitudes to gambling regulation in South Africa has been consistently positive since 2001. If these attitude-responses showed that the majority of the electorate think that:

- All gambling is an inherently immoral activity which should be discouraged and restricted as far as possible if it cannot be banned outright, and
- it is the business of governments to try to stop people engaging in activities, which, though overwhelmingly harmless to those who engage in them as well as to others, are nevertheless thought to be immoral by a significant section of the population, and
- the costs of trying to suppress a popular but illegal industry would be less than those of trying to regulate well (and tax) a comparatively safe and responsible legal industry

PUBLIC ATTITUDES (continued)

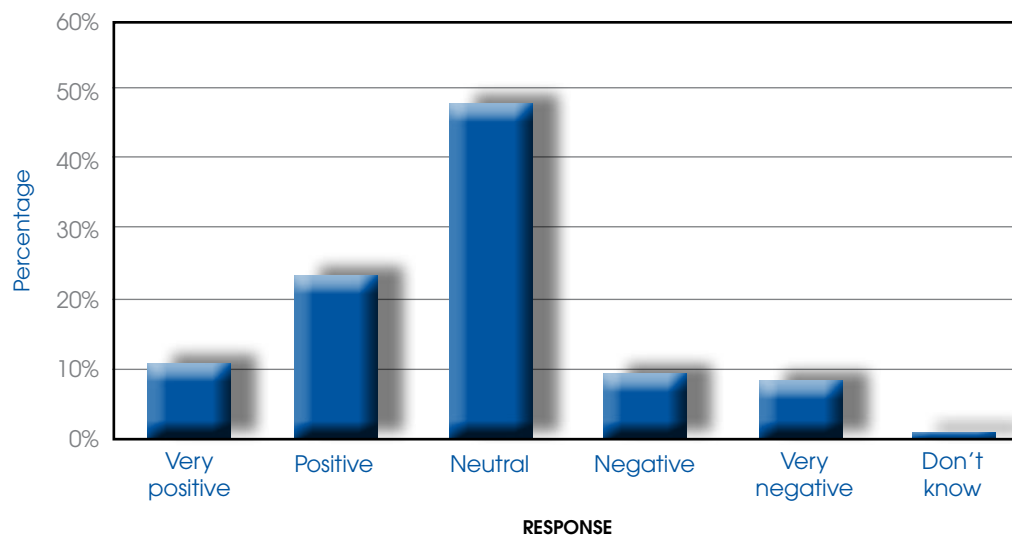


then it would be plausible to claim that South Africans favour greater restriction or even prohibition of gambling. The numbers show that they do not subscribe to all three of the above propositions even though they may subscribe to one or more of them.

It is, therefore, plausible to read South Africa's majority attitudes to gambling in relation to problem gambling figures as being those of

a new jurisdiction which started in 1994 with prudent policy-making and legislation and continued with sensible, affordable and non-hysterical harm-minimisation measures after 1996 - rather than following the incoherent and unworkable prohibitionist policies of its predecessors in power since 1948.

ATTITUDES TOWARDS LEGALISATION OF GAMBLING IN SA



CONCLUSION: SUCCESSSES AND CHALLENGES



The way legal gambling and problem gambling is addressed in South Africa enables the vast majority of those who enjoy land-based gambling to be able to do so harmlessly, while ensuring that all that reasonably can be done, is done in order to prevent people from getting into trouble with excessive gambling and to ensure that free, expert, confidential help is available to the few who do get into trouble.

South Africa's success in providing a comprehensive and coherent programme for ensuring that there is widespread awareness about the dangers of gambling and how to avoid them, as well as high quality professional help for those who need it, is much admired internationally, as is its position at the forefront of international research.

So what all four of these reports show is that gambling problems are limited in South Africa and that, where they arise, are being conscientiously addressed in South Africa by government, regulators, industry management, treatment professionals, educators and researchers.

For all sorts of reasons, however, the picture for the medium and even short-term future is disturbing. This is because of the rise of the internet and other remote forms of gambling. This is the elephant in the room, though only a baby now, seems certain to dominate the entire regulatory and harm-minimisation space in the future not only with respect to gambling but in many other more important arenas of commercial and cultural life world-wide.

At present, in the UK, the proportion of "remote" gambling (by personal computer, cell-phone or through interactive TV) is estimated to be about 7% of all gambling. In

South Africa, the number is likely to be nearer 2%; our estimate of internet gambling from the 2008 sample puts the figure at 2.1% for internet gambling alone. But these numbers are certain to grow dramatically. Moreover, they are likely to raise acute problems for policy-makers, regulators and responsible gambling service-providers. Just a few of the challenges include the following:

- Anyone can gamble on any form of gambling for unlimited stakes and prizes from any location where they have internet access,
- Gambling will be cheaper because there are lower capital costs and taxes and expensive regulation can be legally avoided (let alone illegally),
- Payment can be made though the charging mechanism for cell-phones etc (an especial danger for children),
- Enforcement will not constitute a politically acceptable use of police and other law-enforcement agencies' time and resources.

It is, however, not impossible to use technology to tame technology and we would commend that how to accomplish this be a priority for future research.

APPENDIX A



The NRG / NCSG Research Group

- George Ainslie, Veterans' Medical Centre, Coatesville PA
- Graham Barr, University of Cape Town
- Peter Collins, Salford University
- Andrew Dellis, University of KwaZulu-Natal
- Glenn Harrison, University of Central Florida
- Andre Hofmeyr, University of Cape Town
- Harold Kincaid, University of Alabama at Birmingham
- Jacques Rousseau, University of Cape Town
- Don Ross, University of Cape Town and University of Alabama at Birmingham
- Alexander Schuhr, University of Cape Town
- Carla Sharp, University of Houston
- David Spurrett, University of KwaZulu-Natal
- Martine Visser, University of Cape Town
- Rudy Vuchinich, University of Alabama at Birmingham

The following Research Group activities are presently underway:

- (1) **Analysis of the 2008 National Urban Prevalence Study.** Reports, including detailed statistical analysis, will be released on both the national sample and, separately, the sample from Gauteng Province, during 2009. Investigators: Ross (PI), Dellis, Hofmeyr, Kincaid, Rousseau, Schuhr, Sharp, Visser.
- (2) **Analysis of the 2009 KZN Study of Gambling Among the Poor.** Comparative data on gambling behaviour were gathered from samples in one rural and one peri-urban community in KwaZulu-Natal during the first quarter of 2009. These data are now under analysis and will be released, with accompanying technical interrogation, later in the year. Investigators: Spurrett (PI), Dellis.
- (3) **The 2009-2011 Panel Study.** Longitudinal data on the gambling behaviour of 300 South Africans, including 100 identified as at high risk for problem gambling and 100 identified as at medium risk for problem gambling, will be followed for 20 months beginning in August 2009. Data will be gathered through a combination of surveys and experiments, and will be reported on during 2011 and 2012. Investigators: Kincaid (co-PI), Ross (co-PI), Ainslie, Dellis, Hofmeyr, Rousseau, Schuhr, Sharp, Visser, Vuchinich.

APPENDIX A (continued)



- (4) **The 2009 Gambling and Cognition Study.** Beginning in July 2009, a group of South Africans identified as at high risk for problem gambling, along with a control group identified as at no risk for problem gambling, will participate in a neuroimaging experiment. These participants' brain activity will be monitored using functional magnetic resonance imaging (fMRI), while they try to control their emotional responses in a gambling-related environment. The purpose of the study is to seek differences in the way in which problem gamblers use frontal cognition to reduce the power of impulsive urges. This is an early step on the road to better pharmacological interventions that promise to weaken the grip of gambling addiction among those who suffer from it. The Research Group will report on the results of the study in 2010. Investigators: Sharp (PI), Dellis, Hofmeyr, Ross, Rousseau, Schuhr.
- (5) **The 2010 Bundling Study.** The Research Group will administer an experiment to design new methods for identifying determinants of different capacities in different people for foregoing immediate smaller rewards in favour of longer-term larger ones. These methods will later be applied to the study of people suffering from gambling addiction. Results of the study will be reported in 2011. Investigators: Harrison (PI), Ainslie, Hofmeyr, Ross, Schuhr.

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