Perceptions of community members on the social impacts of casinos in Gauteng

Malome Prince Shai*, Carina Kleynhans, Joseph Robert Roberson
Department of Hospitality Management, Faculty of Management Sciences
Tshwane University of Technology
*shaimp@tut.ac.za

Abstract

Gambling is a lucrative activity that is perceived as both a benefit and a curse to society. It has different levels of support and opposition from various sections of society and many positive and negative economic, socio-cultural, and environmental impacts. This study aims to investigate what kind of social impacts Gauteng's casinos have on the surrounding communities. The researchers used an Exploratory Factor Analysis (EFA), ANOVA, and t-tests to discover what social impacts the casinos in Gauteng have on communities in the area. Quantitative data was collected from 385 community members in the vicinity of eight casinos using a structured questionnaire. Despite many economic benefits that the casinos have on the communities, the results indicated that negative social impacts on the communities such as crime, divorces, and alcohol and drug abuse are also more common in these areas. The findings provide useful insight in for casino management, the decision-making body in government, and other stakeholders to reflect on the current social impacts that casinos in Gauteng have on the surrounding communities and encourage regular social audits on these casinos.

Keywords: Social impacts, Casinos. Communities, Corporate social responsibility.

INTRODUCTION

Casinos are a tourist attraction and play a significant role in the tourism and hospitality industry through labour markets, tourism development, and tax revenue (Kim, 2018:126), which implies that the lives of the surrounding community residents are affected by tourism's economic, socio-cultural, and environmental impact (Uysal, Sirgy, Woo & Kim, 2016:246). Therefore, in moral exchange, the gambling industry must improve the community's quality of life and wellness; revitalise community heritage, culture, and sense of wellbeing; preserve and protect cultural and natural resources and their sustainability (Uysal et al., 2016:246); and create employment (Lee, Kang, Long & Reisinger, 2010:190).

There is empirical evidence that of all gambling sectors, casinos are the biggest creators of employment and show consistent growth in gambling turnover, gross gambling revenue (GGR), and taxes or levies paid to the government (National Gambling Policy, 2016:9). Based on previous research, casinos are largely regarded as: recreational destinations with the potential to contribute to tourism and the economy (Makakaba, 2012:448), enterprises that can be a significant force for change, an essential and vital part of society (Visser, 2016:3), and is legally accepted but socially rejected in most communities (Oh et al., 2017:644). Finally, while the COVID-19 pandemic has had a significant impact on commercial land-based gambling around the world, online gambling continued (Hodgins & Stevens, 2021, 333).

Moisescu (2015:79) postulates that casinos depend on local communities, natural resources, and on the environment in which its activities take place. This complements the statement by Shani *et al.* (2014:457), that the generosity and cooperation of the local community members are essential to successful casino development. Therefore,

casinos plough back into the communities in a form of corporate social responsibility (CSR) initiatives, as locals will support the casino establishment in their vicinity as long as the perceived benefits exceed the perceived costs.

LITERATURE REVIEW

Gambling is defined as any activity that involves an element of risk where money is betted and could be won or lost (Han, 2014:18). Gambling takes various forms, such as casino table games, lotteries, sports betting (Leung & Gray, 2016:75), and online gambling (Leung & Snell, 2015:3). Furthermore, Nattrass and Seekings (2016:7) refer to gambling as a self-destructive evil that does a great deal of harm to society, as it gives hope and promises to people to escape the misery of poverty, and the only people who win from gambling in the long run are those who operate the gambling institutions.

There is this stigma that gambling is designed in a way that the expected value is favourable for the casino, and the more money is spent on gambling, the greater the probability that the casino wins and more harm comes to the society in the process (Choliz, 2018:1). In order to understand the social impacts of casinos on the surrounding communities, it is imperative to discuss the history of gambling and its regulatory issues in South Africa

History and Purpose of Casinos in South Africa

The history of gambling is as old as the history of humanity and is closely joined with mankind's concerns regarding matters such as morality, rationality, and religion (Leung & Gray, 2016:75). Gambling was already present in apartheid-era South Africa, but most activities were declared to be illegal (Tyawa, 2011:93), and due to apartheid mobility restrictions on South

Africans, the industry suffered significantly in terms of loss of revenue and no protection against the negative socio-economic impact of an unregulated industry on the community (Visser, 2016:3).

During the apartheid-era, gambling only took place in the previously independent homelands, such as Transkei, Bophuthatswana, Venda, and Ciskei (National Gambling Policy, 2016:5; Stein, 2015:82). The homelands are geographical locations that were established as racial reserves for each of the different African tribal groupings. Leung and Gray (2016:75) postulate that gambling is tied to culture and occupies a different role in different communities and at different stages of the community's development.

Before democracy in South Africa, casinos were aimed mainly at the white market through discriminatory legislation such as the Group Areas Act (No. 41 of 1950) and the Separate Amenities Act (No. 49 of 1953) as black people were denied access to urban casino facilities (Grundlingh, 2006:118), which led to black people performing gambling activities in the homelands, as they were not recognised as citizens of their own country, South Africa (Tyawa, 2011:93).

The new South African government after 1994, in consultation with different stakeholders and community leaders, decided that the gambling industry should be regulated in order to eliminate illegal gambling (Tyawa, 2011:93); to generate revenue flows to the government (Monnye, 2018:85); and to improve communities' quality of life (Uysal et al., 2016:246). The Wiehahn Commission was established in 1995 to conduct a feasibility study of having a national policy on gambling in South Africa and the Wiehahn Commission report made recommendations for the regulation of gambling and a state-run lottery; with the National Gambling Act (No. 33 of 1996) and the National Lotteries Act (No. 57 of 1997) resulting from the report's recommendation (National Gambling Policy, 2016:6).

Regulatory Issues

In most countries, a casino must be licensed to operate as a legal business, which means that having a license is central to its survival (Mzembe, Lindgreen, Maon & Vanhamme, 2015:3). The governments of countries where gambling is legal exert institutional power over casinos through licensing and legislation, and the issuing and enforcing of regulations to protect citizens' rights and welfare (Leung & Snell, 2015:1). South African gambling institutions are largely focused on the legal and regulatory measures that comprise legitimate business practices while also 'giving back' to communities in the areas in the form of CSR initiatives (Dawkins & Ngunjiri, 2008:298). Unfortunately, it is often the case that during the process, the realities of the social impacts of casinos on communities are neglected.

The inception of constitutional democracy in South Africa enabled the creation of national acts to legislate and regulate the gambling industry, as it was not regarded as important by the apartheid government. To this very day, all casinos in all nine of South Africa's provinces' functional operations originate from a single constitution, in order to ensure fair licensing and consistent collection of revenue to grow the economy and invest in good causes (Tyawa, 2011:93). After two years of democracy in South Africa, the new government passed the National Gambling Act in 1996, which permitted a national maximum of 40 casinos to be licensed and regulated by provincial governments (Collins *et al.*, 2011:722).

The National Gambling Act of 1996 made provisions for the regulation of gambling activities; promoted uniform norms, ethics, and standards in relation to gambling throughout South Africa; gave definitions

to different gambling concepts; described how the 40 gambling licences should be disseminated among the provinces; and provided information on responsibility and accountability (National Gambling Policy, 2016:6). South Africa currently has the most casinos on the continent (Ssewanyana & Bitanihirwe, 2018:1), with 40 legally operating casinos (Naudé, Kruger & Saayman, 2015:1).

South Africa's gambling policy and laws adhere to the destination approach, which seeks to locate gambling venues a distance away from society or communities (Monnye, 2018:85). The establishment of the National Gambling Act of 1996 led to the formation of the National Gambling Board (NGB) in 1998 in order to effectively regulate and supervise the South African gambling industry based on national, continental, and international standards of compliance (National Gambling Policy, 2016:6). This Act made it possible for the formation of legitimate casinos, national lotteries, and other forms of gambling.

The first source of legitimacy is linked to authority, which classifies legitimacy into two groups namely state and regulatory bodies (Han, 2014:54). In South Africa, the National Gambling Act governs gambling in unification with the provincial laws for each separate provincial government. The NGB of South Africa is a regulatory body that enforces activities, assumes the role of a supervisor, and influences the performance and the existence of the gambling industry in South Africa, reporting to the ministry portfolio of the Department of Trade and Industry (DTI) (Monnye, 2018:87). The government under

the ministry portfolio of the DTI determines the conditions deemed legal and acceptable for casinos, from the granting of licences to operating gambling organisations.

The NGB is responsible for monitoring compliance and investigating the issuing of national licences by the provinces. In terms of the National Gambling Act of 2004, each province in South Africa has its own gambling regulatory authority, and these are called Provincial Gambling Regulatory Agencies (PGRAs). PGRAs are responsible for issuing provincial licences with licence conditions, combatting illegal gambling, and monitoring the socio-economic impact of gambling on communities. These gambling policies are guided by the 1995 report of the lotteries and gambling board called the Wiehahn Commission (DTI, 2010:9-14).

Since the legalisation of casinos in South Africa in 1996, there has been a need to analyse the implications of this industry for society; hence the regulatory framework for gambling that has been adopted in South Africa is resultant from the recommendations of the Wiehahn Commission, which set its principles during the first feasibility study in 1997. The Wiehahn Commission was requested to review the evolution of the gambling industry in South Africa since 1996 to assess its social, economic, and environmental impact on South African society. It was also tasked with assessing whether the regulatory bodies have met their legislative objectives (DTI, 2010:8). Table 1 provides a high-level analysis of policy objectives.

Table 1: Policy objectives set by the Wiehahn Commission and their current achievement status

Policy objectives	Achievement status
• Protection of society from over-stimulation of latent gambling through the **limitation of gambling opportunities**; • Protection of players and integrity and fairness of the industry through **strict control and supervision** of the industry; • **Uniformity and harmonisation** of policy and legislation at all levels of government across provinces through minimum norms and standards, cooperation, and coordination; • Generation of **revenue and taxes** for provincial governments and for good cause; • Promotion of **economic empowerment of the historically** disadvantaged; and • Promotion of economic growth, development, and employment.	• Opportunities for gambling are increasing with more demand for new games and proximity to communities – **3% to 4.7% problem gamblers**; • Inadequate access control for **excluded persons and minors**, and increases in seats and tables in gambling outlets; • **Lack of uniformity** with inconsistent provincial requirements; • Coordinating structure **not effective** and roll-out contrary to policy; • **Significant** taxes and revenue generated; • **Limited** transformation in the gambling industry, but some progress recorded; and • Employment largely in casinos, industry **contribution is large**, and growth continues despite the recession.

Source: National Gambling Policy (2016:8)

It is clear from Table 1 that policy objectives concerning reducing negative social impacts on surrounding communities have not been achieved; however, progress has been made in terms of generating taxes and revenue and contributing to employment. Casinos aren't going anywhere soon and therefore can and need to play a significant role in minimising social impacts. Casinos must contribute to improving the quality of life in society through CSR initiatives. The researchers therefore believe that the social impacts of casinos on community members need to be investigated and discussed.

Perceived Negative Social Impacts of Casinos on Communities

It is well documented that casinos contribute substantially to the economy through tax revenues and job creation (Shani et al., 2014:455; Leung & Snell, 2015:4). However, they remain controversial due to their negative social impact, which damages the character and reputation of a particular community (Lee *et al*., 2010:189). Based on the information gathered from previous studies, problem gambling among community members is the first negative social factor that influences the community's lack of support for casino development (Lee *et al*., 2018:281).

Casinos are often categorised as a "sin" or controversial industry because of perceptions that their core activities deviate from widely endorsed standards of organisational behaviour. This is because their products and services are addictive and have devastating social impacts on families and communities (Grougiou, Dedoulis & Leventis, 2016:906). The gambling industry is characterised by social restrictions, moral debates, and political pressure (Han, 2014:71), and is responsible for disrupting communities (Kolk & Lenfant, 2018:8).

Other examples of controversial industries are tobacco, alcohol, and pornography (Leung & Gray, 2016:74), which are agreed upon as examples of sin industries in most cultures because of their negative influence on health and their addictive nature (Oh *et al.*, 2017:645). It should however be noted that these industries aren't only negative in their effects on any community, they have both good and bad components (Stein, 2015:82).

Suntikul *et al.* (2016:3) posit that casinos are responsible for negative social impacts on the perceived quality of life in communities by introducing traffic congestion, increasing crime and pollution, and contributing to inflation, which results in a higher cost of living (Wu & Chen, 2015:285). Han (2014:24) asserts that the social costs of gambling activities by community members are 1.9 times higher than the social benefits. Table 2 indicates some of the alleged social costs of gambling.

Table 2: Alleged social costs of gambling

Social costs	Economic perspective
1. Income lost from missed work 2. Costs borne by a gambler's decreased productivity on the job 3. Depression and physical illness related to stress 4. Increased suicide attempts	Cost borne by a gambler
1. Bailout costs 2. Unrecovered loans to transfers or pecuniary pathological gamblers 3. Unpaid debts, externalities, and bankruptcies 4. Higher insurance premiums resulting from pathological gambler-caused fraud 5. Corruption of public officials 6. Strain on public services 7. Industry cannibalisation / loss of sales	Transfers or pecuniary / budgetary externalities
8. Divorces caused by gambling value judgement	Value judgement

Source: Han (2014:24)

Table 2 reflects some of the more traditional negative social impacts of casinos on gamblers as well as the commercial activities that affect other parties. However, in more modern communities, people have different beliefs as a result of contradictory value systems regarding gambling (Han, 2014:24). From a psychological perspective, gambling is an addictive activity in the form of a disorder that is the same as drug addiction or alcoholism (Choliz, 2018:1). In sub-Saharan Africa, gambling in the form of casino betting, cards, dice, and online

gambling is more prevalent among young people aged 10 to 24 years old (Ssewanyana & Bitanihirwe, 2018:1), and thus may develop into problematic gambling in adulthood (Abdi, Ruiter & Adal, 2015:60).

Gambling in casinos is depicted as a sickness that contributes to societal problems on an individual level, such as family-related crimes and disruptions (Shani *et al*., 2014:455); divorce (Buchanan & Johnson, 2007:2); domestic violence; increased prostitution; access to alcohol consumption (Grougiou *et al.*, 2016:906); psychological problems such as loss of self-esteem, depression, and risk of suicide (Han, 2014:53); gambling problems (Leung & Gray, 2016:74), which can affect individuals' finances (Monnye, 2018:90) and relationships with family and peers (Abdi *et al*., 2015:60); health risks, such as gambling disorder (Choliz, 2018:1); a negative effect on work and study activities; homelessness (Bramley, Norrie & Manthorpe, 2018:33); and above all, it imposes a social cost on the government and society at large (Nel & Viviers, 2015:157).

It is projected that a single problem gambler can have a direct negative impact on 10 to 17 other people in a community, typically on family members, friends, and employers (Leung & Snell, 2015:4). The disorder is associated with adverse physical, social, economic, and legal outcomes (Ssewanyana & Bitanihirwe, 2018:1). The social cost of gambling activity outweighs the social benefits, and casinos have a legitimate obligation to develop CSR engagement in order to enhance corporate status (Han, 2014:58;71). In addition, stakeholders expect more CSR initiatives from these sin industries in order to justify their existence (Vong & Wong, 2013:1675).

METHODOLOGY

The quantitative data for this study was collected using a survey approach to investigate the social impacts of casinos on community members around Gauteng.

Study Area

The study was conducted in the province of Gauteng, which is the smallest province in land area in South Africa. The province of Gauteng has 13.4 million citizens, and as the economic heart of Africa, contributes 34.1% to South Africa's GDP (Stats SA, 2016). Furthermore, casinos in Gauteng have contributed 42% towards the gross gambling revenue, compared to that of the other provinces in South Africa (Gauteng Gambling Board, 2016). It is therefore necessary to investigate the perceptions of community members regarding the social impacts of casinos in Gauteng province.

Data Collection

A basic step in formulating the questions for the questionnaire was the positive and negative social impacts of casinos on society found in the literature selected for this study. The questionnaire comprised the following sections: the first section consisted of variables aimed at gathering the demographic and background information of the respondents. The second section of the questionnaire consisted of 13 questions aimed at investigating the social impacts of casinos on the community. The responses were recorded on a six (6) point Likert scale, on which 1 = Strongly disagree, 2 = Disagree, 3 = Slightly disagree, 4 = Slightly agree, 5 = Agree, and 6 = Strongly disagree.

In addition, four open-ended questions were included to offer the respondents an opportunity to raise any other CSR initiatives they desired, discuss communication channels between the casino and community members, and list

factors that hinder best CSR practices. The researcher and the assistants approached the residents in communities in proximity to casinos and invited them to participate in the study. The purpose and aims of the research were explained and those willing to take part in the study were asked to sign the informed consent documentation as required for ethical clearance. In the end, 385 respondents completed the questionnaires.

Data Analysis

Statistical analysis was performed using the Statistical Package for the Social Sciences (SPSS). Descriptive and inferential statistics in the form of Exploratory Factor Analysis (EFA) were produced in this study, as the main purpose of the data analysis in this study was to understand the perceptions of community members regarding the social impacts of casinos.

RESULTS AND DISCUSSION

This section will first discuss the biographical information of the respondents before presenting the descriptive statistics and exploratory factor analysis results.

Demographics

Table 2: Community members' demographic profiles

Characteristics	Percentage	N = 385
Gender		
Male	46	**177**
Female	54	**208**
Age		
15-17 years	25	**97**
18-34 years	32	**123**
35-50 years	25	**95**
51-60 years	13	**49**
61+ years	5	**5**
Marital status		
Single	50	**187**
Married	43	**168**
Divorced	7	**30**
Employment status		**71**
Student	18	**145**
Unemployed	38	**80**
Self-employed	21	**41**
Employed in public sector	11	**36**
Employed in the private sector (9%)	9	**12**
Retired	3	
Education		
Grade 11 and below	14	**55**
Grade 12	39	**100**
Higher certificate	25	**96**
Diploma	16	**60**
Postgraduate Degree	6	**24**

Table 2 above indicates the biographical information of the respondents. The next step was to perform Exploratory Factor Analysis (EFA) on section two of the questionnaire.

Exploratory Factor Analysis

Section two of the questionnaire was also subjected to FA, which evaluated the casinos' social impacts on the community. Table 3 indicates the EFA pattern matrix with two factors having an eigenvalue greater than 1.

Table 3: Pattern matrix of social impacts of casinos on the community

Impact	Factor	
	Negative social impacts	**Positive social impacts**
The casino causes divorces.	0.836	
The casino increases the problem of prostitution.	0.828	
The casino contributes to the alcohol and drug abuse problems in the community.	0.822	
The casino brought more loan sharks/*mashonisa* into the community.	0.624	
The casino contributes to more crime.	0.609	
The casino causes the destruction of families.	0.504	
The casino causes gambling addiction.	0.426	
I am proud of living in the casino's vicinity.		0.812
I would support a new casino development in our community.		0.782
The casino benefits local business.		0.639
The casino improves the standard of living in our community.		0.577
The casino attracts tourists to our community.		0.553
The future of my community looks bright due to this casino.		0.519

Extraction method: PAF. Rotation method: Oblimin with Kaiser normalisation.
Rotation converged in six iterations.

New descriptive factor labels were given to the factors that emerged, namely negative social impacts and positive social impacts. The labelling was done based on the nature of the items and the context of the literature.

Table 4 below shows the analysis of the Cronbach's alpha coefficient for casino social impact factor solutions identified after conducting an FA on the social impacts of casinos on communities.

Table 4 Reliability statistics for casino social impact factors

Factor name	No. of items per factor	Average inter-item correlation	Cronbach's alpha
Negative social impacts	7	0.483	0.868
Positive social impacts	6	0.424	0.816

As indicated in Table 4, the negative and positive social impact factors caused by the casino were extracted from the EFA. Cronbach's alpha scores of casinos' negative and positive social impacts were 0.868 and 0.816 respectively. An average inter-item correlation for negative and positive social impacts is 0.483 and 0.424 respectively. Field (2014:685) explains that an inter-item correlation of 0.3 and above should be considered significant in the FA process. The following section presents the inferential statistics on FA factors, as the reliability of the scale is well acceptable, with a good inter-item correlation.

Social Impacts of Casinos on Communities

This section presents descriptive and inferential statistics of the social impacts of casinos on community members. Descriptive statistics are presented first, followed by inferential statistics in the form of ANOVA and t-tests.

Descriptive statistics on social impact factors
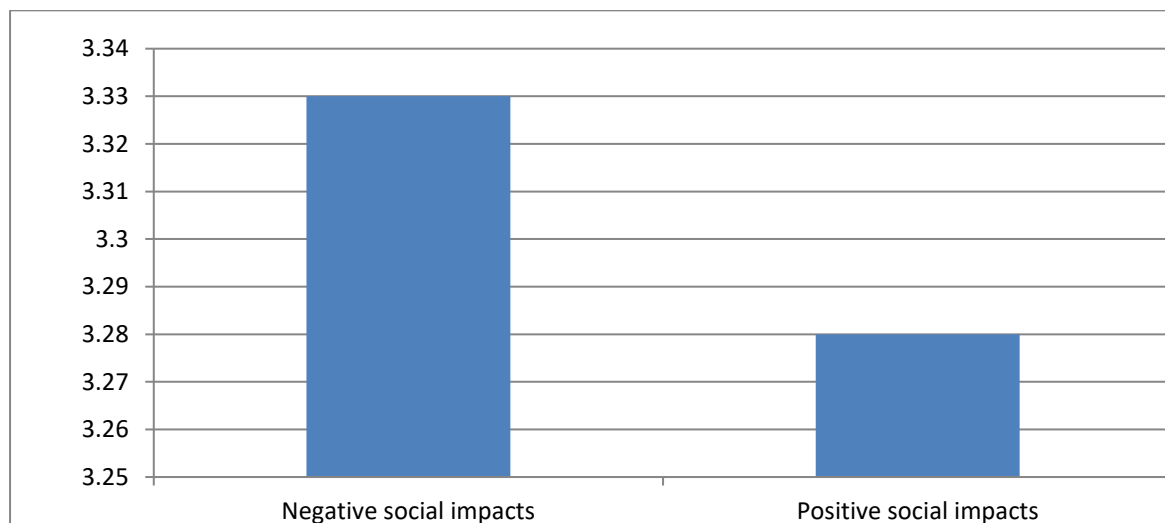
Figure 1: Total means for social impact factors

Figure 1 shows that the mean value of casinos' negative social impacts (M=3.33) was slightly higher than the mean value of positive social impacts (M=3.27). Therefore, the respondents perceived that the casinos impacted community members negatively, compared to the positive social benefits, with a mean difference of -0.05. The next step was to perform more robust ANOVA and t-tests to determine the respondents' perceptions regarding the social impacts that casinos have on their communities. The demographic groups in the sample were compared in terms of their perceptions of social impacts using t-tests and ANOVA. The results are reported below.

Inferential statistics

Following the analyses above, mean scores were calculated on all the factors which were used in subsequent analyses. In this section, inferential statistics are presented in the form of ANOVA and t-tests.

Table 5: One-way ANOVA: Age groups

Social impacts		N	Mean	Std. deviation	Std. error	95% confidence interval for mean		Min	Max
						Lower bound	Upper bound		
Negative social impact	15-17	97	2.9809	1.19978	0.12182	2.7390	3.2227	1.00	6.00
	18-34	123	3.1521	1.16744	0.10526	2.9438	3.3605	1.29	6.00
	35-50	95	3.7158	1.26400	0.12968	3.4583	3.9733	1.14	5.71
	51+	70	3.5980	1.17609	0.14057	3.3175	3.8784	1.86	5.57
	Total	**385**	**3.3291**	**1.23424**	**0.06290**	**3.2055**	**3.4528**	**1.00**	**6.00**
Positive social impact	15-17	97	3.1821	1.11339	0.11305	2.9577	3.4065	1.00	5.33
	18-34	123	3.1734	1.02372	0.09231	2.9907	3.3562	1.00	5.17
	35-50	95	3.3544	1.33781	0.13726	3.0819	3.6269	1.00	5.50
	51+	70	3.5190	1.09990	0.13146	3.2568	3.7813	2.00	5.33
	Total	**385**	**3.2831**	**1.14725**	**0.05847**	**3.1682**	**3.3981**	**1.00**	**5.50**

Table 6 Test of homogeneity of variance

Impact	Levene's test	df1	df2	Sig.
Negative social impact	0.447	3	381	0.720
Positive social impact	6.916	3	381	0.000

Table 6 shows that the homogeneity of variance of casinos' negative and positive social impacts. Factors are unequal, as the p-value of 0.000 was recorded for positive social impacts; therefore, the null hypothesis of equal variance is rejected, and the more robust ANOVA measure was used (refer to Tables 7 and 8).

Table 7: ANOVA Age groups

Social impacts		Sum of squares	df	Mean square	F	Sig.
Negative social impact	Between groups	34.880	3	11.627	8.053	0.000
	Within	550.088	381	1.444		
	Total	**584.968**	**384**			
Positive social impact	Between groups	6.848	3	2.283	1.744	0.157
	Within	498.570	381	1.309		
	Total	**505.418**	**384**			

Table 8: Robust tests of equality of means

Social impacts	Test	Statistics	df1	df2	Sig.
Negative social	Brown-	8.038	3	354.640	0.000
Positive social	Brown-	1.721	3	339.219	0.162

a. Asymptotically F distributed.

Table 9: Post hoc tests: Multiple comparisons for age groups and social impacts

Dependent variable			Mean difference (I-J)	Std. error	Sig.	95% confidence interval Lower bound	Upper bound
Negative social impact	15-17	18-34	-0.17129	0.16316	0.777	-0.6295	0.2869
		35-50	-.73494*	0.17344	0.001	-1.2220	-0.2479
		51+	-.61710*	0.18844	0.014	-1.1463	-0.0880
	18-34	15-17	0.17129	0.16316	0.777	-0.2869	0.6295
		35-50	-.56364*	0.16412	0.009	-1.0245	-0.1028
		51+	-0.44581	0.17990	0.107	-0.9510	0.0594
	35-50	15-17	.73494*	0.17344	0.001	0.2479	1.2220
		18-34	.56364*	0.16412	0.009	0.1028	1.0245
		51+	0.11783	0.18927	0.943	-0.4136	0.6493
	51+	15-17	.61710*	0.18844	0.014	0.0880	1.1463
		18-34	0.44581	0.17990	0.107	-0.0594	0.9510
		35-50	-0.11783	0.18927	0.943	-0.6493	0.4136

* The mean difference is significant at the 0.05 level.

Table 89shows that the age groups were compared pair-wise. There is a strong difference (p=0.001) between the age groups 15-17 (M=2.9809) and 35-50 (M=3.7158) with a mean difference of -0.73494, as these age groups perceived that casinos have a negative social impact on the community. There is also a significant relationship between the age groups 18 – 34 (M=3.1521) and 35 – 50 (M=3.7158), with a significant mean difference of -0.56364. This implies that some of the respondents in these age groups perceived that casinos have negative social impacts on community members. The next step was to look at the educational qualifications of respondent's

sample were compared in terms of their
perceptions of social

impacts using t-tests and ANOVA.

Table 10: One-way ANOVA test: Educational qualifications

Social impacts		N	Mean	Std. deviation	Std. error	95% confidence interval for mean	
						Lower bound	Upper bound
Negative social impact	Grade 11 or lower	55	3.1922	1.61419	0.21766	2.7558	3.6286
	Grade 12	150	3.4343	1.17569	0.09599	3.2446	3.6240
	Higher education certificate	96	3.3839	1.20816	0.12331	3.1391	3.6287
	Diploma/Degree	81	3.2063	1.06498	0.11833	2.9709	3.4418
	Total	**382**	**3.3384**	**1.23406**	**0.06314**	**3.2143**	**3.4626**
Positive social impact	Grade 11 or lower	55	2.9788	1.45475	0.19616	2.5855	3.3721
	Grade 12	150	3.4933	0.98816	0.08068	3.3339	3.6528
	Higher education certificate	96	3.3090	1.25236	0.12782	3.0553	3.5628
	Diploma/Degree	81	3.1029	0.99323	0.11036	2.8833	3.3225
	Total	**382**	**3.2901**	**1.14797**	**0.05874**	**3.1747**	**3.4056**

Table 11: Test of homogeneity of variance

Social impacts	Levene's test	df1	df2	Sig.
Negative social impact	6.203	3	378	0.000
Positive social impact	8.750	3	378	0.000

Table 10 shows that the homogeneity of variance of factors regarding the casinos' negative and positive social impacts were equal, as both factors recorded a p-value of 0.000. Therefore, the alternative hypothesis of equal variance is accepted and the more robust ANOVA measure was used (refer to Tables 12 and 12).

Table 12: ANOVA: Educational qualifications

Social impacts		Sum of squares	df	Mean square	F	Sig.
Negative social impact	Between groups	4.166	3	1.389	0.911	0.436
	Within groups	576.058	378	1.524		
	Total	**580.224**	**381**			
Positive social impact	Between groups	14.399	3	4.800	3.720	0.012
	Within groups	487.693	378	1.290		
	Total	**502.093**	**381**			

Table 13: Robust tests of equality of means

Social impacts		Statistics	df1	df2	Sig.
Negative social impact	Brown-Forsythe	0.824	3	214.111	0.482
Positive social impact	Brown-Forsythe	3.305	3	222.720	0.021

a. Asymptotically F distributed.

Table 14: Post hoc tests: Multiple comparisons for educational qualifications and social impacts

Dependent variable			Mean difference (I-J)	Std. error	Sig.	95% confidence interval	
						Lower bound	Lower bound
Positive social impact	Grade 11 or lower	Grade 12	-.51455*	0.17905	0.042	-1.01073	-0.01177
		Higher education certificate	-0.33024	0.19209	0.400	-0.86966	0.20922
		Diploma / Degree	-0.12409	0.19846	0.942	-0.68144	0.43322
	Grade 12	Grade 11 or lower	.51455*	0.17905	0.042	0.01177	1.01073
		Higher education certificate	0.18431	0.14846	0.673	-0.23226	0.60122
		Diploma / Degree	0.39045	0.15662	0.104	-0.04944	0.83033
	Higher education certificate	Grade 11 or lower	0.33024	0.19209	0.400	-0.20922	0.86966
		Grade 12	-0.18431	0.14846	0.673	-0.60122	0.23226
		Diploma / Degree	0.20615	0.17137	0.695	-0.27511	0.68744
	Diploma / Degree	Grade 11 or lower	0.12409	0.19846	0.942	-0.43322	0.68144
		Grade 12	-0.39045	0.15662	0.104	-0.83033	0.04944

		Higher Education certificate	-0.20615	0.17137	0.695	-0.6874	0.2751

Table 14 presents the results of multiple comparisons on educational qualifications and casinos' positive social impacts on the community. There was only one significant difference (p=0.042) between respondents with Grade 12 (M=3.4933) and Grade 11 and below (M=2.9788) with a mean difference of -0.51455 who perceived that casinos have a positive social impact in the community. The next step was to determine the casinos' social impacts, if any, on the respondents' marital status. In order to determine the level of association regarding casinos' social impacts and marital status, group statistics and independent sample t-tests were conducted, as shown in Tables 14 and 15.

Table 15: Group statistics: Marital status

Marital status		N	Mean	Std. deviation	Std. error mean
Negative social impact	Single/Divorced	206	3.0603	1.19840	0.08350
	Married	168	3.6531	1.23015	0.09491
Positive social impact	Single/Divorced	206	3.0979	1.03410	0.07205
	Married	168	3.5397	1.23573	0.09534

Table 16: Independent sample t-test: Marital status

Social impacts		Levene's test for equality of variance		T-test for equality of means							
		F	Sig.	T	Df	Sig. (2-tailed)	Mean difference	Std. error difference	95% confidence interval of the difference		
									Lower	Upper	
Negative social impact	Equal variances assumed	0.508	0.476	-4.701	372	0.000	-0.59273	0.12607	-0.84063	-0.34482	
	Equal variances not assumed			-4.689	353.191	0.000	-0.59273	0.12641	-0.84134	-0.34412	
Positive social impact	Equal variances assumed	18.221	**0.000**	-3.764	372	0.000	**-0.44179**	0.11737	-0.67259	-0.21099	
	Equal variances not assumed			-3.697	325.685	**0.000**	-0.44179	0.11950	-0.67688	-0.20669	

The results of the independent t-tests in Table 16 indicate that the married respondents showed a significant difference (p=0.000) when compared with single/divorced respondents on casinos having a positive social impact on communities. This indicates that married respondents perceived the casinos as having a positive impact on the community compared to single/divorced respondents. Figure 2 illustrates the total means for each group in order to support the statement above.
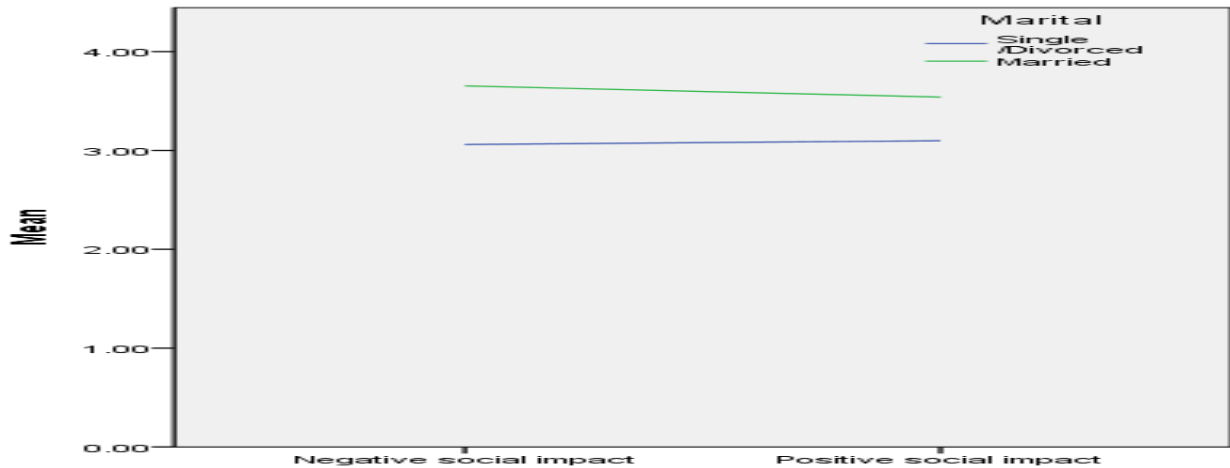

Figure 2: Total means for marital status

The total means for married respondents was slightly higher (M=4) than single/divorced respondents, with a total mean of 3. This indicates that married respondents perceived that casinos have a positive impact on the community through various CSR initiatives, while single/divorced respondents were slightly negative about casinos' social impacts on the community. Lastly, male and female perceptions of casinos' social impacts were compared using group statistics and independent t-tests. The mean scores and standard deviations of the factors are indicated in Tables 17 and 1 below.

Table 17: Group statistics: Gender

Gender		N	Mean	Std. deviation	Std. error mean
Negative social impact	Male	177	2.9354	1.12310	0.08442
	Female	208	3.6641	1.22808	0.08515
Positive social impact	Male	177	3.0198	1.16345	0.08745
	Female	208	3.5072	1.08673	0.07535

Table 18: Independent samples t-test: Gender

Social impacts		Levene's test for equality of variance		T-test for equality of means						
		F	Sig.	T	Df	Sig. (2-tailed)	Mean difference	Std. error difference	95% confidence interval of the difference	
									Lower	Upper
Negative social impact	Equal variances assumed	3.660	0.056	-6.034	383	0.000	-0.72872	0.12077	-0.96617	-0.49126
	Equal variances not assumed			-6.077	380.997	0.000	-0.72872	0.11990	-0.96447	-0.49296
Positive social impact	Equal variances assumed	0.215	0.643	-4.246	383	0.000	-0.48744	0.11480	-0.71316	-0.26172
	Equal variances not assumed			-4.223	363.834	0.000	-0.48744	0.11544	-0.71444	-0.26043

Table 18 presents the results of the independent sample t-test on gender regarding casinos' social impacts on the community. There was a significant difference (p=0.056) between males (M=2.9354) and females (M=3.6641) regarding casinos' negative social impacts, with a mean difference of -0.72872.
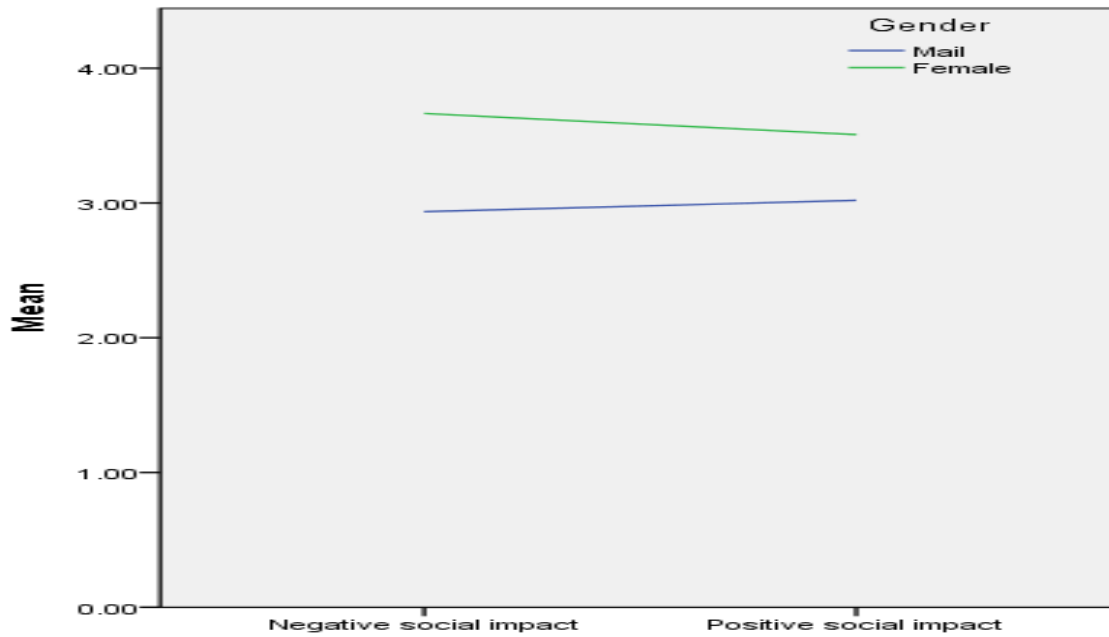
Figure 3: Total means for gender

The total mean for the female respondents was slightly positive (M=4) compared to the male respondents, with a total mean of above 3. This indicates that female respondents perceived that casinos have a positive impact on the community through various CSR initiatives, while male respondents were slightly negative about casinos' social impacts on the community.

Qualitative Responses

Qualitative responses from community members were obtained from the open-ended questions in the questionnaire on recent CSR activities in the community, as well as which other initiatives community members wished the casino would implement. The hindrances to effective CSR initiatives will be presented, as well as the communication channels that the casinos use to communicate with community members. The following responses are the perceptions of the community members as obtained from open-ended questions in the measuring instrument. The response rate of these open-ended questions is low; however, it is worth presenting the views on the following variables.

Table 19: Initiatives that the casinos have undertaken in the past six months

Responses	Frequency (N)	Percentages (%)
Unknown/Nothing	39	10
Youth support	7	1.8
Employed new locals	4	1.0
Supported local crèche	6	1.6
Supported locals for wedding photo shoots	2	0.5
Provided pensioners with food parcels	9	2.3
HIV/Aids awareness campaigns	11	2.8
Supported local soccer team	7	1.8
Total	**85 out of 385**	**21.8**

As shown in Table 19, 10% of the community members indicated that they had not seen any CSR-related activities in the past six months, whereas 2.8% of the respondents indicated that the casino was involved in HIV/Aids awareness campaigns in the community. It is also worthy to note that 2.3% of the respondents pointed out that the casino was involved in handing out food parcels to pensioners. De Jong and Van der Meer (2017:72) indicate that it is a major problem that stakeholders such as community members are often unaware of the CSR initiatives of organisations. Michelon *et al*. (2016:4) found that the majority of gambling institutions do not consult appropriately with stakeholders and mislead the stakeholders in their CSR reporting.

Table 20: Initiatives that the community wishes the casino could undertake

Responses	Frequency (N)	Percentages (%)
I do not care	15	3.8
Infrastructure development	19	4.9
Job creation for locals	27	7
Women's empowerment	4	1.0
Crime prevention	7	1.8
Support local business	11	2.9
Donate money to orphanages and old-age homes	6	1.6
Sponsor sports in the community	9	2.3
Poverty alleviation	13	3.4
Support educational projects in the community	8	2.1
Total	**119 out of 385**	**30.8**

Table 20 presents the respondents' views on the CSR initiatives that casinos could implement. It is interesting to note that 4.9% of the respondents preferred infrastructure development in the community. Infrastructure development refers to activities such as street paving, upgrading of roads, and building libraries, recreation parks, and houses for the needy. Job creation (7%), supporting of local businesses (2.9%), and poverty alleviation (3.4%) were among the CSR practices that the respondents wished could be implemented in their community. The responses concur with the findings of Aminu *et al*.'s (2016:3) study conducted in Nigeria that showed that poverty, education, health, environment, corruption, and crime are factors ranked as the highest priorities in CSR activities.

It is also shocking to note that 3.8% of the respondents indicated that they did not care about the CSR activities that casinos could implement. The results are similar to the findings of Vong and Wong's (2013:1680) research, which indicated that community members' lack of interest in the gambling industry's CSR efforts to society means that there is low stakeholder awareness of CSR initiatives and it makes it difficult to realise the full value of a strategic CSR implementation plan (Rhou *et al*., 2016:30).

Table 21: Factors that the community thinks hinder best CSR practices

Responses	Frequency (N)	Percentages (%)
Corruption	94	24.4
Selfish/greedy casino officials	12	3.1
Poor communication with the community	14	3.6
Casino is profit-orientated and does not care about the community	4	1.0
I do not know	11	2.9
Lack of interest by the youth	6	1.6
Total	**140 out of 385**	**36.6**

The respondents were asked to indicate what could hamper the progress of improving the quality of life in communities through CSR initiatives. As indicated in Table 21, community members think that corruption (24.4%) is the root cause of ineffective CSR practices in the community, followed by poor communication (3.6%) and the selfishness of CSR officials (3.1%). Perez-Pineda *et al*. (2017:2) concur that the corruption and greed of officials can hinder the progress of CSR activities, such as alleviating poverty in communities.

Table 22: Communication channels/mediums between the casinos and the community

Responses	Frequency (N)	Percentages (%)
Newspapers	13	3.4
Door-to-door campaigns	5	1.3
Flyers/pamphlets	19	4.9
Social media platforms	31	8.1
Imbizo	4	1.0
Radio	11	2.9
Billboards	7	1.8
Total	**90 out of 385**	**23.4**

There are many communication avenues that casinos can use to communicate with community members on implementing CSR initiatives and eliminating negative social impacts. The respondents indicated that social media platforms (8.1%), such as Facebook, Twitter, WhatsApp., followed by handing out flyers (4.9%), and communicating via newspapers (3.4%) and radio (2.9%) were the preferred communication channels. Moisescu (2015:80) indicates that most companies highlight their CSR initiatives on their websites and their social media pages, while Rhou *et al*. (2017:30) indicate that CSR awareness among different stakeholders is measured by the amount of media coverage. However, Oh *et al.* (2017:647) warn that even though media coverage informs stakeholders, it should not be used as a marketing tool, but rather as an act of corporate citizenship.

CONCLUSIONS AND MANAGERIAL IMPLICATIONS

The results of this study may be useful in assisting casino management, the decision-making body in government, and other stakeholders to reflect on the current state of casinos' social impacts on communities in Gauteng and encourage regular social audits on these casinos. Social impacts must be monitored and evaluated by assigning an independent agency to conduct annual social, economic, and environmental inspections on how they impact the community and meet the social obligations of that community.

From an academic perspective, this study only collected data from the community members. It is therefore recommended that future research could include interviews with different stakeholders, such as other casino employees, government officials, and consumers. in order to gain a better understanding of how the casino practices have an impact on communities.

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