

# knowledge snapshot



## Online gambling trade associations use responsible gambling codes of conduct to influence regulation

### What this article is about

Although online gambling takes place over the internet, gambling operators must have a physical location in specific states and jurisdictions. Thus, the regulatory environments of states and jurisdictions shape the activities of the online gambling industry. The online gambling industry seeks state regulation to authorize and legitimize its activities. But online gambling trade associations also develop responsible gambling codes of conduct. Such codes of conduct can help legitimize the industry. In this article, the author examined how and why online gambling trade associations have developed responsible gambling codes of conduct.

### What was done?

The author drew upon research conducted as part of The Bingo Project. This project involved informal conversations, chats, and participant observation at industry events. It also involved 40 interviews with online gambling stakeholders.

### What you need to know

Overall, the author argued that online gambling trade associations have used responsible gambling codes of conduct at moments of opportunity. These trade associations seek to shape their members' regulatory environment. They also seek to circulate a particular understanding of how gambling-related risks should be regulated. The author discussed the findings in four sections:

#### *(1) Trade associations and the regulatory environment*

Trade associations are organizations that represent the interests of specific industries (e.g., the gambling industry). These associations mobilize organizations in a way that allows for collective, industry-wide action

### Why is this article important?

The author examined how and why online gambling trade associations have developed responsible gambling codes of conduct. Overall, the author argued that trade associations have used responsible gambling codes of conduct at moments of opportunity. They seek to shape their members' regulatory environment. They also aim to circulate a particular understanding of how gambling-related risks should be regulated. The author argued that responsible gambling remains the ethical underpinning for gambling regulation. But there is growing consensus that a public health approach is critical in preventing and minimizing gambling-related harm.

to address common problems. They seek to influence the legitimacy of their members and establish mechanisms of self-regulation. Responsible gambling codes of conduct are used to create a particular understanding of gambling-related risks and how those risks should be regulated.

#### *(2) Responsible gambling and the regulation of risk*

The author described how trade associations, such as the National Centre for Responsible Gaming in the U.S. and the Australian Gaming Association, were established and for what purpose.

The author discussed how the gambling industry influences how we understand gambling and its risks. For example, the gambling industry uses the tropes of problem gambling and responsible gambling to create a dichotomy between most people who gamble responsibly and the few who have problem gambling. This places the responsibility on people to manage

their gambling behaviour and risk of experiencing harm. It also draws attention away from the role of gambling products in contributing to harm.

Scholars and practitioners have suggested that a public health approach to gambling regulation is needed. This approach recognizes that gambling-related harm goes beyond people with problem gambling. It seeks to minimize and avoid harm by targeting gambling products and environments.

### *(3) Self-regulation, risk, and industry survival*

The author discussed the emergence of the first online gambling sites in the 1990s. At the time, online gambling was an offshore industry. Being offshore meant favourable taxation as well as minimal regulation. The first online gambling trade associations were created in the early 2000s to address the lack of regulation of online gambling. These associations developed responsible gambling codes of conduct. The aim was to build credibility and trust in the industry. The gambling industry was concerned that the level of harmful gambling caused by online gambling would prompt more stringent regulation or prohibition. Its trade associations sought to use their responsible gambling codes of conduct to build legitimacy and regulatory approval. At the same time, these associations sought to influence how gambling risks should be regulated.

### *(4) Shaping national and European Union regulation*

In late 2000s, the European Gaming and Betting Association (EGBA) used its responsible gambling code of conduct to try to liberalize the EU gambling markets. For example, the EGBA argued that national monopolies would not necessarily ensure consumer protection. The EGBA argued that its responsible gambling code of conduct met or exceeded those implemented by state monopolies. The EGBA also argued that stricter government regulations were not necessary.

In 2008, three trade associations (EGBA, eCOGRA, and RGA) developed the International Responsible Gambling Code of Practice. This code was developed in cooperation with GamCare. The purpose of this code was to collectively legitimate the industry and

promote market liberalization. Online gambling trade associations also tried to shape the contents of the European Commission's Recommendation on Consumer Protection in Online Gambling.

In summary, responsible gambling codes of conduct are used by trade associations to shape their regulatory environment and promote self-regulation.

### **Who is it intended for?**

This article can inform researchers and policy makers about how online gambling trade associations have historically leveraged responsible gambling codes of conduct.

### **About the researchers**

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