

# research snapshot

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## Token corporate social responsibility in Macao's gambling industry

### What this research is about

Corporate social responsibility (CSR) includes actions that businesses take to integrate economic, social and environmental concerns of their stakeholders. It has been argued that businesses must engage in CSR to address market demands, remain competitive, and promote their images. Beyond that, CSR is used to address social and environmental concerns. Gambling is a controversial industry that leads to both benefits and harms. For example, benefits from the gambling industry include the creation of jobs and tax revenue. But problem gambling can result in serious harms to the individuals, their families, and society at large. There are concerns that the gambling industry engages in CSR in a symbolic manner to cover up irresponsible actions.

Macao is an autonomous region in China and it has the world's largest gambling industry. The prevalence rate of problem gambling in Macao is much higher than in other countries. Thus, this study had two aims. The first was to review the literature and the CSR and social reporting practices of six gambling firms in Macao. The second aim was to interview various stakeholders for their opinions of how and why the gambling firms were engaging in CSR.

### What the researchers did

The researchers first reviewed the literature on CSR and CSR within the gambling industry. They also reviewed the CSR and social reporting practices of six gambling firms in Macao. The researchers then interviewed 49 stakeholders from the gambling industry in Macao. They included 30 internal stakeholders who were managers and non-managers from the gambling firms. The other 19 external

### What you need to know

This study aimed to determine how and why corporate social responsibility (CSR) was being engaged in by the gambling industry in Macao. The researchers reviewed the CSR practices of six gambling firms in Macao and interviewed various external and internal stakeholders.

The results suggest that the gambling industry used CSR for their own self-interests to project positive images and gain public acceptance and support. In general, CSR activities lacked the ability to address responsible gambling and environmental concerns.

Future research is needed to explore how factors such as culture affect the implementation of CSR activities. Given the popularity of internet gambling, research is also needed to explore how CSR can be applied online.

stakeholders were gamblers, social workers, academics, government officials, journalists and labour union members. Each stakeholder gave their opinions about how and why the gambling industry was engaging in CSR.

### What the researchers found

All stakeholders pointed out the economic contributions made by the gambling industry. For example, by creating jobs, generating tax revenue, and attracting tourism. Many stakeholders recognized how gambling firms were using CSR as a means to gain acceptance and support from the general public. Stakeholders also identified how CSR was being used

to recruit and retain employees. Gambling firms would do this by trying to improve the company's image and providing training and recreational activities for employees.

Public campaigns and the media were also being used by gambling firms to redefine gambling as a recreational activity and to move attention away from the negative impacts of gambling. Responsible gambling programs were mainly targeted at employees. While many employees gambled, the majority of gamblers were visitors from mainland China. Thus, these programs were not intended to help those who were at risk, but were there to make the gambling firms look good.

Many stakeholders felt that, in general, gambling firms only engaged in CSR for the self-interest of their business. It was also observed that many of the gambling firms engaged in CSR as a way to compete with one another. For example, using media coverage to document charity donations to make their firm look better. There was a general lack of environmental concerns noted by the stakeholders. Any actions that the gambling firms took to address environmental issues were focused narrowly on cost-saving.

Despite the perceived self-interest of CSR activities, stakeholders thought that the gambling industry needed to continue these activities to maintain acceptance and support from the government and from the public of Macao. It was also noted that regulations surrounding CSR activities were lacking in Macao compared to countries like Australia and the United States.

#### **How you can use this research**

The findings of this study can be used by researchers to guide future investigations. Specifically, there is a need to explore how various factors (e.g. culture, politics) affect the implementation of CSR in the gambling industry.

Policy analysts should also be aware of the identified lack of CSR regulation in Macao and possibly in other countries. Stricter regulations may lead gambling firms to consider and take into account public

interests more. Research is also needed to explore how CSR policies and practices can be applied to Internet gambling.

#### **About the researchers**

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#### **Keywords**

Corporate social responsibility, controversial industries, gambling, legitimacy, legitimation, responsible gambling

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#### **Gambling Research Exchange Ontario (GREO)**

Gambling Research Exchange Ontario (GREO) has partnered with the Knowledge Mobilization Unit at York University to produce Research Snapshots. GREO is an independent knowledge translation and exchange organization that aims to eliminate harm from gambling. Our goal is to support evidence-informed decision making in responsible gambling policies, standards and practices. The work we do is intended for researchers, policy makers, gambling regulators and operators, and treatment and prevention service providers.

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