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Featured guest : Natasha Dow Schull

When we talk about legal restrictions on gambling, what do we mean by “gambling”? The word encompasses an assortment of activities with unique histories, modes of interaction, economic stakeholders, and player experiences. Most of us easily grasp the differences between casino blackjack and an office sports betting pool, while experienced gamblers know that live poker is not the same game as online poker, and not even close to video poker. Instead of seeking an all-purpose answer to the question of legal restrictions on gambling, we should distinguish between its many forms—some of which may warrant fewer restrictions, and others more.

Slot machine gambling, more often than not, is the driving force behind campaigns to expand legalized gambling in the U.S.. When state legislators champion gambling as a way to bolster budgets without imposing new taxes, they are largely motivated by expected machine revenues. Although slot machines were once relegated the sidelines of casino floors, by the late 1990s video and computer technology had rendered them so appealing to an expanding low-roller market that they were generating three quarters of total gambling revenue. As the slot machine has continued its ascendance, the industry increasingly derives its profits from volume rather than price of play, a formula that some of its practitioners have dubbed “the Costco model” of gambling. To quote the president of the American Gaming Association, “It’s the slot machine that drives the industry today.”

Aside from its considerable profit ratio, what distinguishes slot machine play from other gambling activities? Despite slots’ reputation as a relatively “light” way to gamble, most gambling researchers consider today’s complex computerized devices to be a “high-intensity” form of gambling, on account of the solitary, continuous, and rapid wagering they enable. “A gambling machine is a very fast, money-eating device,” one gaming executive told a reporter, noting that “play should take no longer than 3.5 seconds per game.” There is no waiting “for horses to run, a dealer to shuffle, or a roulette wheel to stop spinning,” observes Kurt Eggert, a legal scholar who specializes in gambling regulation and consumer protection.

The effects of such game characteristics on players can be troubling. With no occasion for pause, some become so caught up in the continuous action of play that it dampens their awareness of space, time, monetary value, and even their own bodies. Frequent machine gamblers often report that their play ceases to be motivated by a desire to win and becomes instead a drive to prolong the experience itself—even at the cost of physical and economic exhaustion. In some cases, what begins as entertainment turns into a veritable addiction.

So-called “problem gamblers” are known to contribute a grossly disproportionate percentage of slot machine revenues, but they aren’t the only ones who play back their winnings until they are gone. The machines are designed to increase the likelihood that *any* player will do so. Most regular machine gamblers will at some point find themselves spending more time and money than they had intended upon commencing play. As psychologist Mark Dickerson explains, the interaction with the machine “erodes the player’s ability to maintain a sequence of informed and rational choices about purchasing the next game offered.” By dint of its design, the modern gambling machine diminishes its user’s self-control and freedom to choose. As it undermines consumers’ capacity to act rationally and responsibly, it also undermines arguments for deregulation. To be more precise, it points to the need for more *effective* regulation.

Although the gambling industry is highly regulated, its regulations often serve the interests of business and government rather than those of consumers. While relatively harmless forms of gambling are criminalized, slot machines—the most profitable and problematic of gambling delivery mechanisms—are checked only to make sure that they are tamper resistant, that their random number generators function properly, and that their financial auditing systems run accurately. Unlike regulators in the pharmaceutical or automobile industries, gambling regulators perform no tests to evaluate the potential harmful effects of the product on its users. To date, no safety guidelines have been formulated to inform such tests.

In this regard, the United States lags behind the international regulatory curve. Seeking to help players make more responsible choices while gambling and thus avoid sliding into self-destructive behavior, some provincial governments in Canada have mandated that machines incorporate “protective” features such as clocks, “reality check” alerts, and displays of cash value (instead of credits). The Nova Scotia legislature has implemented a card-based system which allows players to “pre-commit” time and money expenditure limits. A similar system exists in Norway. Earlier this year, an Australian governmental commission recommended a range of “harm minimization” modifications to machines, including slowing the speed of reels spins and lowering maximum bet sizes.

Given how little we know about the precise ways that machine gambling harms, it isn’t yet clear yet if any of these measures will actually work. What is clear is the need for sensible, unbiased regulation of this particular gambling product, and for investment in research to better understand its effects on users.