

Is online gambling a major cause for concern?

YES

Liam Delaney says the Government cannot keep ignoring the massive growth in gambling

Gambling has doubled in Ireland in the past five years. The forms and availability of gambling have spread markedly, as have advertising and visibility. The current official position in Ireland is largely to support gambling as an industry. The Horse and Greyhound Racing Fund provides approximately €80 million a year from public funds to support the horse and greyhound racing industry. This is partly, of course, to encourage the breeding and tourist industries, but also clearly to directly support gambling as a hobby.

Betting taxes have been reduced successively over the last number of years and there are far fewer restrictions on the advertising and availability of gambling than in Continental countries.

The question is whether our support for gambling has gone too far, creating a major problem that we are actively fostering, and whether it is time to temper this support with an awareness of the potentially negative side effects. Recent initiatives in the US, such as banning most forms of internet gambling, show that other countries have decided enough is enough when it comes to the harmful aspects of gambling. This stands in marked contrast to our own position of low regulation, even up to the point of active support. Who is right?

There are clearly potentially damaging aspects to gambling behaviour. Firstly, gambling is different from normal consumer pastimes in that there is strong evidence that it has addictive features that can cascade into mental-health problems and, at extreme levels, suicidal behaviour. Secondly, gambling involves financial losses that often affect the families of the gamblers as much as the gamblers themselves. Furthermore, hard gamblers are vulnerable to cues in their environment, and the continuous and unrelenting exposure to gambling creates a context where self-control becomes increasingly frayed.

There is also concern that the increased linkage of

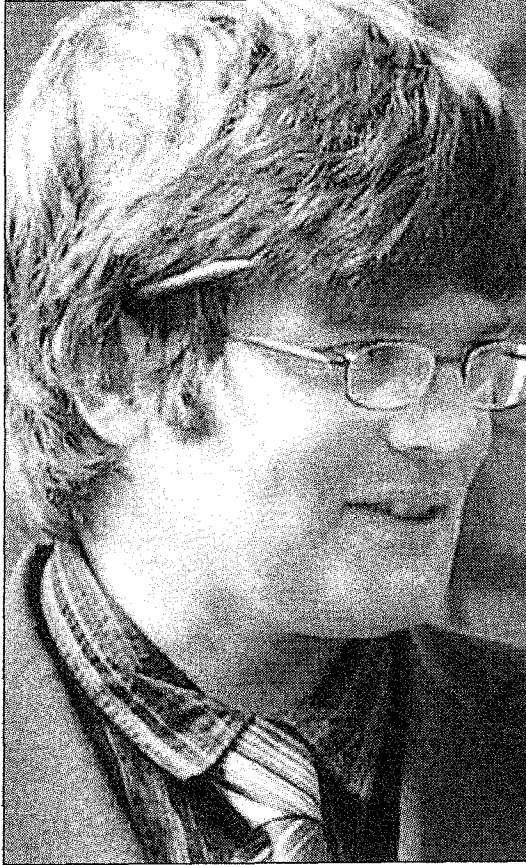
sport and gambling advertising is creating mindsets among people whereby normal pastimes can only be enjoyed in the context of addictive behaviour. On a wider level, gambling may have damaging effects on sporting activity in that it increases the incentive to engage in cheating. All across the world in recent years, scandals have occurred in sport due to the amounts of money being gambled on events, with entire sports being damaged by such activity.

How to deal with these features of gambling is a key question for the discussion of policy. With regard to regulation, it is clear that gambling activity that creates illegal interference with sport should be heavily punished, and few would argue with this. However, with respect to personal gambling, it is arguable that individuals should not be restrained from pursuing gambling as a leisure activity, as this interferes with their right to choose their own lifestyles.

As well as this, regulation itself can be costly to enforce and can distort behaviour in unpredictable ways. It creates submarkets and opportunities for corruption. It denies people a pleasurable pastime and drives companies out of business. Badly framed regulation can force companies to engage in fruitless compliance that keeps to the letter of the regulation while having no societal benefit. It involves potentially criminalising otherwise upstanding members of society for engaging in what they perceive to be a hobby. In summary, strict regulation of individual behaviour is not costless and should not be entered into lightly.

At the least, though, making people aware of risks and openly debating the pros and cons of gambling should be explored as a light form of regulation of the industry. However, there is suspicion that awareness campaigns do not have sufficient power to generate behavioural change, particularly among people who have formed deep habits over the course of their lifetime. In many cases, more direct approaches are needed if the desired outcome is to reduce harm, and none of these have been discussed fully in the Irish context.

Rather than base this on opinion, we need to



become aware of how gambling problems are formed and the extent to which they are fostered by the mushrooming of the availability of gambling, particularly casino and internet gambling, and whether regulation would actually be effective.

Surveys in other countries suggest that about 1-2 per cent of the population display symptoms of problematic gambling such as lying, stealing, "chasing losses" and other potentially damaging behaviours.

To date, there have been no serious proposals to restrict the influence of gambling on sport, and this seems at odds with practice in other domains. Similarly, there have been no serious proposals on the restriction of internet gambling. Nor has there been active discussion of the responsibility of the industry and Government bodies for financial losses among families, which will result from the increasing support and development of gambling in Ireland. We are nowhere near answering these questions, but such debates are timely.

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NO

Paddy Power says
State policy should focus on protecting the vulnerable rather than restricting the pleasures of the vast majority of punters



The gambling industry has enjoyed a strong period of growth in recent times. This has led to greater convenience and accessibility for punters than ever before.

The online area is the "sexy" one for paddypower.com, and it shows the greatest growth, albeit from a small base.

The greater choice created by such developments has been a godsend for punters, with a far wider range of products available to bet on provided by a far more accessible range of bookies. The increased competition has led to higher standards, greater responsibility and, most importantly, better value.

One of the main reasons why the industry has

enjoyed this period of growth is that more sport is being broadcast live on television. In addition, this has come about at the same time as an increase in discretionary disposable income thanks to the recent economic boom.

The online-specific growth is part of a natural switch in society to using the internet for everyday tasks such as banking, booking travel, betting etc. Common sense would suggest that this will increase further with greater broadband penetration and as developments in technology make internet usage easier.

These natural developments in the industry are good news for punters. No longer has the punter the single option of going down to their local betting shop to place a bet. Now they can make a quick phone call or browse the internet at their leisure to find which bet, on which event, and with which bookie, suits them best.

Indeed, retail betting in Ireland has also evolved in the face of online growth, with Paddy Power shops now cleaner, brighter and more comfortable than before.

In fact, online betting is to Paddy Power what an off-licence is to a pub. It simply gives our punters the opportunity to bring their entertainment to their home environment if they wish.

As with any business, customer loyalty is a vital ingredient to success. The increased competition created by the lack of barriers online has led to better value and better customer service across the industry.

One example of better customer service is the advanced account management facilities now available with paddypower.com, which make it easier for customers to manage their account, both in terms of tracking their betting and controlling how much they wish to spend over a particular period.

Also, if someone does feel that they are losing control of their betting, self-exclusion facilities are available online.

These measures are just a small part of the strong player-protection and "know your customer" policies that are in place with all reputable online betting providers.

Despite the aforementioned growth in online betting, it is important to keep things in perspective. In the UK, there has been extensive research into the socio-economic impact of the market changes in recent years.

The Gambling Commission's Gambling Prevalence Survey was published on behalf of the British government in September last. The report states that the rates of problem gambling in 2006 were the same as in 1999, when the first survey was commissioned by GamCare.

The report also states that, out of an adult population of more than 47 million people, 27 million played the National Lottery (57 per cent) but, interestingly, fewer than three million people bet online (6 per cent).

In Ireland, we at Paddy Power recently commissioned a survey by Lansdowne Market Research, which showed that of approximately three million adults in Ireland, about 1.3 million buy a lottery ticket weekly (44 per cent).

About 360,000 bet with a bookie monthly (12 per cent), while fewer than 65,000 people bet online

(2 per cent).

So, according to the facts - and regardless of what claims may be made in certain sections of the media - we are dealing with a small number of people when it comes to online gambling.

Society should focus on protecting the vulnerable rather than restricting the choice and pleasure of many. This rings true with many societal problems and compulsive behaviours such as eating fast food, drinking alcohol and, of course, retail therapy.

The betting industry in Ireland has contributed more than €180 million (raised from direct betting taxes) over the past four years to the horse-racing and greyhound industries. Part of these funds is already applied to the regulation of the industry and to the preservation of the integrity of the industry.

The growth in online betting has led to more choice, more accessibility, more convenience, more competition, more control and, most importantly, better value for punters.

Paddy Power is head of communications at paddypower.com, Ireland's largest gambling company