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A Culture of Poverty : Explaining the Increasing Propensity to Gamble in New Zealand

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ABSTRACT

This thesis presents a carefully crafted explanation of why gambling *per se* is perceived by growing numbers of New Zealanders as the only means to wealth and happiness, a legitimate alternative to fulfil a dream that cannot be fulfilled elsewhere. The thesis puts forward the notion that the dramatic growth in gambling since 1980 has been a consequence of a phenomenon known as a 'Culture of Poverty'. That is the combined social, economic and political impact of sustained declines in social, economic and political organisation; sustained levels of high unemployment; persistently declining wages and salaries and importantly dramatic increases in individual apathy and sense of hopelessness.

Demonstrated is the existence of a temporal relationship between the penetration of a culture of poverty and increasing gambling propensities. The results of a rigorous analysis of three gambling attitude and behaviour surveys carried out in 1985, 1990 and 1995 (chapter 5), show that by 1990 it was people earning around \$30,000 (the low end of the middle-income sector) who were increasingly contributing to the gambling coffers. By 1995 those earning between \$35,000 and \$40,000 (the middle of the middle-income sector) had taken over the role of fuelling the continued growth in gambling revenues. Between 1990 and 1995 low-income earners failed to contribute to the growth of gambling as they did between 1985 and 1990 whilst a culture of poverty continued to penetrate which suggests a degree of gambling saturation had occurred within this sector.

A case has also been made that gambling revenue increases will continue unabated as the 'Culture of Poverty' phenomenon continues to penetrate further into the middle-income sector. That is gambling growth will come from those individuals at the upper end of the middle-income sector, individuals that are just beginning to feel the sustained impact of a culture of poverty, and who will increasingly perceive gambling as the only way out of their declining situation.

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CHAPTER ONE – Gambling Deregulation

Gambling has been an integral feature of New Zealand culture since 1850, when horse racing was established as one of the earliest colonial institutions, characterised by its amateur status and widespread proliferation. Between 1880 and 1987 it became a growing and protected multi-million dollar industry, subject to strict regulation and control by central Government. Horse race betting, on-and off-course, remained the only Government sanctioned gambling activity until the mid 1930's (Syme, 1992).

The reasons why New Zealanders participated in horse race gambling in slowly increasing numbers over those years, was argued to be simply enjoyment of a day out at the races, with the lesser motive of possible financial gain (Syme, 1992).

The 1930's saw the introduction of Tattersell's lotteries (known as Tatts) and the Art Union, known latterly as the Golden Kiwi Lottery. This was the beginning of an era of renewed gambling activity. Raffles became a common means of raising money for worthy causes, and around 1960 Housie (known also as Bingo) emerged as a popular gambling activity amongst women and the elderly. The Totalisator Agency Board (TAB) introduced on-and off-course dog race (greyhound) betting in 1978 in addition to horse race gambling, and added Sports betting to its growing portfolio of betting activities in 1996.

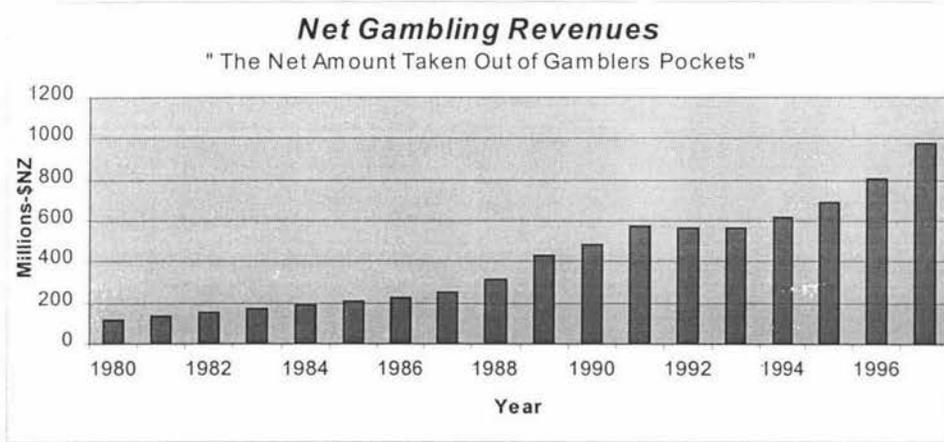
Lotto, a game that involves participants trying to predict four or more of seven numbers drawn randomly from a range of 1 to 40, was introduced nation-wide in 1987. Lotto was followed closely by Instant Kiwi ("scratchies") in 1989, a form of instant lottery where participants scratch a panel to see if they have won cash prizes. Gaming Machines ("pokies") were legalised for hotel and club use only in 1988. Casinos were established in Christchurch (1996) and Auckland (1997).

Daily Keno was introduced in 1994. It is a form of Lotto which involves a draw of 20 out of 80 numbered balls. Players select between one and ten numbers and the amount of prize-money depends on how many numbers the player has selected, how many selected

numbers match the drawn numbers and the amount spent on the ticket. 0900 games, telephone games based on questions and prizes, emerged during the early 1990's. Lotto, Daily Keno and Instant Kiwi were developed under the control of the New Zealand Lotteries Commission, whereas horse and dog racing and sport betting remained the domain of the New Zealand Racing Industry.

Gambling, or gaming as the industry prefers it, is one of the fastest growing sectors of the New Zealand economy. The Totalisator Agency Board (TAB), the Lotteries Commission and the Auckland Casino were in the ten top performing (most profitable) and fastest growing corporations in New Zealand between 1995 and 1998 (National Business Review, 20 September 1998). New Zealanders have an apparently insatiable appetite for gambling as net gambling revenues have increased dramatically since 1980, with an average increase of 13% per year, and a net increase of 110% from 1990 to 1997. Total net revenues increased from 120 million dollars in 1980 to over 970 million in 1997 (Figure 1.1).

Figure 1.1



Source – Department of Internal Affairs (Research Section) – 1998

Few would dispute that gambling has taken on a more legitimate position in New Zealand society in the 1980's and 1990's. It has moved from being a form of deviant behaviour in a sociological sense pre 1960, to being widely accepted as a rational mainstream activity today (Syme, 1992: 27). Gambling *per se* is available on a scale that was unheard of and certainly unanticipated during the 1980's. Marketing efforts in New Zealand have

created an image of gambling as a desirable activity that is most enjoyed in settings that remind one of the family living room or of Disneyland rather than a public bar or seedy betting outlet (Annals of American P & S, March 1998).

An important question to ask amidst this boom is whether New Zealand gambling has reached market saturation yet. Since the mid-1980's some commentators have forecast saturation within a few years. See for example New Zealand Herald, 27 December 1989 and New Zealand Sunday Times, 28 February 1998, stories. These expectations are no different from forecasts made in many first-world countries where gambling has become a mainstream and widespread activity. In nearly all instances revenue forecasts have fallen well short of the actual increases for a number of years, as evidenced in the USA, Canada, France, Australia and the UK where gambling shows little sign of slowing (Annals of American P & S, March 1998). Is this what will happen in New Zealand?

This thesis assumes that gambling will continue to increase and seeks to explain why this may happen, focusing on the societal features that may support this. Clearly there is more to the propensity to gamble in New Zealand society than initially meets the eye. It may not be just the economic effects but rather the combined effects of various social, economic and political influences that Oscar Lewis calls a 'Culture of Poverty'.

Poverty has many definitions and few New Zealanders experience what many describe as real poverty, i.e. the inability to meet a minimum set of needs for survival. In the New Zealand context a culture of poverty is the "*the absence of something*", (La Vida, 1967:xliv), broadly a lack of fit between the culturally prescribed goals and the socially structured means to achieve these goals (Merton, 1938). The consequence of a culture of poverty is in essence a traditional (perceived or real) loss of upward mobility which leads people to see gambling as a legitimate way out.

This thesis suggests that the majority of new gambling participants will continue to come from the untapped middle income socio-economic groups who are trapped in a spiral of dwindling relative income. While these income earners are not in poverty *per se*, their shrinking incomes and loss of political, economic or social organisation fosters a notion

of relative poverty. They reach a point where they cannot see any legitimate way out of their fixed income situation.

This thesis is written as seven chapters. Chapter Two has two goals. The first goal is to provide a literature review giving a wide-ranging overview of the current themes on gambling, both internationally and in New Zealand. It also summarises the strands of sociological discourse on gambling. The second goal is to articulate the culture of poverty model in a New Zealand context. This will be done by describing the model as observed in Latin American societies in the 1950's and 1960's presenting an argument for its applicability to other societies and demonstrating how transportable the Mexican conceptual model is to New Zealand society of the 1990's. Here I make the linkage between a culture of poverty and gambling, that is the relationship between the relative levels of poverty and the propensity to gamble.

Chapter Three has three strands to it. Firstly it develops a methodology that describes how the propositions outlined in chapter two are explored in a quantitative sense. Secondly it operationalises the 'Culture of Poverty' concept by determining the criteria necessary to quantify the elements of a culture of poverty. Thirdly, it establishes three socio-economic (income-based) clusters as the basis for a comparative analysis of the penetration of a culture of poverty'. These clusters allow the culture of poverty penetration over the periods 1985 to 1990 and 1990 to 1995 to be assessed, and compared with the actual changes in gambling participation and spending patterns over the same periods.

Chapter Four takes the measurement criteria and socio-economic clusters developed in chapter three and provides a largely objective measure of the primary culture of poverty conditions. Each condition is evaluated using hard statistical data where possible, where this is not possible; inferential arguments are developed to support the numerical outcomes. Each culture of poverty condition is indexed along a personal income continuum.

Chapter Five presents a statistical analysis of the changes in gambling attitudes and behaviours between 1985 & 1990 and 1990 & 1995. The analysis uses relevant secondary survey information from three extensive and comparable behaviour and attitude surveys carried out in 1985, 1990 and 1995 by the Department of Internal Affairs. The objective is to measure the relative changes in gambling behaviours and attitudes from 1985 to 1995, that is the relative changes in gambling participation rates, frequency of participation, gambling expenditures and reasons why participants gamble.

Chapter Six recaps the outcomes articulated in chapters four and five, focusing on the central question - whether middle income socio-economic groups have increased gambling and whether the argument for a culture of poverty as a catalyst for gambling has been sustained.

CHAPTER 2 - Perspectives on Gambling

The global spread of gambling in recent years can be demonstrated with some basic data on casinos, lotteries and horse racing. Legalised gambling expanded dramatically throughout the world between 1986 and 1996. Countries where casinos are legal grew from 77 to 109 (42%), countries permitting lotteries from 100 to 121 (21%) and countries with horse racing from 73 to 83 (14%). Of all the countries in the world, those allowing gambling increased from 29% to 35%. (*World Gaming at a Glance*, 1996). These statistics hide the growth in the size of individual operations within countries. For instance the number of lotteries in the United States increased by more than 50% in those 10 years and the number of casinos increased by more than 300. Canada had no casinos in 1986, while in 1996 there were 10. Germany had 30 casinos when its dividing wall fell in 1990, and now has 47. Lotteries have grown at a much greater rate than casinos in almost all countries as was the size of the prizes offered. (*The Annals of American P & S*, March 1998).

The patterns of gambling operation and regulation present several paradoxes. The model of European-style casinos has developed around small towns and mostly government-owned monopoly operations. They are typically small and quiet, advertise infrequently, require membership, have dress codes, are required to participate in the local community, and are highly taxed (up to 90%) and crime is not a concern. Alternatively, the American model is based on private ownership, minimal taxation, no dress code, continuous operation (24 hours), high volume, loud glitzy activity; and crime is an ongoing problem. Under both models there has been strict controls over casino development by the respective governments. This is not the pattern with lotteries as they have proliferated widely and machine gaming has become commonplace in neighbourhood recreation centers in both Europe and the United States (*World Gaming at a Glance*, 1998).

It is ironic that governments seem to stifle casino development but endorse lotteries and gaming machines. The primary reason for this is that casino taxation is small compared to lotteries and gaming machines that yield significant funds to the public coffers and for worthy causes (*The Annals of American P & S*, March 1998).

Where gambling has matured (long established) internationally, gaming organisations have become highly successful. For example in Malaysia three of the top ten corporations are gaming concerns which have reaped enormous profits for many years.

Gaming seems to defy the odds in Malaysia because successive governments have adopted a pragmatic approach to an activity prohibited by Islam, but craved by the ethnic Chinese who comprise a third of Malaysia's 18 million people.....what does a Chinaman do in Sabah ? He gambles mahjong, he gambles poker, he gambles numbers. These numbers games wouldn't succeed as well in the West, where people play only to get rich overnight. (*Far Eastern Review September, 1994:65*).

Between 1850 and 1987 New Zealand Government policy had been based on the European model, to regulate but not foster gambling. However, taxes taken from gambling, and in particular from horse racing, became increasingly important in a fiscal sense and tax incentives were introduced into the blood-stock (horse breeding) industry in 1970 and prize moneys were exempted from tax (Syme, 1992). With changing public attitudes toward gambling, the Government slowly began to soften its hard-line regulatory stance. In 1973 regulations were introduced that allowed the racing industry to operate on a loose rein and to promote and advertise its activities as it saw fit.

Numerous gambling products are now available in New Zealand and intense marketing has increased the profile and image of gambling enormously. Gambling has become part of the economic, political and social reforms that have occurred in New Zealand since 1984. As a result of the free-enterprise reforms and prevailing market ideology, gambling has become just another mainstream activity, a mix of related products available for consumption by purchasers with varying consumption propensities. Consequently, in 1987, the Government adopted the American model for gambling. State controls and ownership of gambling have changed in line with the move to a more libertarian and free market political climate.

The Government restructured its commercial gambling entities in 1987 into two State Owned Enterprises (SOEs), the Lotteries Commission and the Racing Industry (including

the TAB). Both organisations were to be run as competing businesses (profit maximisers) under a light-handed (industry administered) regulatory regime. Legislation was passed in 1993 that allowed privately owned gambling providers such as casinos, gaming machine operators and 0900 gaming to operate alongside state providers such as the Lotteries Commission and Racing Industry Board (Internal Affairs, 1998).

Since 1993, the Government's stated intent (Internal Affairs, 1998) has been to adopt a monitoring role only, with a particular emphasis on the negative social outcomes of gambling. Although this was not explicitly stated, tax revenues from gambling have become increasingly important as part of the Government's wider tax reforms since 1984. Consequently, subsequent governments have not actively hindered the growth of gambling, although the need for casino licenses before a casino could be established has been labeled unfair by prospective casino operators (Evening Post, 30 July 1994). In essence, the Government has adopted a widely accepted covert promotion of gambling in the form of support for lotteries (for worthy causes) and control of casino expansion. Clearly underlying these actions was an overall strategy of sustaining taxation revenues (Grant, 1994), but while holding the moral high ground.

The argument about regulating gambling has been as much an economic argument as a moral one, especially in New Zealand where the axiom has been that gambling is linked to the state of the economy. The Totalisator Agency Board (TAB) holds this view (*Dominion*, 7 October 1998), saying that "horse/dog race and sports betting turnover directly mirrors both the state of the economy and consumer confidence".

David Bale, CEO of the Lotteries Commission has put forward two economic viewpoints. First he asserts that "tough times fail to stop New Zealander's spend on lotto.....the answer, as any economist will tell you is the utility of putting two or five dollars on for a payback of a million. Where else could you get this benefit" (*NZ Herald*, 12 October 1991). Second, he suggests "the future will be only to move the pieces around without increasing the size of the gambling cake" (*Sunday Times*, 28 February 1998). These opinions are perhaps contradictory, for on one hand, one implies that gambling has hit a

brick wall and a rapid slowdown is looming, while on the other, worsening economic conditions do not reduce gambling activity, given the chance to turn two dollars into a million dollars. In 1998 Bale is attempting to argue that saturation levels are near but it is not an economic constraint that is the cause. This raises the question of how depressed the economy has to become before marked declines in gambling revenues occur. There are no obvious indicators that gambling and economic cycles are correlated but there are indications that a coincidence exists between the introduction of new gambling forms and increased gambling activity, a line of argument that is explored further in later chapters.

The other economic focus has been the cost to society of gambling. A January 1997 story (*Economist*) puts forward the view that “the American love affair with casinos is effectively over”. It is not the moral objections but gambling’s own economic success that will cause its decline. “The failure of over 40 years of empirical studies to quantify gambling’s social costs and benefits has made politicians wary of the runaway success of casinos in the USA”. Anti-gambling groups over recent times have become more successful in lobbying politicians to stop many of the proposed casino developments, because they did not deliver on the promised boost to local economies. Confusion around the benefits or otherwise of gambling and opposing perspectives are common. A story in *American City and County* (June 1996:57) states,

economic development has improved in cities and towns with nothing to lose, and their reputation as a panacea for poverty is exaggerated. After a casino had been located there, significant local economic growth of employment and business had occurred.....the presence of Foxwood’s casino’s in Connecticut had led to increased employment, and had pumped money into reviving the state’s shipyards.

However the gamble to build a casino in New Orleans failed because it did not attract outside cash and the venture folded dragging down with it New Orleans credit rating and losing valuable jobs *American City and County* (June 1996:58). Both stories highlight not only the uncertain local economic benefits or otherwise of gambling, but also a long-standing debate around the benefits of the growth of gambling, especially in the USA today.

In addition to these economic and moral perspectives there are a range of socio-cultural perspectives which argue the growth of gambling from a business, social and psychological standpoint. The business thesis argues that the competitive business approach to the provision of gambling products along with associated targeted marketing strategies, has been the catalyst for the growth in gambling activity since 1987 (*NZ Marketing*, May 1998: 23). From a marketing perspective the gambling industry has become a very aggressive arena, with the various players vigorously promoting their products. This story highlights the viewpoint of the marketing managers of the TAB, Lotteries commission and the Auckland and Christchurch casinos. The consensus is that the New Zealand lifestyle is amenable to gambling,

a fertile ground prepared by ingrained, rugby, racing and beer and fair-go mindsets.....the market is no where near saturated but New Zealander's have moved from the have a go mentality, to the combined have a go and promise of great riches, *NZ Marketing* (May 1998, p24).

A story in the *NZ Herald* of 1 October 1994, reported David Bale, CEO of the Lotteries Commission saying that "we must be allowed to follow public taste". Public taste is defined as gaming as a "way of leisure evolving from people coming out off school computer-literate and accustomed to getting information from the television screen". The ability to access gaming is an important future issue according to Bale. He cites Sweden as already having a television channel dedicated to gambling. "However it is not the propensity to gamble that is the problem, it is making the activity accessible to the masses whom will not hesitate to participate". Unfortunately, Bale does not elaborate on why the masses will not hesitate to participate, even if the activity was more readily accessible. It may be that Internet gambling has the potential to rapidly satisfy this need, if in fact a need exists. Clearly the potential of this medium for gambling is enormous with many governments attempting to understand the implications and to decide whether or not controls are required (*Dominion*, 20 October 1999).

A *Dominion* (27 December 1989) story painted a bleak picture of the racing industry at the time when competition from Lotto and Instant Kiwi were having a detrimental impact

on an industry that employed 40,000 full-time and part-time employees. The TAB argued that the “Punter has a much better chance of winning at the gallops or trots than buying a Lotto or Instant Kiwi ticket”. Subsequent TAB strategies using television advertising have heightened the possibility of the big pay-out with the introduction of various high-return products such as the pick-six jackpot and the six-pack. For the same outlay as Lotto, similar rewards from racing are possible. This competitive strategy amongst others has seen sustained growth return to the racing industry where turnover increased rapidly from \$910 million in 1994 to \$1,131 million in 1997 (Department of Internal Affairs Statistics, 1998).

In opposition to the competitive marketing thesis there is the social thesis which presents an argument around gambling’s increasing entertainment value. The benefits are seen as being with others, or the excitement or thrill of a night out at the casino or at housie, or a day at the races (Syme, 1992). *Clean Fun or Den of Iniquity*, a New Zealand Herald story (10 February, 1998), reviewed Auckland’s Sky City Casino two years after its launch in 1996. The aim of Sky City according to its chief executive officer at its launch was to provide an entertainment venue rather than a casino. Two years on the chief executive maintains “we don’t see it as a casino, we think of it as an entertainment centre, however the Herald clearly sees it as a casino”. *The Herald* argues that most of the 17,000 people visiting the casino every day of the week have the express aim of gambling for financial reward, not for entertainment. The story takes pains to point out that the initial flurry of add-on entertainment is now only a trickle, but increasing numbers of people continue to roll up to the casino tables. *The Herald* argues the entertainment value is residual to the gambling experience and the possibility of the big pay-out.

The psychological thesis proponents argue the rapid gambling growth is neither market nor socially driven. Something within the psychological makeup of some (not all) human beings drives people to gamble. Gambling is now clearly seen as a legitimate mainstream activity, whereas in the past this urge to gamble was suppressed by the negative connotations associated with gambling, the stigma attached to gamblers, and the fact that gambling (except for horse racing) was illegal. With the widespread availability of

gambling products since 1987 researchers argued that gambling has clear compulsive or pathological qualities and put forward the notion that in many ways gambling was a disease that could be detected and cured (Abbott & Volberg, 1991). In essence, Abbot and Volberg argue the propensity to gamble is psychological at the lowest level and there is a large body of opinion that debates the propensity issues from this perspective. However it is not the intent of thesis to explore the purely psychological aspects of gambling, it is to examine gambling from a psycho-sociological perspective only. Also the research shows that pathological gambling affects about 4% of all gamblers (Abbott & Volberg, 1991). Clearly this small group have had little impact on the growth of gambling in New Zealand over recent times. For these reasons any examination of pathological or compulsive gambling issues have been excluded from the thesis.

Summarising the competing perspectives, a common theme has been highlighted, a theme I call a ‘rags to riches thesis’ - that gambling fulfils a dream people cannot fulfil elsewhere. Media stories in the *NZ Herald* (David Bale CEO of the Lotteries Commission, October 1991), the *NZ Herald* (July 1990), the *Evening Post* (July 1994) and in the *Far Eastern Review* (September 1994) articulate this notion. In addition this is supported in a telling story in the *NZ Herald* (July 1990: 12) “There’s a whole lot of Lotto going on” which looked at the phenomenal growth of Lotto in New Zealand at its third anniversary.

Even though participants knew the chance of winning was astronomical, it was not the gambling instinct in us that lotto appeals to. It is rather the chance to have a weekly focus point for our dreams of wealth, an escape from the humdrum of making sure there’s enough in the bank account to pay the rent or mortgage the popularity of the game is certain to level out now (1990), as it is firmly fixed in our firmament as the only way ordinary folks have of hoping to be a millionaire.

As explored later in this chapter, this excerpt captures the very essence of the culture of poverty notion in a New Zealand context, that is “*the only way ordinary folks have of becoming a millionaire*”.

A consensus emerges within this 'rags to riches' thesis: Two broad factors are responsible for a decade of unprecedented and substantial growth in gambling revenues in New Zealand. First, a wave of new gambling products and associated entertainment add-ons, in conjunction with an intense marketing effort to attract and retain customers to this expanding leisure market. The second and more dominant consensus is that the propensity to gamble within New Zealand society has occurred because there is no other way for ordinary folks to move beyond their current status and economic circumstances. However neither explanation gives an insight into why this growth continues.

SOCIOLOGICAL PERSPECTIVES.

Derek Syme (1992), in his doctoral thesis on horse race gambling in New Zealand, argues there is a self-policing "Prioritised Thrift" or cultural constraint on individual gambling expenditures. New Zealanders, Syme claims, have finite gambling appetites and defined income limits available for gambling. "with the exception of the single male and monied elite, expenditure on horse race gambling always was, and still is, governed by the culturally fostered concept of a prioritised thrift" (p79). Syme is one New Zealand example of a sociological perspective. It is unfortunate that the parameters of Syme's concept are so ill-defined, with no measurable benchmarks provided, that to make any year-by-year assessment of the changes in this notion is problematic. However what is clear is that New Zealanders no longer practice "prioritised thrift".

More recently in New Zealand, the reasons why people are prepared to risk their money on highly uncertain outcomes have attracted little serious theoretical discourse. The same is so in international sociological circles.

Prior to 1960 sociological literature tended to view gambling as a form of deviant behaviour and sought to explain gambling participation from this perspective. Gambling as a particular deviancy was submerged within the wider definition of deviant behaviour. During the 1960's sociologists attempted to show gambling was non-deviant and in fact a normal activity. Since the 1980's, like many other disciplines, sociology has taken the

normalcy of gambling for granted, viewing it as rational mainstream behaviour, not unlike any legitimate business endeavour (Syme, 1992).

Although there has been no fully developed Marxist interpretation of gambling, Frey (1984) assumes a Marxist stance, arguing that the nature of capitalism creates alienation, and escape from the ensuing frustration can be attained through activities such as sports spectacles and gambling. The ruling class controls all aspects of the gambling enterprise in order to create a sense of false consciousness among the exploited workers. These workers are less likely to view their life as totally debilitating if they can experience moments of exhilaration via gambling. In this way gambling continues to support the political and economic needs of the system and can take its place alongside religion and sport as an “opiate of the masses”. This is not unlike the situation in New Zealand in the 1990’s where the casino and gaming machine markets are in the hands of big business, and horse racing in New Zealand, according to Syme (p34) has always been a class-based enterprise run by the ruling or upper classes.

Micro Theory (Erving Goffman, 1967: 185). In his essay “Where the Action Is”, highlights the interactional component of gambling participation. Goffman argued that gambling was the central concept of action and is found wherever the individual knowingly takes consequential chances perceived as avoidable. Action is full of risk and opportunity and becomes more serious as the situation becomes more fateful. The risk-taker can gain in character by demonstrating courage, integrity, compromise and presence of mind during the encounter. Modern society offers few possibilities to demonstrate character and gambling provides this set of circumstances.

Durkheim’s Anomie Theory, as articulated by Merton (1938) assumes the materialistic structure of western society pressures persons to be successful, but denies them equal access to the means of attaining this success. This is a lack of fit between culturally prescribed goals and the socially-structured means to achieve these goals. Where socially structured means to achieve success are no longer available the gambler will seek innovative solutions as appropriate, given gambling is viewed as an innovative alternative

to gaining material wealth which in some way explains the cause of lower and working class gambling.

Devereux (1949:549), also takes a structural-functionalist perspective viewing gambling as “being symptomatic and a consequence of the structured values of society”. Gambling is seen as way to alleviate the boredom of the Protestant Ethic and of rational capitalism.

Bloch (1951), put forward an alternative structural functionalist view that gambling is the mechanism by which all can seek thrills through new experiences, both for the excitement involved and the possibility of financial gain. There is the belief among gambling participants that they have an equal chance of gaining status and rewards that they could achieve in no other way. Such a belief makes the lower and middle classes open to exploitation by professional gambling interests, a Marxist perspective as well. Moreover, Myrdal (1964) argues that the widespread gambling in ‘Negro Cultures’ is heavily committed to the Protestant Ethic. Because of this the American ‘Negro’ is economically repressed and gambling is one of the few activities that offer the possibility of making quick financial gains and a way to a better life.

Each of the competing perspectives are valid explanations for the increases in gambling activity in New Zealand over the past decade. The Marxist view with its emphasis on structural class forces and the micro focus on action are useful. What the structural functionalist position offers is a focus on both the forces and the agency. The culture of poverty thesis accommodates many of the strands of these perspectives.

CULTURE OF POVERTY

The culture of poverty thesis and framework develops out of the many comprehensive anthropological works of Oscar Lewis. Lewis centered his work on the poor in Cuba, Mexico and Puerto Rico during the 1950’s and 1960’s (*La Vida*, 1967; *The Children of Sanchez*, 1961 & *Five Families*, 1959).

The people who lived in the level of poverty described by Lewis are by no means at its lowest level. It is as Lewis suggests in *La Vida* (1967: xli) “*a level of poverty relative to the particular society’s prevailing standards*”. He states the same set of problems that affect the poor of Mexico or Cuba occur in many socio-economic strata in most western societies, particularly in his native middle-class New York.

Lewis was concerned with the concept of a culture of poverty across different national contexts and developed a conceptual model with a special emphasis upon the distinction between poverty and the culture of poverty. The notion of a ‘Culture of Poverty’ focuses on the sub-culture of society, the group, the community, a segment of society such as the homeless, the poor, the lower class, the middle class and so on. It does not refer to the destructive effect of poverty on the individual or the effects at the psychological level, and as such it remains discretely sociological in context. To apply the concept of poverty to the understanding of culture, Lewis states,

poverty in modern nations is not only a matter of economic deprivation, of disorganisation or of the absence of something. It is also positive in the sense it has some structure, a rationale and defense mechanisms without which the poor could hardly carry on (*La Vida* 1967: xl).

The culture of poverty as defined by Lewis does not include primitive peoples whose underdeveloped ability is the result of their isolation, nor is it synonymous with any particular working class in isolation. A culture of poverty comes into being in a variety of historical contexts. It develops in two ways, which are not exclusive: Firstly, it may occur when a stratified social and economic system is breaking down or is being replaced with another, such as the transition from feudalism to capitalism or the industrial revolution. Secondly, a contemporary culture of poverty is often symptomatic of the persisting conditions of relative poverty, even in stable social systems. Lewis argues that Mexico for example has experienced the phenomenon for over 200 years and it has only been the composition, size and location that has been in a continual state of flux (*La Vida* ,1967: xliv).

A culture of poverty has some universal characteristics that transcend regional, rural, urban and national differences; these include similarities in community structure, interpersonal relations, time orientation, value systems, and spending patterns. These cross-national similarities are examples of common adaptations to common problems (*La Vida*, 1967: xlii). This research also uncovered remarkable similarities in family structure, interpersonal relations, value systems and a sense of community in such first world cities as Glasgow, London, Paris and New York.

The economic traits which are most characteristic of a culture of poverty include a constant struggle for survival, unemployment and under employment of the unskilled, and low wages, with a high proportion of unskilled occupations. There is also an absence of savings, a chronic shortage of cash and a pattern of frequently buying-in small quantities of consumables many times a day (*La Vida*, 1967: xlii).

The social and psychological characteristics of a 'Culture of Poverty' include living in crowded living quarters, a lack of privacy, gregariousness and a high incidence of alcoholism (*La Vida*, 1967: xlv). Those within this culture frequently resort to violence in the settlement of quarrels and in the training of children and wife beating is common. Also evident are a high incidence of the abandonment of mothers and children, a trend towards mother-centered families, a much greater knowledge of maternal relatives, the predominance of the nuclear family, a strong predisposition to authoritarianism and an emphasis on family solidarity, though this is an ideal only rarely achieved. Other traits include a strong present time orientation with relatively little ability to defer gratification and plan for the future, a sense of resignation and fatalism based upon the realities of their difficult life situation and a high tolerance for psychological pathology of all sorts.

Lewis argues many of the above traits are not limited to the culture of poverty in Mexico. As a reality check Lewis observed similar characteristics in Cuba and Puerto Rico during the 1950's and 1960's. He also observed many of these characteristics in the middle and upper classes in Mexico and the United States. In addition, the many traits of a culture of poverty can be present in either the lower or middle classes, or in both the lower and

middle income groups, in isolated demographic groups or any classification that brings large or small groups within society together. This important structural notion is captured in the following extract:

The culture of poverty traits can be viewed as attempts at local solutions for problems not met by existing institutions and agencies because people are not eligible for them, cannot afford them or are suspicious of them (*La Vida*, 1967: xli).

This quote indicates the necessary timeless and space-less dimension of the phenomenon, a perspective that suggests irrespective of an individual's place along the class continuum (from upper to lower) a culture of poverty can exist. It is the extent and persistence of these conditions that is important to measure at any point in time.

A culture of poverty exists typically in prolonged periods of change. One such example is Mexico, where in the early 1960's the USA was closing-off the movement of huge numbers of temporary workers (*barceros*) from being allowed to work legally in the United States, thus reducing income for many Mexicans. In conjunction with this rapidly rising population and urbanisation in Mexico led to a corresponding significant lowering of living standards of the poor in many Mexican cities (*La Vida*, 1967).

So far the culture of poverty characteristics have been articulated from the perspective of Mexican, Cuban and Puerto Rican societies. The question of its relevance to the contemporary New Zealand context is presented in the following section.

A culture of poverty transcends regional, rural, urban and national differences which implies there are remarkable similarities in family structure, interpersonal relations, time orientation, value systems and spending patterns within many western societies. In essence the similarities are common adaptations to universal problems.

There are four indicators that the culture of poverty conditions found in Mexican society of the 1950's exist in New Zealand society of the 1980's and 1990's. These are:

- a lack of peoples integration in the major institutions
- the culture of poverty impact at the local community level
- the culture of poverty impact at the level of the family
- the culture of poverty impact at the level of the individual

Peoples lack of integration into the major institutions of the larger society is one of the crucial characteristics of a 'Culture of Poverty'. That is the loss of economic, political and social organisation, i.e such as belonging to a trade union or a political party. It results from a variety of factors, including a lack of economic resources, segregation and discrimination, fear, suspicion or apathy, and the development of local solutions for problems. A sense of hopelessness is accentuated by low or decreasing wages, persistent unemployment and an absence of savings. Clearly people within a culture of poverty produce very little wealth and receive very little in return (*La Vida*, 1967: xlii).

People within this "culture" are usually not part of a labour or trade union, are not members of political parties, have a critical attitude to some of the basic institutions of the dominant classes and a mistrust of government and those in high positions. This gives the culture of poverty a high potential for protest and for being used in political movements aimed against the existing social order. This important revolutionary aspect of a culture of poverty will be elaborated on further in later chapters. People with a culture of poverty are aware of upper class values, talk about them and even claim some of them as their own, but on the whole they do not live by them (*La Vida*, 1967: xlii).

It is important to distinguish between what they say and what they do. For example most people in a culture of poverty believe in marriage but few will marry. In this environment free unions and consensual marriage make a lot of sense. Women often turn down the offer of marriage because they feel it ties them down to men that are immature, punishing and generally unreliable. Women feel this gives them the freedom and flexibility that men have (*La Vida*, 1967: xlii).

The second indicator of a culture of poverty occurs at the local community level. Poor housing conditions and a minimum of organisation beyond the level of the nuclear and extended family gives the culture of poverty its marginal and anachronistic quality in a highly complex, specialised and organised society. An absence of upward mobility tends to confine those living in a particular community to that community (La vida, 1967: xliii).

The third indicator appears at the level of the family. At this level the major trait of a culture of poverty is the trend away from the traditional man-women family unit to an increasing proportion of mother-centered families and a greater knowledge of maternal relatives.

The fourth indicator is at the level of the individual. On this level the major characteristics are strong feelings of marginality, of helplessness, of dependence and of inferiority. There are growing feelings of apathy, of low aspiration and of alienation in a society that taken on a strong free market individualistic orientation. Increasingly more of society's members feel there is insufficient institutional support for individual economic progress through traditional means such as trade unions. The result being a strong sense of resignation and hopelessness.

Many of the culture of poverty characteristics at all four levels of society from the community to the level of the individual will be shown to be clearly observable in New Zealand in the 1990's. One example of this is New Zealand's social welfare system which does not necessarily eliminate the traits of a culture of poverty, but tends to keep people at a level where they cannot save. Both a basic level of poverty and a sense of hopelessness are perpetuated rather than eliminated.

Economic traits alone are not sufficient by themselves to define a culture of poverty. As Lewis stresses (*La Vida*, 1967: xliii), some sub-cultures do not have a culture of poverty way of life even though they exhibit many of the conditions. These include such groups as the 'Lower Castes' of India who may be desperately poor but have a real sense of identity and belonging. They have a unilineal kinship system with a strong historical

sense of tradition or a known place in society. The Jews of Eastern Europe were very poor but did not have many of the culture of poverty traits because of their tradition of literacy, placing great value on learning, and the proliferation of local voluntary associations. A third example is socialism; Oscar Lewis, based on his experience in Cuba, is inclined to believe that a culture of poverty does not exist in socialist countries. He found much less despair, apathy and hopelessness even though most people were desperately poor. The reason was that they were highly organised, with block communities, educational committees, party committees and the like, and accordingly people had a new sense of power and importance. Most importantly they were armed with a doctrine that glorified the lower class as the hope of humanity and as a revolutionary force (*La Vida*,1967).

Once a culture of poverty comes into existence it tends to perpetuate itself from generation to generation. The phenomenon is more likely to occur in strata of society that are changing, a period of change between prolonged periods of stability such as that in which the land-less rural workers moved to the cities in Latin America in the 1960's. A parallel, in New Zealand society is arguably the persistent urban drift over the past 50 years involving a transition from stable rural agricultural communities to transient partially alienated urban life in many New Zealand cities in the 1990's.

One danger of a prolonged culture of poverty' is the potential for internal conflict. This develops out of a widespread sense of individual helplessness and of inferiority. Out of these feelings comes an increased susceptibility to new social movements, political, economic, and social visionaries, revolutionaries or any opportunity for the individual to rise above the masses in an economic or status sense. Gambling at an individual level becomes one such opportunity (*La Vida*, 1967).

A culture of poverty cannot be considered a permanent feature of society. Removing the sense of fatalism, marginality, dependence, hopelessness and apathy is the key to eliminating the phenomenon. At a sociological level the family, group, community or segment of society, or any movement, be it religious, pacifist or revolutionary which

organises and gives people hope and effectively promotes solidarity and a sense of identification with larger groups can destroy the psychological and social core of a culture of poverty. Oscar Lewis highlights the fact that the civil rights movement among The Blacks in the United States has done more to improve their self image and self respect than their economic advances, although without doubt the two are mutually reinforcing (*La Vida*, 1967: xliv).

There are many historical examples of new social movements having by revolutionary or visionary means reduced or eliminated the culture. Adolf Hitler was arguably the ultimate visionary. He provided many Germans in the 1930's with a vision of solidarity (of being one people), and a way out of their prolonged depressed existence since the First World War. To a lesser extent the New Zealand First political party led by Winston Peters (1994 - present) had a similar doctrine, founded on a vision of growth and prosperity for the average New Zealander. His populist views reflected a realistic vision of upward mobility and a way out of the poverty trap for many New Zealanders. However whether Peters followers fell within a 'Culture of Poverty' remains debatable. These examples are put forward to highlight the public's increasing susceptibility to new social movements as a culture of poverty bites deeper into society.

In New Zealand the propensity for protest and revolutionary action is, in my opinion, considered to be relatively low because of the low level of real (below the breadline) poverty. More importantly, in New Zealand there exists a prevailing set of values around peaceful protest and progress through negotiation and democratic process rather than mass revolutionary protest. The possibility of violent protest is also limited further by the high level of literacy in New Zealand and the acute awareness of individual conditions in other societies via television and travel. There is a resulting ability to differentiate between realistic and unrealistic visions, and thus any susceptibility to new social movements, visionary or involving revolutionary protest, is I believe, extremely unlikely in New Zealand over the medium term. Also disillusionment with politicians and the political process in the past two decades has almost extinguished widespread support for

new political visions by even the most charismatic or persuasive of New Zealand political visionaries (Miller, 1997).

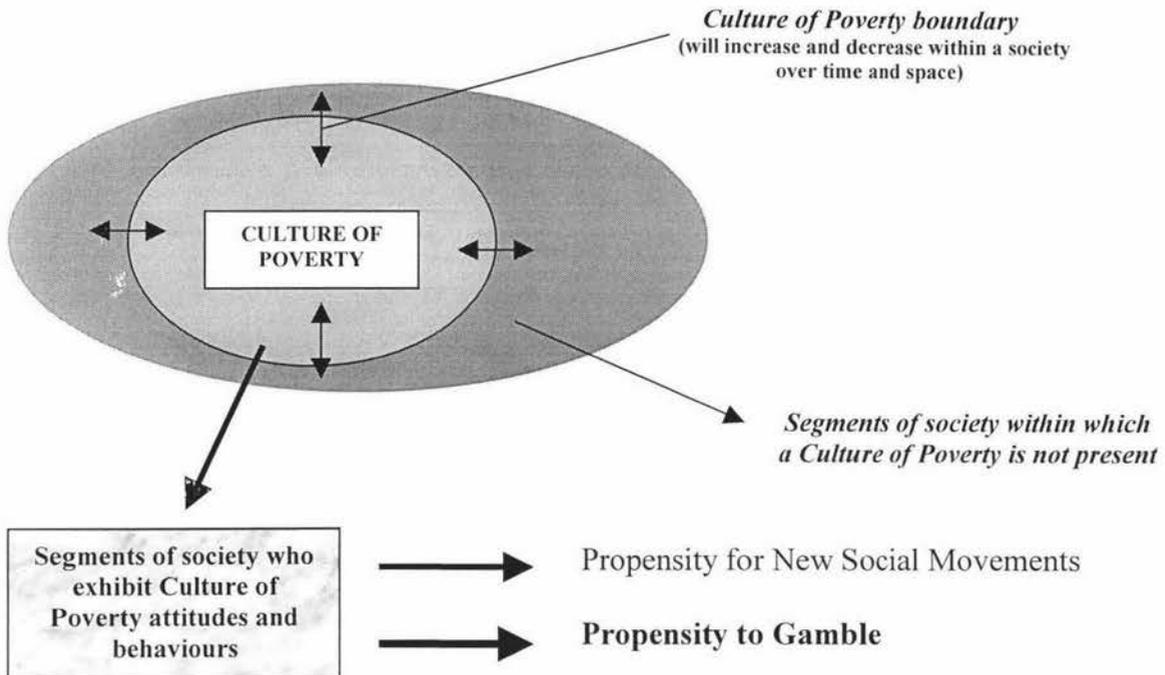
According to Oscar Lewis, out of a culture of poverty' two possibilities emerge:

1. The potential for dramatic change and ultimately the possibility of internal conflict, designated in this thesis as new social movements.
2. In the absence of any new social movement, attempts through individually situated means that one can rise above the relative levels of poverty and beyond a 'Culture of Poverty'. Among these will be from gambling and the propensity to gamble will be perpetuated by the combined social, economic and political complexities that a culture of poverty brings.

It is important to understand the priority of these two possible outcomes. Gambling under the culture of poverty thesis would decline with the rise of a new social movement. Any large social movement would without doubt dramatically reduce the culture of poverty, consequently lowering the propensity to gamble. However, whether actual gambling participation would decrease markedly is unclear as many people might continue to gamble for entertainment reasons, given the possibility there would be higher discretionary incomes arising out of the consequences of a new social movement.

Figure 2.2 below illustrates how a culture of poverty increases and decreases in a given society. It is important to note that gambling will generally have no impact on the size and location of a culture of poverty. Gambling, as few would dispute, is by its very nature high-risk and very few winners, in actuality, make the quantum leap from relative poverty to wealth and happiness or move beyond the culture of poverty.

Figure 2.2



Having now articulated the existence of a culture of poverty in the New Zealand context, and discounted the barriers to its growth or decline, it is now appropriate to operationalise the concept for further analysis and make the link to gambling explicit.

The key traits of a culture of poverty applicable to the New Zealand context are those culture of poverty conditions that are core to the phenomena and may occur in any class or strata of society. These many conditions have been collapsed into ten primary culture of poverty conditions, as follows:

1. Predominance of wage labour
2. Production for profit.
3. Persistently high unemployment and under-employment of the unskilled.
4. Low wages or a sustained and linear decline in wages.
5. Failure to provide social organisation, either on a voluntary basis or by government imposition.
6. Failure to provide political organisation, either on a voluntary basis or by government imposition
7. Failure to provide economic organisation, either on a voluntary basis or by government imposition.
8. The existence of a bilateral kinship system rather than a unilateral one.
9. Limited possibility of thrift.
10. Feelings of inferiority and inadequacy.

The above conditions encompass the combined social, economic and psychological complexities of a culture of poverty. They are the very essence of Lewis's 'Culture of Poverty' notion. Certainly one does not have to look hard at the ten culture of poverty conditions to recognise their tangible existence in New Zealand society in the 1990's, conditions that clearly exist in our everyday life. What the conditions do is to make clearly transparent the various components of society that can be readily observed.

Out of the above discussion two propositions arise, propositions that will be explored in chapters four and five:

- 1 That the catalyst for the increase in gambling revenues is the emergence of a 'Culture of Poverty'. That there is a measurable relationship between an increasingly penetrating culture of poverty and gambling revenue increases over the past decade.

- 2 During the next decade gambling revenue increases will come from the middle income segments of New Zealand Society, as a direct consequence of the increasing penetration of a culture of poverty into these segments.

CHAPTER THREE - Methodology

The first objective for this chapter is to operationalise the culture of poverty concept in the form of a model that incorporates the ten culture of poverty conditions. Each condition is measured across three (income-based) socio-economic clusters, in both a temporal and spatial sense, over two selected five-year periods (1985 to 1990 and 1990 to 1995). The three measurable socio-economic clusters are derived from the demographic groups used in the three gambling behaviour and attitude surveys carried out in 1985, 1990 and 1995 by the Department of Internal Affairs. The demographic groups have been grouped into the clusters where they were found to be correlated in a statistical sense.

The second objective for this chapter is to measure the ten culture of poverty conditions across the three socio-economic clusters between 1985 and 1995. Where possible each condition is measured from hard statistical data and where this is not possible a discursive assessment and supporting argument will be developed. The overall outcome represents the extent to which a culture of poverty has penetrated New Zealand society between 1985 and 1995 and its position in 1995.

The penetration of the culture is indexed to a base year (base =100) in 1985 for each condition. Therefore the changes in the phenomena are measured from 1985 to 1995. Note that each of the ten culture of poverty conditions have been indexed on a similar and consistent basis using actual statistics where available weighted against other relevant inferential information. All measurement information is moderated to reflect comparability with other culture of poverty conditions. For example, the indexed outcomes for condition 1 (waged labour) are based on the percentage change in waged or salaried population between 1985 and 1995. For condition 3 (failure to provide political organisation) the outcomes are based on a combination of political party membership, voting participation and public opinion changes. This information is therefore a weighted judgement of the changes on a common base index of 100.

The third objective is to measure the changes in gambling participation, gambling frequency, spending on gambling and the changing reasons why gamblers gamble. These changes have been directly derived from the results of the behaviour and attitude surveys undertaken by the Department of Internal Affairs in 1985, 1990 and 1995¹.

The analytical process and methodological tool employed is a comparative analysis of the relative behaviour and attitude changes between 1985 and 1990 and 1990 and 1995. The purpose is to construct or verify by quantitative means and by inference the reasons for increasing propensities to gamble and the incremental culture of poverty changes over two time periods. In all cases the explanations offered are a synthesis of the historical income and socio-economic statistics and the sociological culture of poverty model.

Operationalisation

The culture of poverty like many aspects of social or economic life is not the result of a single factor. There is an obligation to take into account a multiplicity of economic, social and political factors or conditions, which are further complicated by year-by-year temporal changes. The degree to which a culture of poverty exists and changes over time depends on the degree to which each of the ten primary conditions are met and the degree to which changes in the conditions can be observed. To provide the necessary objectivity (tangible measures) and to ensure analytical credibility each primary condition has attached to it measurement criteria as shown in Table 3.1.

¹ The surveys were taken from a randomly-selected nationwide sample of 1,200 people aged 15 years and over in private households. The questionnaires were administered by face to face interviews. A copy of the 1995 questionnaire is included in Appendix A of this thesis. The analysis of the survey data comprises a range of statistical measures including frequencies, cross-tabulations, and grouping (clustering) of correlated demographic groups in ways that explore and explain meaningful gambling behavioural and attitudinal trends and changes. Simple frequencies and relative percentage changes are used to compare changes in gambling participation, spending patterns and reasons for gambling between the two five year periods.

Table 3.1

Primary Condition	Measurement Criteria
High percentage of wage labour	1. Percentage of wage/salaried workers 2. Percentage of self employed/employed
Production for profit.	1. Changes in employment status
Persistently high rate of unemployment and under-employment for the unskilled.	1. Unemployment of the unskilled 2. Numbers available to work (unskilled) 3. Unemployment: International Comparison.
Failure to provide social organisation, on a voluntary basis or by Government imposition.	1. Number of Country Women's Institutes 2. Number of Working-men's Clubs 3. Number of Rugby Clubs 4. Number of Lions Clubs 5. Religious affiliations
Failure to provide economic organisation, on a voluntary basis or by Government imposition.	1. Trade/Worker union participation 2. Number of trade/worker unions
Failure to provide political organisation, on a voluntary basis or by Government imposition.	1. Political party membership 2. Voting participation
The existence of a bilateral kinship system, rather than a unilateral one.	1. Number of solo parents
Limited possibility of thrift.	1. Level of savings (percentage of income) 2. National level of savings
Personal inadequacy or inferiority.	1. Number of suicides
Low wages and salaries and sustained decline in wages and salaries.	1. Level of wages (real) 2. Real disposable income

Measurement

To allow for the measurement and comparison of the culture of poverty and gambling attitude and behaviours, New Zealand society (those over 15 years) is segmented into three income-based clusters. The first goal is to identify the strength of association between each of the demographic variables within the 1990 and 1995 gambling behaviour and attitude surveys. That is, if the subgroup to which people (the respondents) belong makes a significant difference to their characteristics in the dependent variable, then the two variables are strongly related (de Vaus, 1996: 159). For example that those

in the blue-collar occupations are most likely to be low income earners. The second step is to identify the direction of the relationship (positive or negative).

It should be noted that this is not a cluster analysis in the sense that it uses recognised cluster analysis statistical techniques. The word cluster in the context of this thesis is used to group various demographic groups using straight forward proportional reduction of error and frequency measures only (de Vaus, 1996: 185). The relatively small size of individual demographic groups makes the use of more complex statistical techniques such as multivariate, cluster or factor analysis problematic, with the outcomes being of little value. The objective is to keep the clustering of demographic groups simple and meaningful.

Personal and household income parameters were used as the basis for the three clusters, around which the other demographic groups are tested for correlation. This was done by sub-dividing the income intervals used in the gambling surveys. The income categories appeared to have natural division points. The low income cluster was those earning less than \$30,000, the middle cluster between \$30,000 and \$50,000 and the high income cluster above \$50,000. Intuitively these felt about right, although the low income threshold could be considered to be a little high at \$30,000, given that the average wage in New Zealand was around 23,000 in 1995 (Statistics New Zealand, Summary Statistics, June 1996). Household income was also sub-divided into below \$40,000 (low income), \$40,000 to \$70,000 (middle income) and above \$70,000 (high income). Clearly these income boundaries can be disputed, but they are generally consistent with those used by reputable economic forecasters such as the NZIER and Infometrics (NZIER, Quarterly Predictions, June 1995).

The income clusters were derived from a comparison of means and a rank order correlation using “Kendall’s tau” to provide the summary correlation statistics. This method was chosen because it adequately deals with both ordinal and interval measures, and accommodates small to large table sizes and numbers of categories. The results of the correlation analysis is shown in Table 3.2. Each and every ordinal and interval

demographic variable used in the 1990 and 1995 gambling behaviour and attitude surveys was tested against the personal and household income variables. The highly correlated variables are those exhibiting correlation coefficients greater than 0.65 and those moderately correlated between 0.40 and 0.65.

Table 3.2 : Correlated Income Clusters

Cluster	Highly Correlated Demographic Groups	Moderately Correlated Demographic Groups
Low Income Cluster 1	Blue collar occupations Personal income < \$30,000 Household income <\$40,000 Home duties occupations Ethnic groups - NZ Maori	Student occupation Age 15 – 24 Age +65 Beneficiary/unemployed
Middle Income Cluster 2	White collar occupations Personal incomes \$30,000 –\$50,000 Household income \$40,000 - \$70,000 University graduate Other tertiary qualifications	Age 35 – 44 Age 45 – 54 Ethnic groups (Non Maori)
High Income Cluster 3	Personal income >\$50,000 Household income >\$70,000 University graduate Ethnic groups – Non-Maori	Sex – male

The nominal measures such as ethnic group (*Maori or Non-Maori*) and *sex (male or female)* have been tested against each cluster using simple frequencies. Of all *Maori* participants, 92% were in the low-income cluster, therefore Maori have been included in this cluster. In the *sex* category only the high-income cluster that were predominantly male (92%) and therefore considered to be moderately correlated with that cluster.

It should be noted that a number of demographic groups surveyed are not shown in Table 3.2. For instance the *54-65 age group* and the *retired occupation* are missing because they were found to correlate weakly with all clusters. This is not surprising, as the older age groups tend to be distributed across all income clusters. Also the *retired* demographic group comprises 12% (144) of the sample (N=1200), of which 11% have *household incomes* greater than \$60,000, 27% between \$30,000 and \$60,000 and 62% earn less than

\$30,000. Similarly those with *bursary or school certificate* qualifications were equally distributed across all clusters.

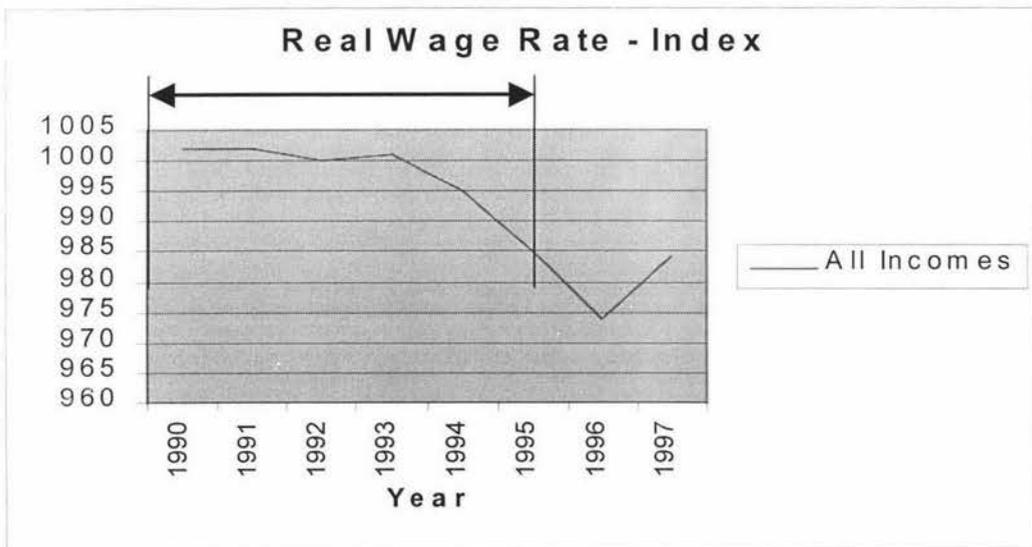
To measure the changes in a culture of poverty over time and space, the method combines qualitative and quantitative analysis of changes in the ten culture of poverty conditions between 1985 and 1995. To overcome the relative shortage of hard data, the evaluation is enhanced with the use of anecdotal evidence, historical commentary and literature references. To further reduce any partial subjectivity, more one measure is used. Accordingly the absolute magnitude of the outcomes cannot be made, but are considered to be within a definable range. I would strongly argue that the strength of the directional change is credible, i.e, the changes are clearly defined and the trends (increases or decreases) are robust within definable limits.

CHAPTER FOUR - Operationalising the ‘Culture of Poverty’

This chapter operationalises the culture of poverty and measures the changes in the penetration of the phenomenon over two adjoining time periods, from 1985 to 1990 and 1990 to 1995. The objective is to identify the level to which the culture of poverty had penetrated New Zealand society by 1995 and the change in penetration between 1985 and 1995. This analysis is based on the straight forward case, as previously articulated, that a culture of poverty exists in New Zealand society at some level, that most New Zealanders are aware of the concept in its broadest sense and that the phenomena is observable within New Zealand society. The following assessment explores the changing size and location of Oscar Lewis’s ten ‘Culture of Poverty’ conditions in a New Zealand context using New Zealand data and examples.

Condition 1: Low Wages and Salaries and Sustained Decline in Wages and Salaries -
This is a culture of poverty condition in which changes can be demonstrated directly from available statistics.

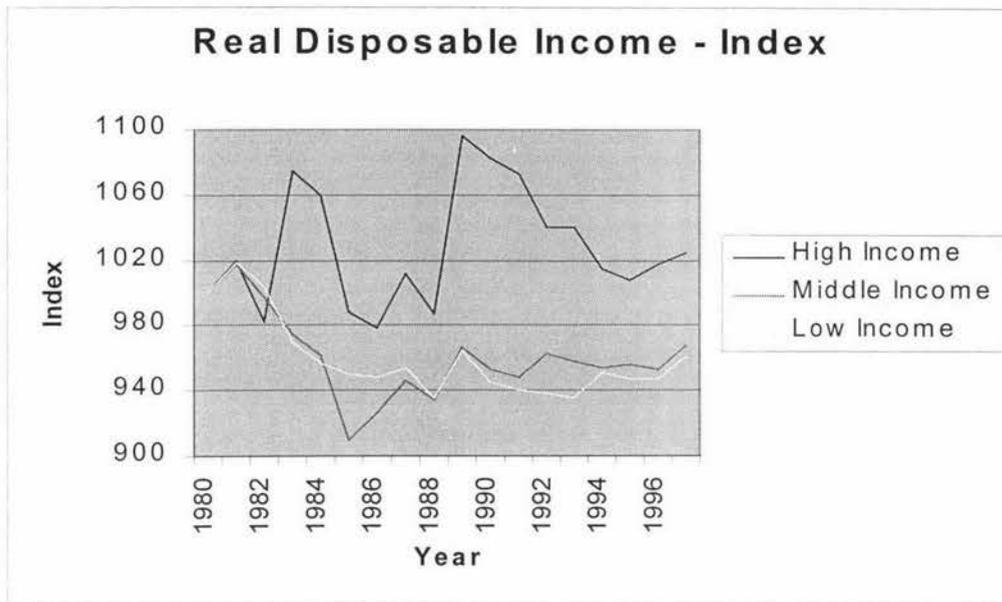
Figure 4.1



Source : NZEIR 1998 – base index =1000

Real wage rates across all clusters (all incomes) declined by over 2% between 1990 and 1995, following a period of positive but minimal change between 1985 and 1990 (figure 4.1).

Figure 4.2



Source : NZIER 1998

Figure 4.2 has been produced from data extracted from the New Zealand Institute of Economic Research (NZIER). The income groups do not truly align to the income cluster parameters in this thesis as the high income group comprises the 4th quartile of incomes, the middle the 3rd, and the low the 1st and 2nd quartiles. It is not necessary to undertake an exhaustive statistical review to sufficiently illustrate the changes in disposable income at a cluster level, as Figure 4.2 adequately illustrates this. A continual decline in the levels of real disposable income for the low- and middle-income earners occurred between 1982 and 1990. Between 1990 and 1995 the levels remained low but stable. The high-income quartile exhibits a volatile pattern but remains high and positive, relative to the low- and middle-income quartiles.

Both real wage rates and real disposable incomes declined for the low- and middle-income clusters. For high-income earners, whilst real disposable income has decreased it remained above the base figure of 1000.

Condition 2: Limited Possibility of Thrift: This condition, unlike many culture of poverty conditions, is relatively straight forward to demonstrate using savings at an aggregate and individual household level.

Table 4.1 : Household Savings - Aggregate Across all Income Groups

Year	Percentage of Household Income Allocated to Savings
1980	7%
1985	3%
1990	3%
1995	2%

NZIER quarterly predictions 1998

Table 4.1 shows aggregate household savings decreased significantly from 1980 to 1985 and continued to remain low at 3% and below from 1985 to 1995.

Table 4:2 : Household Savings by Cluster (Percent of Household Income)

Cluster	1985 %	1990 %	1995 %
Low Income	2.4	2.1	0.7
Middle Income	3.7	2.6	1.9
High Income	6.2	4.8	4.8

Source : Statistics New Zealand - Household and Expenditure Surveys 1985, 1989 & 1997

For low-income earners household savings, that is the amounts available for saving after expenses, declined from 2.4% in 1985 to 0.7% in 1995. For middle-income earners a decline of 3.7% to 1.9%, or a 49% decline occurred, and for high-income earners a decrease from 6.2% to 4.8%, or a 23% decline (Table 4.2). By 1995 the low-income earners could save only seventy cents in every hundred dollars earned, a dramatic decline from two dollars and ten cents in 1990. The middle- and high-income clusters also showed sharp declines. However whilst declines were occurring it was on a much larger income base and so with a somewhat reduced impact.

Overall, savings levels declined across the entire population from 1980 to 1996. The declines were most apparent in the low- and middle-income clusters (Table 4.2). High-income cluster savings continued to decline between 1985 and 1990 but remained relatively high but steady from 1990 to 1995.

Condition 3: Failure to Provide Political Organisation: Oscar Lewis describes political organisation as a strong motivating force for passive or revolutionary change (*La Vida*, 1967). The failure of political organisation reduces political tensions within society, but also reduces avenues for politically driven change. Political organisation in New Zealand is measurable in terms of political party membership and voting patterns. Party members are those who subscribe financially to a political party and are active at its grass roots.

Table 4.3 : Changes in Political Party Membership 1972 to 1996

Year	National (Paid up Members)	Labour (Paid up Members)
1972	170,000	-
1975	-	72,000
1978	200,000	-
1981	200,000	70,000
1984	133,000	-
1986	-	52,000
1990	100,000	30,000
1992	40,000	-
1996	32,000	11,000

Source : New Zealand Politics in Transition, R Miller, 1997

For over fifty years New Zealand politics has been dominated by two political parties: On the centre-left the New Zealand Labour party and on the centre right the New Zealand National” party. The ideological stance of the National party has remained centre right since its inception. However the place on the political spetcrum the Labour party has held has wavered between the far left and the centre-right. After the 1984 election the Labour party made a sharp move to the centre-right, but has slowly moved back to the centre-left over the past decade (Miller, 1997).

Not until the 1960’s was there an effective third party. Since then numerous parties have come and gone, the 1993 to 1996 New Zealand House of Representatives having five

political parties. In recent times the prominent third parties have been The Alliance, ACT and New Zealand First (Miller, 1997: 179). The proliferation of new political ideologies and parties is symptomatic of a persistent and widespread public disillusionment with the two traditional parties and the wider political process in general. This is confirmed by the fact that membership for the two main political parties declined by approximately 60% from 1990 to 1996 (Table 4.3).

Voting participation also declined by 4% between 1990 and 1993 (Miller, 1997: 408). As Miller asserts “New Zealander’s seem to have developed something of an aversion to the political process as full trust and confidence had fallen from 33% in 1975 to 4% in 1989 and has remained at this level until 1996 ... there is a widespread cynicism and powerlessness in the electorate”. Few would dispute that a sustained disillusionment deepened as key election promises continued to be broken by successive governments. There was a perceived inability of politicians, collectively or as individuals, to make a positive difference and the political process is not seen as a means to enhance individual material interests, as it once was.

Membership of the two main political parties conforms to the sociological model of electoral choice (Miller, 1997: 202); that party preference follows out of the social groups they belong to, centring around life and work. According to Miller (1997: 247) the high income sectors have traditionally supported National. However allegiances have changed in recent years with the emergence of other parties. An upsurge of high-income political organisations is evident in the growing support for the right-wing ACT since 1994 (Miller, 1997).

The conclusion drawn from Table 4.3 on political organisation is that political organisation within the low-income cluster (mostly Labour party supporters) declined by around 60% between 1990 and 1995. Middle-income National party support experienced declines since 1981 followed by a further and rapid decline of 68% between 1990 and 1995. On the other hand high-income earners have seen increasing political organisation

with strong membership support for growing right wing ideologies and associated political parties, such as ACT.

Condition 4: Persistently High Unemployment and Underemployment of the Unskilled:
This culture of poverty condition Oscar Lewis argued (*La Vida*, 1967) could indicate the existence of the phenomenon on its own, and so could be a quick and reliable indicator.

Table 4.4 : Unemployment Rates – International Comparison (1986 – 1995)

Year	United States %	United Kingdom %	France %	Japan %	Australia %	New Zealand %
1986	8.0	8.1	9.1	1.2	8.4	6.5
1987	7.9	7.9	9.0	1.5	8.4	9.8
1988	8.5	6.3	9.7	1.8	7.8	12.3
1989	8.0	6.0	9.3	1.8	7.3	9.5
1990	7.1	5.6	9.0	2.1	7.0	7.8
1991	8.8	6.8	9.5	2.1	9.5	10.3
1992	10.1	7.5	10.4	2.2	10.8	10.3
1993	10.5	6.9	11.7	2.5	11.0	9.5
1994	9.6	6.1	12.3	2.9	9.8	8.1
1995	8.8	5.6	11.5	3.1	8.6	6.3

Source : Department of Labour Statistics & OECD data

The NZIER (September 1997) indicates that unemployment rates of above 6% are considered high by world standards. Using this standard New Zealand has exhibited continuously high rates of unemployment since 1986 (Table 4.4) and when compared to other large world economies they have been persistently high between 1985 and 1995. For example, France United States and Australia all had higher unemployment rates (on average) between 1986 and 1995 than did New Zealand.

Table 4.5 : Unemployment Rate by Cluster - 1986 to 1991 and 1991 to 1996

Cluster	Unemployment Rate 1985 to 1990 Average Percentage	Unemployment Rate 1990 to 1995 Average Percentage
Low Income	10%	11%
Middle Income	3%	6%
High Income	1%	-

Source : Statistics New Zealand – New Zealand Official Yearbook , 1986, 1991 and 1997.

In the low-income cluster the unemployment rate was 10% in 1990, increasing to 11% in 1995; in the middle 3% to 6%; and in the high-income cluster there was no real change.

Persistently high rates of underemployment of the unskilled has been a measure of changes in the employment of those with no educational qualifications. In 1976 4% of all workers without school certificate were unemployed, which rose steadily to 12.5% by 1996. Those with school certificate only who were unemployed rose from 2% in 1974, to 3% by 1990 and 8% by 1996 (Department of Labour Statistics, 1997).

In summary, it is evident that the low- and middle-income clusters have exhibited both persistently high rates of unemployment and high rates of underemployment of the unskilled. Conversely the high-income cluster effectively maintained full employment between 1985 and 1995.

Condition 5: Failure to Provide Social Organisation - Two organisational types are considered in relation to this culture of poverty condition, voluntary social organisation and social organisation by government imposition. The latter, as described by Oscar Lewis, is unlikely to occur under genuinely social democratic political regimes. Imposed organisation tends to be found only in highly regulated socialist or semi socialist political regimes, where social organisations are established by politically appointed committees. It is reasonable to argue that imposed social organisation of this type does not exist in New Zealand and accordingly will not be covered further in this thesis.

In the area of voluntary social organisation, two quite separate groups are identified, namely, secular and religion based social organisations.

To illustrate the changes in secular voluntary social organisation, I have chosen four prominent social organisations (refer Table 4.5). Working-men's clubs in their various forms and Rugby Clubs have existed for well over 100 years, The Country Womens Institutes (CWIs) for over 70 and The Lions Club for over 40 years.

Table 4.6 : *Changes in Four Prominent Voluntary Social Organisations (affiliated branches or clubs)*

Year	Working Mens Clubs (No)	Country Womens Institutes (No)	Rugby Clubs (No)	Lions Club Number of Clubs
1985	172**	781**	237 **	520
1990	161**	772**	193**	530
1995	144**	730	172**	530
Change 1990-1995	- 11%	- 5%	-11%	-

Source : Working-men's Clubs - Johnsonville Club (1998); Womens institutes – NZ Federation of Country Womens Institutes, Wellington (1998); Rugby Clubs - New Zealand Rugby Football Union Wellington (1998); Lions Clubs NZ Office Wellington, 1998. ** Estimates only as provided by organisation personnel.

From 1985 to 1995 three of the four voluntary social organisations exhibited declines in individual branch or club numbers (Table 4.6). Given the indicative nature of the statistics, the precise magnitude of the changes are debatable, but when tested for reasonableness they are credible and they are strengthened with supporting anecdotal evidence.

The NZ Rugby Union and the NZ Federation of Country Women's Institutes (Head Office Staff) emphasise that the declines in their social organisations are not recent trends, as they were seen to emerge in the early 1970's. Rural rugby clubs exhibited marked declines, whereas city clubs tended to merge, hiding the real urban declines. Country Women's Institutes (CWIs) were established to support rural women and rural causes, and accordingly their members tended to be wives of middle- to middle-high-income farmers. Similarly rugby clubs in country areas comprised low- and middle-income farm labourers and farmers. As such both organisations naturally fall within the middle income cluster. A similar social organisation is the Returned Services Association (RSA) which has also found it difficult to survive in the face of declining membership (largely through age). Both the CWIs and RSA, once powerful lobby groups, have become ineffectual in promoting self-interest issues in the 1990's (Johnsonville RSA Manager, October 1998).

Working-mens organisations (clubs) were established to serve the social needs of the low income working man. Although membership was never restricted to this income group, support traditionally has come from this sector. These clubs became a moral, social and

in some cases financial support base for their members, a support that diminished from 1985 to 1995, especially in smaller rural communities (Wellington Working-mens Club Manager, October 1998). In addition the Johnsonville Men's club highlight not only a reduction in clubs nationwide, but also a substantial and continuous decline in club memberships.

The NZ Lions Clubs Chief Executive Officer (November 1998) states that many of their supporters tend to come from the higher socio-economic groups, typically individuals who earn above the average wage and have time to spare for charitable work. They also tend to be rurally based as city membership has been in decline for over a decade. By contrast Rotary Clubs who have a similar reason for being as the Lions Clubs tend to be affiliated to business. They continue to grow (Rotary Club of Wellington, November 1998). Both clubs are considered the domain of the high-income cluster.

These four examples provide considerable ammunition to show an overall loss of social organisation across the low and middle income clusters. For example, lets consider the small town rugby club or community sport club which was typically a focal point of the community or town for rugby-followers and non-rugby-followers and comprising mostly low- and middle-income earners alike. They existed on the voluntary support of the community who perceived a real sense of ownership and involvement (NZ Rugby Union, Wellington, October 1998). Where these clubs remain they tend to be operated on a more commercial basis which has moved them from the realms of broad community interest and support to an instrument of business. As such many club members and locals have become increasingly alienated.

High-income social organisations continue to grow as does their political influence, providing a way forward and sense of belonging for its members. Conversely the middle or low income social organisations continue to decline which has left many with a growing sense of hopelessness, lack of community belonging and uncertainty about the possibility of economic progress.

Table 4.7 : Changes in Religious Affiliations 1985 to 1996

Religion	Percentage Change 1985 - 1990	1991 (000) Religious Affiliations	1996 (000) Religious Affiliations	Percentage Change 1990 - 1995
Anglican	-11%	732	631	-14%
Catholic	-7%	498	473	-5%
Presbyterian	-11%	541	450	-17%
Methodist	-17%	139	121	-13%
Baptist	-14%	70	53	-24%
Latter Day Saints	-3%	48	41	-15%

Source : Statistics New Zealand - 1986, 1991 & 1996 Census

Religions on the other hand are among the most long-lived social organisations. Table 4.7 highlights the declines in Christian religious affiliations (by denomination) in New Zealand from 1986 to 1996. These are the numbers counted in the census, of which only a fraction regularly attend church. Anecdotal evidence (Anglican Bishop’s Office, Wellington, November 1998) suggests congregation numbers across all mainstream Christian religions have continuously declined since 1985. This is said to have occurred because of the many alternatives available to people today. New religions, many of which have come and gone, have also been unable to satisfy the aspirations of their members.

To delve into the voluntary or compulsory nature of religion is too complex to deal with, and not useful in the context of this thesis. I want only to show the decline in religious affiliations as a way of highlighting the decline in social organisation. It seems to me the reason for the decline is that religion *per se* does not have the capacity to overcome the prevailing sense of hopelessness and apathy in a world that is becoming increasingly materialistic. It is also worth noting that for many religions gambling is not a frowned upon activity, but neither is it openly encouraged. Many religions receive substantial income from gambling revenues such as lottery grants and raffles.

Condition 6: Failure to Provide Economic Organisation: This culture of poverty condition is important, in particular in the context of the workplace. Lewis asserts (*La Vida* 1967) that the perceived ability to progress in a financial sense through employer-employee

arrangements is critically important to the individual in western society. Historically, workplace conditions and wages have been progressed and protected through the strength of employee unions. Employees had both a sense of legitimate control and a continued expectation of economic improvement through wage increases and other workplace benefits. In the absence of unions, minimal leverage is available for many low and middle-income employees to improve their economic position.

Table 4.8: *Changes in Union Membership 1985 - 1990 and 1990 - 1995*

Industry	Percentage Decline 1986-1991 %	1991 Union Members	1996 Union Members	Percentage Decline 1991-1996 %
Agriculture	74	14,234	1,073	93
Mining	53	4,730	1,144	76
Manufacture	21	114,564	78,737	31
Energy	3	11,129	6,085	45
Construction	15	14,596	6,577	55
Retail	51	64,336	10,643	83
Transport	8	52,592	43,081	18
Finance	3	32,219	25,543	21
Public Service	3	205,925	166,085	19
TOTAL	19	514,324	338,967	34

Source ; Harbridge & Hince 1996 – Union Membership in NZ : 1996 & Victoria University Industrial Relations faculty.

New Zealand worker collectives and unions prior to 1990 were large organisations covering many workplaces, with large memberships, and in many cases significant political and workplace power. Workers saw unions such as the Public Services Association (PSA), the meat-workers and water-siders unions and so on, as an assurance of increasing economic wealth.

Since 1990 many unions have lost much of their economic and political muscle, due to the enactment of the Employment Contracts Act of 1991. In essence, the 1991 Act took away much of the collective power of the unions and placed the onus on the individual to negotiate with employers for employment conditions and related benefits. As a consequence, and as shown in Table 4.8, union membership decreased dramatically between 1991 and 1996.

For many workers, unions have become largely, if not totally, ineffective as a means of economic progress, especially within the low- and middle-income clusters, thus generating a sense of hopelessness.

Table 4.9 : Union Membership Changes by Income Cluster

Cluster	Change 1985 – 1990 (%)	1991 Union Membership	1996 Union Membership	Change 1990 – 1995 (%)
Low Income	-22%	340,000	255,000	-25%
Middle Income	-12%	160,000	70,000	-56%
High Income	-10%	14,000	13,000	-7%
TOTAL		514,000	338,000	

Source ; Harbridge & Hince 1996 – Union Membership in NZ : 1996 and Statistics New Zealand 1986, 1991 & 1996 Census– Membership has been apportioned by Occupational Group – therefore values are indicative only

From 1985 to 1990 low-income union membership declined by 22%, with a similar 25% decline from 1990 to 1995. From 1985 to 1990 the middle-income cluster had a relatively small 12% decline with a further and dramatic 56% decline from 1990 to 1995. The high-income cluster had a relatively modest 13% and 7% decline respectively over each period. Note the percentages shown in Table 4.9 are indicative only, as they are derived from union membership by occupation.

The decline in low-income union membership has not been as dramatic as that in the middle-income cluster. The reasons are twofold: firstly, low-income workers acknowledge unions are essentially the only avenue available to at least protect current provisions; secondly, employers have also seen little need to reject large-scale union participation as it avoids the potentially costly exercise of negotiating employment contracts with each and every employee.

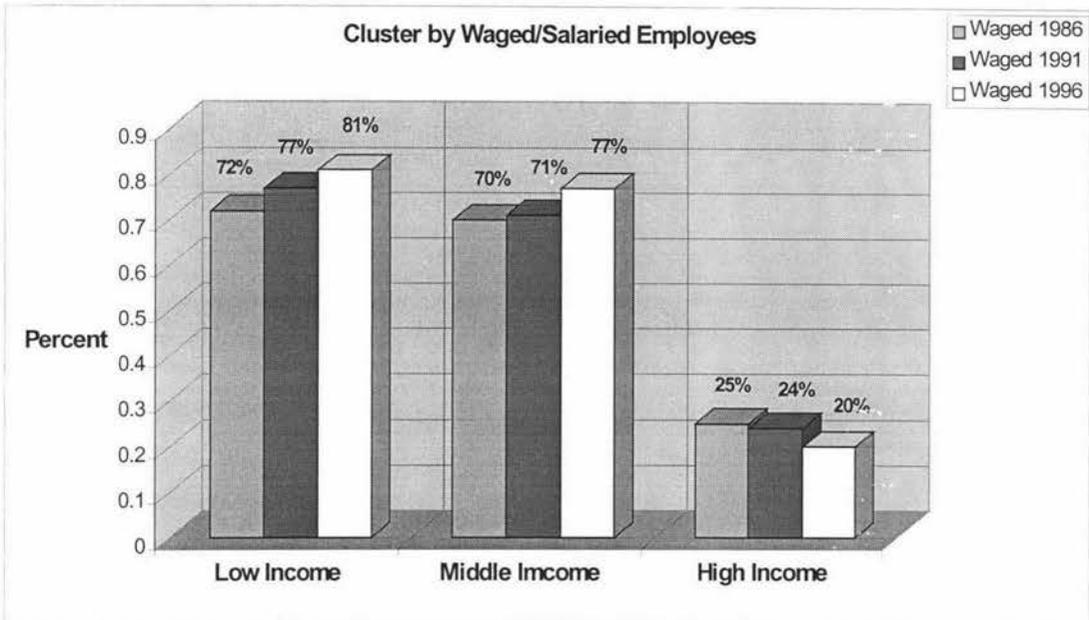
The dramatic middle-income decline from 1990 to 1995 could be argued to be largely due to the impact of the 1991 Employment Contracts Act. Workers in many private and public sector middle-income workplaces had little option other than to negotiate on a one-to-one basis when existing collective arrangements expired. A significant part of this decline has been public sector membership, a reduction of around 19% between 1991 and 1996.

High-income union membership declined by 10% between 1985 and 1990 and only 7% between 1990 and 1995. It consists mostly of those covered by the Higher Salaries Commission (State Services Commission) and the various professional bodies such as the Medical Association. They have retained membership because they exert a substantial degree of political and workplace influence. The economic support structures, internal networks and benefits of belonging, clearly outweighed the benefits of individual arrangements.

The evaluation on the failure of economic organisation demonstrates a dramatic union membership declines since 1991, particularly in the middle- and low-income sector. However the high end of the middle-income and high-income cluster effectively retained their economic organisation throughout the 1985 to 1995 decade.

Condition 7: Wage Labour: Lewis identified (*La Vida*, 1967) the increasing proportion of waged or salaried employees to employers as an important characteristic of a culture of poverty, especially important when combined with the other conditions. His assertion is that high and increasing numbers of wage or salaried workers relative to employers perpetuates the marginal position of workers, exposing them to the impact of other factors of the phenomenon. Accordingly, on its own, a predominance of waged employees does not indicate the existence of a culture of poverty.

Figure 4.3



Source : Statistics New Zealand - 1991 & 1996 Census : The waged/salaried population are those in active employment between 15 & 65 years (excludes the unemployed & beneficiaries)

From 1985 to 1990 the number of waged or salaried workers relative to the total working population increased by 5% in the low-income cluster, but remained stable in the middle and high-income clusters. By 1991 the low-, middle- and high-income clusters wage/salary percentages were 77% and 71% and 24% respectively (Figure 4.3). By 1996 they had increased by 4% to 81% in the low, by 6% to 77% in the middle, but declined by 4% in the high-income cluster to 20%. Whilst wage/salary numbers grew steadily in the low-income cluster over each five year period, the middle-income cluster exhibited the largest increases between 1990 and 1995, after a sustained period of small increases.

The high-income earner decline suggests many people were opting for employer status, supporting the notion that higher salaried employees strive more for employee status and achieve it more rapidly than others. This trend is strongly Marxist. As employee numbers are declining, the power of the employer (the bourgeoisie) is increasing, resulting in exploitation of workers within the low and middle clusters. As Lewis and the Marxists suggest (*La Vida* 1967), this result leads to feelings of inadequacy and apathy and ultimately a propensity to gamble as a way of escape.

Condition 8: Existence of Bilateral Kinship Systems: Few quantitative measures are available of this culture of poverty condition, a condition that requires an assessment of the longevity and strength of kinship roles assigned at birth. It is the extent to which these roles have broken down that is critical. Since the 1840's it is clear that New Zealand cultural and value systems have been largely bilateral-kinship orientated. Unilineal kinship² systems that did exist belonged to early Maori, among whom each Tribe or Iwi was considered a complete social unit, within which each individual felt part of and secure in well established roles assigned at birth, similar to the Lower Castes in India or the citizens under strict forms of socialism.

However, Iwi of the late twentieth century can no longer act collectively as roles are now largely individualist and bilateral. Many Maori, as Pakeha do, have a choice of relatives with whom they recognise as "kin" and with whom they want to associate. Treaty of Waitangi claims also highlight internal Iwi fragmentation and a continued absence of unilineal kinships. The internal conflict within the Ngai Tahu Iwi land claim settlement process (*Dominion*, 7 October 1998) reveals the emergence of individual self interests, demonstrating the existence of bilateral kinship systems. However isolated pockets where unilineal kinships exist may well remain within the Tuhoe Iwi of the Ureweras.

Another indicator of this condition is family structure and composition. At the 1996 census 236,397 people were living in de facto relationships, an increase of 74,541 or 46% since 1991 (New Zealand Official Yearbook, 1998). The increase in the number of solo parent families is another example of bilateral kinship systems becoming ingrained in New Zealand society (1991 and 1996 Census). Irrespective of whether families are maternally or paternally centered, the trend has been that more and more women and men are moving from the traditional role of a life-long family commitment, to solo parent transient families. Fragmented bilateral kinship families are common features today

² Unilineal Kinship System is where an individual is assigned to a group over many generations where individuals act as a collective, each having known and accepted role within the collective. In contrast a person born into a bilateral system usually has a choice of relatives whom he or she recognise as kin and with whom he or she wants to associate. This generally leads to greater diffuseness and fragmentation of relatives and ties over time (*La Vida*, 1967).

throughout all income levels, where many families comprise a mix of children and parents who come and go during ones lifetime.

To make any sense out of the arguments presented about this condition it is necessary to accept a relatively straight-forward argument. That is, unilineal kinship systems are effectively non-existent in New Zealand society in the 1990's, except in isolated pockets within Maoridom.

Condition 9: Production for Profit: Oscar Lewis describes this condition (*La Vida*, 1967) as the extent to which a group or community ascribes to the 'profit ethos' not the fact that society has a dominant production for profit or capitalist ideology. For example, many United Kingdom workers in 1984 were so reliant on welfare programmes and entitlements, that when the entitlements were cut few low-income earners sought market opportunities, even though incentives were provided, few did not understand the profit motive and failed to take advantage of them (Peirson, 1994).

A profit ethos is difficult to assess in any meaningful way. However some pertinent indicators exist. First, few would dispute that the ratio of 'for-profit' to 'non-profit' organisations increased in line with a prevailing free-market ideology from 1985 to 1995 (Miller 1997). For example, numerous electricity supply companies moved from non-profit trusts to profit-orientated companies, as did many gas and water utilities. Second, since the fourth Labour Government's economic reforms in 1984, economic policy has fostered a strong profit and competitive ethic in the private sector (reduced subsidies and tariffs). Public sector services have also changed from marginally profitable (almost non-profit) to profit-maximising service providers under the State Owned Enterprises Act (1987). Telecom and the Electricity Corporation are primary examples of these changes, and are now highly profitable organisations. Third, the changes in profit orientation or ethos in any given society can be indicated in one sense by the changes in the number of self-employed people, as shown in Table 4.10.

Table 4.10: *Change in the Numbers of Self - Employed*

Cluster	1985-1990 % Change	1990-1995 % Change
Low Income Cluster	25%	9%
Middle Income Cluster	16%	10%
High Income Cluster	5%	5%

Source : Statistics New Zealand – 1986, 1991 & 1996 Census : Personal Income Sources by Personal Income.

Between 1985 and 1990 the numbers of self- employed (that is those working for themselves) increased across all income clusters (Table 4.10). The numbers in the low- and middle-income clusters increased by 25% and 16% respectively and in the high income cluster by a moderate 5%. In comparison, the 1990 to 1995 period saw slower growth in the self-employed with increases of 11% and 6% respectively for the low- and middle-income clusters. The high-income cluster increased at a steady rate of 5%.

It could be argued that a positive disposition towards business prevailed between 1985 and 1990, especially in the low- and middle-income clusters. However this disposition declined markedly between 1990 and 1995 (as indicated in Table 4.10). This suggests a degree of apathy towards business may have occurred because of the increasing risk of failure; or perhaps those in the low- and middle-income clusters no longer had sufficient resources to establish their own businesses. It is important not to take the statistics shown in table 4.10 out of context as they are indicators only. For instance a movement to self-employment status from 24,000 (1990) to 27,000 (1995) in the low income cluster is a very small fraction (less than 1%) of all employees in this cluster (1991 and 1996 census).

In the low- and middle-clusters the profit ethos may well be increasingly understood, but is clearly not ascribed to by all. I would argue that the low, and to a lesser extent middle-income employees, had little individual concern for the profitability of their employer's businesses prior to 1987, especially in large public and private corporations. Remuneration packages, prior to the introduction of the Employment Contracts Act (1991), were generally blanket rates across industries and occupational groups. Since

1991 many employee contracts have been built around company profitability with salary packages and bonuses linked to company performance. Consequently, a growing and deeper production for profit understanding amongst middle and low-income workers is evident (Harbridge and Hinch, 1996).

The evaluation of this condition suggests that by 1995 the profit ethos had been fully entrenched in the high-income cluster, and subscribed to by many in the middle income cluster. This is indicated by the slightly higher numbers moving to self-employment from 1990 to 1995. Whilst the low-income cluster exhibited increasing tendencies to move to self employment from 1985 to 1990, this tendency slowed between 1990 and 1995. This suggests an increasing apathy towards self-employment. Consequently the profit ethos is assumed to have declined in the low-income cluster and within the low to middle end of the middle-income cluster; elsewhere a strong profit ethos existed.

Condition 10: Personal Inferiority and Inadequacy: For Lewis this was the most critical and problematic culture of poverty condition which he conceded could not easily be assessed at any point in time. It had to be viewed in conjunction with the other conditions whilst also being symptomatic of those conditions. To measure feelings, attitudes and behaviours was, as Lewis acknowledged, outside of his field of expertise. However, it became clear that he could generally assess these factors a number ways: first, from the weight of interview evidence collected in his many studies; second, from the level of depression and associated mental illness in the community being studied; and third, from the numbers of those opting out of society through suicide (*La Vida*,1967). Lewis chose interview evidence as his measure, as reliable statistical data on suicide or depression was not available at the time. In contemporary New Zealand this condition becomes even more problematic given the level of poverty relative to that found in Latin America in the 1960's. For the same reason that Lewis chose interview evidence, I have used suicide rates as the measure for this condition, as this data is readily available and seems equally meaningful.

Table 4.11 : Suicide Rate (rate per 100,000 of population)

Year	Suicide No (per 100,000 of population)	Annual Change %
1985	277	
1986	270	-2.5%
1987	289	+7.0%
1988	299	+3.5%
1989	342	+14.4%
1990	351	+2.6%
1991	371	+6%
1992	401	+8%
1993	443	+11%
1994	512	+16%
1995	543	+6%
Change 1985-1990		26.7%
Change 1990-1995		54.7%

New Zealand Official Yearbook, 1994, 1997 & 1998

Table 4.11 shows a continual rise in suicide rates between 1985 and 1995.

Table 4.12 : Suicide Rate by Cluster

Cluster	Change 1985 – 1990 (%)	1990 No	1995 No	Change 1990 – 1995 (%)
Low Income	+29%	190**	305**	+61%
Middle Income	+26%	105**	165**	+57%
High Income	+23%	56**	73**	+30%
Totals	+27%	351	543	+55%

Source : Statistics New Zealand - ** are estimates - derived from Suicide by Occupation

The low- and middle-income clusters exhibited similar and significant increases of 61% and 57% respectively between 1990 and 1996, whereas the high-income cluster showed a significantly lower increases of 30%.

It is apparent that the low- and middle-income clusters have experienced significant increases in suicide rates, with less dramatic increases in the high-income cluster. It would seem that suicide can be considered only a partial predictor of alienation and inadequacy, but a more meaningful indicator of a sense of inferiority or hopelessness associated with increasing suicide rates is a much larger underlying segment of society

with feelings of marginality and despair which are important when evaluating this condition.

New Zealand's 'Culture of Poverty'

Whilst working through all ten culture of poverty conditions common factors have emerged. As Oscar Lewis argues, culture of poverty conditions viewed in a systemic sense are constraints on the prospects of upward mobility. This is particularly evident in low- middle-income New Zealand, where the evidence shows increasing suicide rates, which suggest high and increasing degrees of apathy, little sense of belonging, and low aspiration. The loss of political organisation shows a clear suspicion of government initiatives, and the lack of effective participation and integration, a sense of adverse discrimination and a perpetual loss of values. Within the high income cluster the reverse tends to apply, where political, economic and social support structures have allowed this cluster to attain upward mobility, and importantly to maintain and enhance it.

The ten conditions of a culture of poverty give a synthesis of the social and political influences involved. The evaluation so far provides sufficient evidence to develop a meaningful objective assessment of each condition.

Figure 4.5 provides an objective measure of each condition positioned on a personal income continuum. Personal income was selected because it provides a common nexus from which both the culture of poverty conditions and the behaviour and attitude survey outcomes can be measured (to be measured in chapter five). Importantly the numerous discrete \$5,000 personal income bands allow the degree of accuracy required. It must be stressed the outcomes can be positioned within broad personal income bands only, within which the actual culture of poverty boundary lies. The width of the culture of poverty/income band is dependent upon the degree of objectivity of the previous evaluation of each culture of poverty condition. Further culture of poverty evaluations over time will surely narrow this band. Each of the ten conditions has been measured over the 1985 to 1990 and 1990 to 1995 periods, and indexed in 1990 and 1995 using 1985 as the base year (base of 100). The position along the personal income continuum at

which each culture of poverty condition has penetrated, as at 1995, is shown in Figure 4.5 below, and the indices in Table 4.14.

Figure 4.5

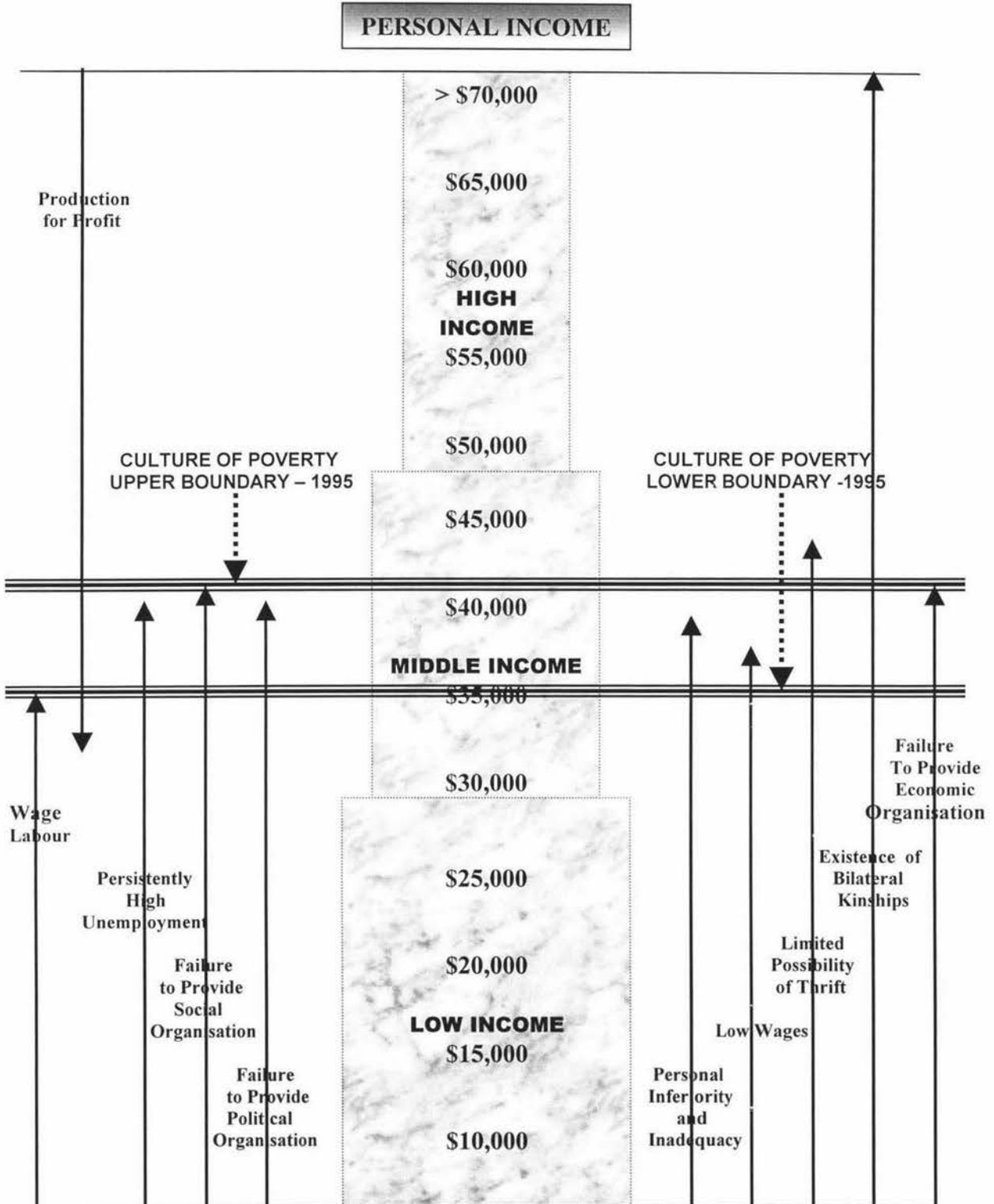


Figure 4.5 illustrates the location of each culture of poverty condition on the personal income continuum. The following is a summary of the underlying rationale for each condition position:

<p>WAGE LABOUR - The ratio of employees to employers has been used to assess this condition. The low income cluster exhibited a gradual but moderate increase in employee numbers from 1985 to 1995. The middle cluster increased slowly between 1985 and 1990 and rapidly from 1990 to 1995. The high-income cluster experienced a rapid decline from 1990 to 1995. Clearly the significant changes were occurring at the middle to lower end of the middle income cluster by 1995, estimated to be those incomes of around \$35,000.</p>
<p>PRODUCTION FOR PROFIT - The indicators used to evaluate this condition reflect the extent to which the population ascribed to the 'profit ethos. These range from the ratio of non-profit to profit organisations, the changes in self-employed numbers to the level of free market attitudes in the workplace. Between 1985 and 1995 the high-income cluster maintained a strong profit ethic. The low and middle clusters exhibited increasing free market attitudes between 1985 to 1990. From 1990 to 1995, low income cluster increases declined relative to the middle-income cluster, confirmed by the changes in the number of self employed (table 4.3). This wide-ranging evaluation indicates that by 1995 the profit ethos had declined markedly at the low-income/middle-income cluster boundary, that is those earning incomes between \$30,000 and \$35,000.</p>
<p>PERSISTENTLY HIGH RATE OF UNEMPLOYMENT AND UNDEREMPLOYMENT OF THE UNSKILLED - By any international measure New Zealand has had persistently high rates of unemployment from 1985 to 1995, especially in the unskilled. Low-income unemployment rates were 10% in 1990, rising to 11% by 1995. The middle- income cluster remained at 3% between 1985 and 1990 and doubled to 6% by 1995. Over the entire period the high cluster remained below 1%. For the unskilled, i.e. those without school certificate, a dramatic increase from 4% in 1980 to 13% in 1995 occurred. Overall, high rates of unemployment persisted in the low and increased rapidly in the middle income cluster from 1990 to 1995, and by 1995 had penetrated well into the middle cluster, at least impacting in a sustained way on those on incomes of around \$40,000.</p>
<p>FAILURE TO PROVIDE SOCIAL ORGANISATION - A measure of four long-lived social organisations was undertaken to determine social organisation changes. The low-income Working-men's clubs decreased by 3% from 1985 to 1990 and a further 6% by 1995. The middle income Country Women's Institutes declined by 2% between 1985 and 1990 with a further decline of 14% from 1990 to 1995. The Lions and Rotary clubs, considered the domain of high-income earners increased marginally over both five-year periods. A cursory analysis of the religions, rugby clubs and the Returned Services Association supports the consensus that low- and middle-income earner social organisations declined significantly over both periods. Overall a sustained decline occurred in the low income cluster from 1985 to 1990, and by 1995 this condition had penetrated deeply into the middle income cluster, to the extent that the majority of this cluster lost significant social organisation, extending to those earning between \$40,000 and \$45,000.</p>
<p>FAILURE TO PROVIDE POLITICAL ORGANISATION - A measure of voter participation and political party membership was undertaken to determine the changes in political organisation. By 1995 political party membership for the Labour party, champion of the low-income earners, declined steadily from 1990 to 1995, following a period of rapid decline. The National Party, the domain of the middle/high earners declined slowly from 1985 to 1990 and rapidly from 1990 to 1995. High-income earners had both the National and the ACT parties supporting their political ideologies, and by 1995 At the high end of the middle and the high-income cluster, political organisation increased marginally. By 1995 the failure of political organisation extended to those earning incomes around \$40,000. Below this most people are totally disillusioned with the political process and politics as a means for economic progress.</p>

FAILURE TO PROVIDE ECONOMIC ORGANISATION - A measure of union membership was undertaken to determine changes in economic organisation. For low-income earners, union participation decreased rapidly from 1985 to 1990, the rate of change slowing between 1990 and 1995. For the middle cluster a slow decline from 1985 to 1990 was followed by a dramatic 57% decline from 1990 to 1995. The high-income cluster declined modestly from 1985 to 1990, followed by a further small (1%) decline between 1990 and 1995. Workplace unions were largely ineffectual in gaining wage increases for their members from 1990 onwards, largely because of the impact of the Employment Contracts Act 1991 (ECA). Many low-income workers remained union members as a way of protecting workplace conditions only. Middle income earners union participation declined directly because of the ECA. As a result the loss of economic power in the work place has deeply penetrated the middle income cluster, to those earning around \$40,000. Above this income level where workplace unions exist they continued to advance economic circumstances.

EXISTENCE OF BILATERAL KINSHIP SYSTEMS - A measure of the strength of the kinship roles assigned at birth, assessed from changes in family structure over the two periods. There has been little if any change across all income clusters over the two five year periods. Clearly bilateral kinship systems are equally strong across all income clusters as measured by the breakdown in family structure. Unilateral kinship has been exhibited in pockets within Maoridom, which continue to slowly decline.

LIMITED POSSIBILITY OF THRIFT - A straight forward statistical measure of changes in the level of household savings has been used. Low-income savings decreased from 2.1% in 1990 to 0.7% by 1995. Middle income earners from 2.6% in 1990 to 1.9% in 1995 with the high-income cluster remaining stable at 4.8% from 1990 to 1995. Clearly the ability to save declined to below 1% in many low-income households and to 1.9% in middle-income households. All three clusters exhibited continually declining levels of savings from 1985 to 1995. However the high-income cluster remained high relative to the low and middle clusters. This indicates a declining ability to save had penetrated well into the middle income cluster, at least to those on incomes of around \$45,000. Above this, whilst saving levels are declining slowly they were offset by the higher earnings, and the sense of economic progress remained strong.

LOW WAGES AND SALARIES AND A SUSTAINED DECLINE IN WAGES AND SALARIES - A measure of the changes in real disposable income has been used. Low-income earnings had decreased modestly between 1985 and 1990 with a slower decline from 1990 to 1995. For the middle earners a small decline occurred between 1985 and 1990 and a steady decline from 1990 to 1995. The high-income cluster increased real wages between 1985 and 1990 but then decreased slowly from 1990 to 1995. This largely objective measure shows wages and salaries have persisted at low levels for both the low- and middle-income clusters over both five-year periods. Conversely moderate increases occurred in the high-income cluster from 1985 to 1990 with marked decreases between 1990 and 1995. However in comparison with the low and middle clusters, wage levels remained relatively high. Whilst wages were volatile in the high-income cluster low and middle remained at constantly low (negative indices) levels. Clearly low wages have persisted throughout the low- and well into the middle-income cluster to around the 35,000 to 40,000 level.

PERSONAL INFERIORITY AND INADEQUACY - A measure of the suicide rate was used. Low-income earner suicides increased by 15% from 1985 to 1990 and by a further 61% from 1990 to 1995. Middle-income suicides increased 13% (1985 to 1990) and by a further 57% by 1995. High-income earners exhibited increases of 12% and 30% respectively. Relatively high rates of suicide persisted in the low income cluster with significant increases in both the low and middle clusters from 1990 to 1995 with smaller increases in the high income cluster over both periods. From these statistics it can be argued that feelings of inferiority and inadequacy were increasing rapidly in both the low- and middle-income clusters groups from 1990 to 1995. Given that this condition is symptomatic of other factors, suicide is only an indicator. Accordingly the position along the personal income continuum at which sustained feelings of inadequacy have penetrated can be assumed to be around those earning personal incomes of around \$40,000.

Culture of Poverty Index

As a method of measuring the changes in the ten ‘Culture of Poverty’ conditions over time, each culture of poverty condition has been indexed against a base year (base year of 1985 =100). The outcomes are shown in table 4.13.

Table 4.13 : Summary Table
Culture of Poverty changes indexed to base year 1985 =100
1990 & 1995

Conditions	Low Income 1990	Middle Income 1990	High Income 1990	Low Income 1995	Middle Income 1995	High Income 1995
Wage Labour	91	99	100	90	90	104
Production for Profit	98	102	101	95	95	104
Persistently high rate of Unemployment and underemployment of the unskilled	77	98	99	75	78	108
Failure to provide Social Organisation	84	98	100	82	79	103
Failure to provide Political Organisation	82	95	101	79	82	111
Failure to provide Economic Organisation	89	98	98	79	72	97
Existence of Unilateral Kinship System	98	98	98	97	97	97
Limited Possibility of Thrift (savings)	84	98	98	80	85	96
Personal Inferiority & Inadequacy	82	97	98	77	78	100
Sustained Decline in Wages/Salaries	80	98	105	79	85	100
Average	<u>86.5</u>	<u>98.2</u>	<u>99.9</u>	<u>83.3</u>	<u>83.6</u>	<u>102.0</u>

The values shown are all relative to a base of 100 in year 1985. Values below 100 show negative penetration of a ‘Culture of Poverty’ and values above 100 indicate a positive penetration.

The underlying rationale for the indices for each ‘Culture of Poverty’ condition are briefly described below:

Wage Labour - ratio of wage earners to employers.

- The low-income cluster decreased by 9% from 1985 to 1990 (shown as 91 relative to base index of 100) and another 1% from 1990 to 1995 (index = 90 in 1995)
- The middle-income cluster decreased by 1% (index 99 in 1990) and decreased by another 9% by 1995 (index = 90 in 1995)
- The high-income cluster decreased by 1% from 1985 to 1990 (index = 99) but then increased by 5% (index = 104) by 1995

Production for Profit – changes in the number of self-employed.

- The low-income cluster decreased by 2% from 1985 to 1990 (index = 98) and another 3% between 1990 and 1996 (index = 95)
- The middle-income cluster increased slightly from 1985 to 1990 by 2% (index = 102) but decreased by 7% (index = 95) by 1995
- The high-income cluster increased by 1% from 1985 to 1990 (index = 101) and a further increase of 3% from 1990 to 1995 (index = 104)

Persistently high rate of unemployment and underemployment of the unskilled – International and domestic unemployment statistics.

- The low-income cluster decreased by 23% (index = 77) from 1985 to 1990 and another decrease of 2% (index = 75) between 1990 and 1995
- The middle-income cluster decreased 2% (index = 98) by 1990 and another 20% (index = 78) by 1995
- The high-income cluster decreased by 2% (index = 98) by 1985 and increased by 10% (index = 108) by 1995

Failure to provide social organisation – changes in four high-profile social organisations.

- The Working-men's (low income) clubs decreased by and estimated 16% from 1985 to 1990 (index = 84) and a further 2% between 1990 and 1995 (index = 82)
- The Country Women's (middle income) Institutes had a 2% (index = 98) decline from 1985 to 1990 and a further decline of 19% (index = 79) by 1995
- The Lions and Rotary Clubs, considered the domain of high income earners, remained unchanged over the period 1985 to 1995 (index = 100) but increased 3% (index = 103) by 1995

A separate analysis of the religions, rugby clubs and the RSA support the above outcomes.

Failure to provide political organisation – changes in political participation and membership.

- The Labour Party, champion of the low income earners, decreased membership by an estimated 18% from 1985 to 1990 (index = 82) and another 3% from 1990 to 1995 (index = 79)
- The National Party typically the domain of the middle earners decreased by 5% (index = 95) from 1985 to 1990 and a further decline of 13% (index = 82) by 1995
- The High income earners supported by the National and the ACT political parties have seen increases in political organisation of 1% (index = 101) between 1985 and 1990 and a further increase of 10% (index = 111) between 1990 and 1995

Failure to provide economic organisation – changes in workplace union membership.

- The low-income cluster, union participation decreased by an estimated 11% from 1985 to 1990 (index = 89) and another 10% decrease from 1990 to 1995 (index = 79)
- The middle cluster decreased by 2% (index = 98) from 1985 to 1990 with a further decline of 26% (index = 72) by 1995
- The high-income cluster decreased by 2% (index = 98) from 1985 to 1990 with a further 1% (index = 97) by 1995

Existence of Bilateral Kinship Systems - changes in the strength of the roles assigned at birth, assessed from changes in family structure.

- For this condition there has been little change across all income clusters over the two five-year periods. The estimates are a 2% decrease for all income clusters from 1985 to 1990 (index = 98) and a further 1% (index = 97) from 1990 to 1995

Limited Possibility of Thrift - changes in household savings.

- In the low-income cluster savings decreased by an estimated 16% from 1985 to 1990 (index = 84) and a further 4% (index = 80) from 1990 to 1995.
- The middle cluster decreased by 2% (index = 98) from 1985 to 1990 and a further decline of 15% (index = 85) by 1995.
- The high-income cluster decreased by 2% (index = 98) from 1985 to 1990 and a further 2% (index = 96) by 1995

Low Wages and Salaries and Sustained Decline in Wages and Salaries - changes in real disposable income.

- In the low income cluster real disposable income decreased by 20% (index = 80) from 1985 to 1990 and a further 1% (index = 79) from 1990 to 1995.
- The middle cluster decreased by 2% (index = 98) from 1985 to 1990 and a further decline of 13% (index = 85) by 1995.
- The high income cluster increased by 5% (index = 105) from 1985 to 1990 and decreased by 5% (index = 100) from 1990 to 1995

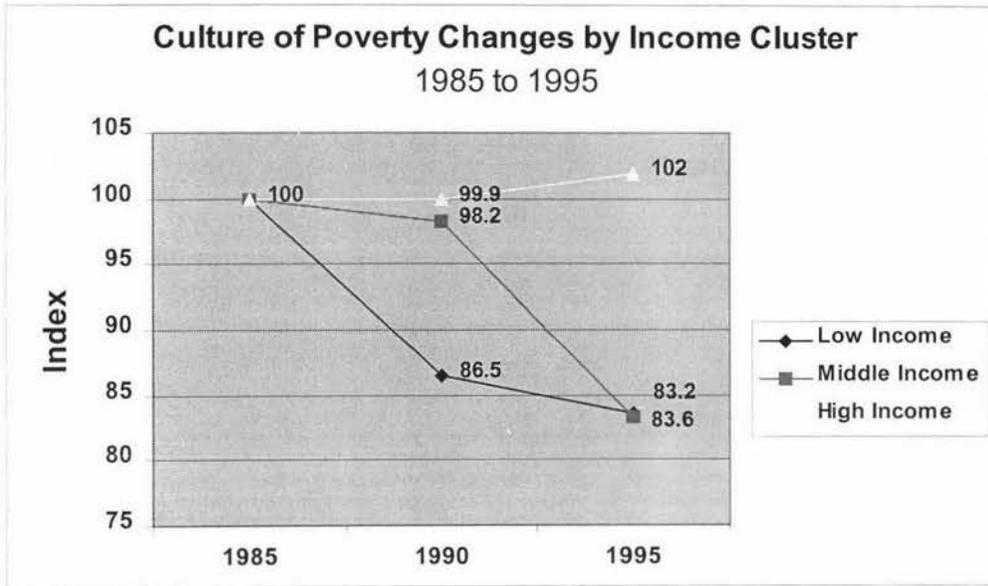
Personal Inferiority and Inadequacy – changes in suicide rate.

- Low-income-cluster suicides have increased by 18% (index = 82) from 1985 to 1990 and a further 5% (index = 77) between 1990 and 1995.
- The middle cluster increased by 3% (index = 97) from 1985 to 1990 and a further increase of 19% (index = 78) by 1995.
- The high income cluster exhibits an increase of 2% (index = 98) from 1985 to 1990 but declined by 2% (index = 100) by 1995.

Note : Each culture of poverty condition has been indexed against a similar and consistent base line using actual statistics where available and weighted subjectively against other relevant information. The various strands of information have been moderated to reflect comparability between all culture of poverty conditions.

Table 4.13 and Figure 4.6 show the outcomes of the indexing of each of the ten culture of poverty conditions between 1985, 1990 and 1995. The indices show that a culture of poverty increasingly penetrated the low- and middle-income sectors of New Zealand society over the two five-year periods. Conversely the high-income sectors had increasingly insulated themselves from the effects of a culture of poverty by 1995. Over the period 1985 to 1990, the low-income cluster increased penetration by 3.5% followed by a further increase of 16.7% from 1990 to 1995. Clearly, low-income earners endured a dramatic increase in the phenomenon from 1985 to 1995, followed by a relatively small increase from 1990 to 1995. In comparison middle-income earners exhibited dramatic increases from 1990 to 1995 of 16.3% relative to a very small 1.8% increase over the earlier five year period. The high-income cluster remained almost oblivious to the impact of a culture of poverty with a 0.1% increase from 1985 to 1990 followed by a modest decrease from 1990 to 1995 of 2%.

Figure 4.6



CHAPTER FIVE - Comparative Analysis of Gambling Attitudes and Behaviours

This chapter makes a systematic comparison between the three customer surveys and focuses on the changes in gambling participation, frequency of participation, gambling expenditures and the reasons for gambling between 1985 and 1990 and between 1990 and 1995.

Before undertaking the following comparative analysis it is important to acknowledge that the growth in gambling revenues in New Zealand has been dramatic since 1980 with an overall growth rate of 13.5% per year (Table 5.1). That this growth rate is comparable to many first-world countries in the 1990's (World *Gambling at a Glance*, 1995). What this chapter seeks to do is clearly articulate, based on the survey results, where the changes in gambling attitudes and behaviours occurred between 1985 and 1995.

Table 5.1 : Gambling Expenditure : gross amount wagered less the amount paid out as prizes

Year	Expenditure \$ millions	Annual Change (%)
1980	118	
1981	132	11.9%
1982	155	17.4%
1983	168	8.4%
1984	191	13.7%
1985	204	6.8%
1986	221	8.3%
1987	249	12.7%
1988	315	26.5%
1989	426	35.2%
1990	482	13.1%
1991	575	19.3%
1992	563	-2.1%
1993	567	0.7%
1994	614	8.3%
1995	694	13.0%
1996	807	16.3%
1997	973	20.6%
Average Annual Change		13.5%

Source : Department of Internal Affairs, Research Section 1998

Gambling Participation and Frequency

In 1985, 78% of New Zealanders 15 years and over had participated in at least one form of gambling over the previous year. This rose to 90% by 1990, and remained at 90% until 1995. Whereas, horse/dog racing was the most popular gambling activity in 1985, with 37% of the sample having participated, Lotto became the most popular by 1990 with 83% participating, which increased to 93% by 1995. From 1990 to 1995 significant increases in participation occurred as new gambling products such as Daily Keno, casinos and 0900 telephone games emerged. Only 5% of the 1200 surveyed in 1995 had been to a casino over the past year and as such the outcomes must be treated with caution, as such care should be taken when interpreting these and other percentages³ throughout this chapter. These instances will be highlighted.

From 1985 to 1990 weekly participation increased across all forms of gambling (Table 5.2). However, Lotto and Instant Kiwi results must be treated with caution as these forms of gambling were introduced in 1987 and 1989 respectively, part way through the five-year period. Lotto, in particular, was introduced on the back of an intense marketing campaign stimulating interest over the first few years, resulting in abnormally high increases between 1987 and 1990. From 1990 to 1995 Lotto exhibited a moderate and more realistic 8% increase, as opposed to marked declines in Instant Kiwi, Gaming Machines and horse/dog racing. The initial hype of Instant Kiwi also inflated participation between 1985 and 1990, but it subsequently declined rapidly by 27% between 1990 and 1995.

³ In many cases the analysis is not based on the total sample of 1200 respondents. For example, when examining participants in a particular gambling activity the respondents in a particular demographic group may be less than 100. These instances will be highlighted where appropriate.

Table 5.2 : *Frequency of Participation - at Least Once over the Past Year.*

Gambling Form	Percentage Change 1985 – 1990 %	Percentage Change 1990 – 1995 %
Lotto	+61%	+3%
Instant Kiwi	+53%	-27%
Daily Keno	N/a	-
Raffles	+4%	+5%
Gaming Machine	N/a	-4%
Horse/Dog Racing	+4%	0
Housie	+3%	+1%
Casino	N/a	-
0900 Telephone Games	N/a	-

Table 5.3 : *Frequency of Gambling Participation - at least once a month.*

Gambling Form	Percentage Change 1985 – 1990 %	Percentage Change 1990 – 1995 %
Lotto	+68%	+8%
Instant Kiwi	+21%	-14%
Daily Keno	N/a	+1%
Raffles	+9%	+19%
Gaming Machine	N/a	-6%
Horse/Dog Racing	+5%	-8%
Housie	+7%	+33%
Casino	N/a	-
0900 Telephone Games	N/a	-

At least monthly participation (Table 5.3) shows a similar trend to that shown in at-least-yearly participation (Table 5.2). The exceptions are increases in monthly participation between 1990 and 1995 in housie and raffles. This possibly indicates that raffles are a regular activity in the workplace and housie a regular social activity. With the exception of gaming machines and horse/dog racing, monthly participation continued to increase with a 3.1% increase across all gambling forms from 1985 to 1995. The largest change (1990-1995) was a substantial (19%) participation increase in raffles and to a lesser extent in Daily Keno and casinos. When Daily Keno and casino activities were isolated, the reason for participation was largely curiosity or a desire for excitement (37%), which

suggests many may withdraw from these forms of gambling as the excitement or curiosity fades.

Table 5.4 : Overall Increases in Gambling Participation - 1985 and 1990.

Demographic Group	Overall Percentage Increase in Participation Across all Gambling forms 1985-1990	No. of Gambling forms where Increased Participation is 5% or above 1985-1990	Highest Single Percentage Increase in Participation 1985-1990
Personal Income < 30,000	28%	3	16%
NZ Maori	26%	4	10%
Blue Collar	24%	3	17%
Household Income < \$40,000	20%	3	6%
Household Income \$40,000 - \$70,000	17%	2	9%
Age 25 -34	17%	2	7%
Income \$30,000 - \$50,000	16%	2	5%
Age 65+	14%	2	5%
White Collar	14%	2	5%
Retired	12%	3	8%
No Qualification	12%	3	6%
Age 35 - 44	11%	2	7%
Primary/Secondary Education	11%	2	5%
Female	8%	1	5%

From 1985 to 1990 people earning less than \$30,000, NZ Maori, blue-collar workers and those with household incomes less than \$40,000 exhibited increases in participation greater than 20% in total (across all forms of gambling). Importantly, during this period the lower socio-economic groups exhibited higher increases in participation (Table 5.4) than any other group. Again it was the lower-income demographic groups who exhibited multiple increases of more than 5% for a single form of gambling. For instance, NZ Maori exhibited increases above 5% across 4 of the 6 forms of gambling. Housie was the highest at 10%, with lotto (introduced in 1987) at 8%. It is generally the same income groups who had the highest single increase in any one form of gambling. The blue-collar demographic group exhibited the highest (17%) increase in horse/dog racing (1985-1990).

Table 5.5 : Increases in Gambling Participation - 1990 and 1995.

Demographic Group	Overall Percentage Increase Across all Gambling forms 1990-1995	No of Gambling forms where Increased Participation is 5% or above 1990-1995	Highest Percentage Increase in Participation 1990-1995
University Graduate Education	48%	4	15%
NZ Maori	39%	2	19%
White Collar	27%	4	10%
Personal Income \$30,000 - \$50,000	25%	4	7%
Household Income \$40,000 - \$70,000	23%	4	11%
Age 25-34	23%	4	7%
Retired	21%	3	14%
Personal Income > \$50,000	18%	2	9%
Other Tertiary Education	17%	2	8%
Age 65+	17%	3	11%
School Certificate Education	17%	3	7%
Age 55-64	15%	2	7%
Primary/Secondary Education	10%	1	10%
Female	8%	1	5%

From 1990 to 1995, university graduates, NZ Maori, white collar workers, people earning incomes between \$30,000 and \$50,000, households with incomes of \$40,000-\$70,000, and those aged 25-34 exhibited participation increases of more than 20% in total (across all forms of gambling). For example the university graduate group increased by 48% across all gambling forms, participated highly in four out of the eight gambling forms with a high of 15% in one form of gambling (Table 5.5). The high numbers participating in multiple forms of gambling may suggest that the act of gambling is more important than the form of gambling itself. Also apparent in this period, as in the previous five year period, is that those demographic groups showing high increases are in many cases the same groups participating in numerous gambling forms.

NZ Maori, unlike the other demographic groups, exhibited high increases in participation in only two of the eight gambling forms, that is Housie (13%) and raffles (19%). A explanation for this is not obvious, but it may indicate a possible social difference between Pakeha and Maori, and support the claim that Maori culture tends to be less individualist, less interested in financial gain and more communal in orientation. Even though most Maori are low-income earners they see value in contributing small amounts to worthy causes, e.g Raffles, and in participating in more social forms of gambling, such as Housie.

Of the total sample of 1200 more than 14% participated in 4 to 6 gambling forms in 1985. By 1990 this increased to 34% and remained at 34% until 1995. This suggests that regular monthly participants had settled on a number of preferred gambling activities, but were attracted to more than one gambling form.

When both five-year periods are viewed in conjunction a clear pattern emerges. From 1985 to 1990 higher increases were confined to the lower-income earners, in comparison to the 1990 to 1995 period where the middle-income earners exhibited dramatic increases in participation.

Table 5.6 : *Decreases in the Gambling Participation of 5% or more (1985 and 1990).*

Demographic Group	Overall Percentage Decrease across all gambling forms 1985-1990	No of Gambling types where decreased participation is 5% or more 1985-1990	Highest Percentage Decrease 1985-1990
Beneficiary/Unemployed	-21%	2	-16%
Education (no qualification)	-13%	2	-3%
Age 65+	-8%	1	-7%
Retired	-5%	1	-4%
Female	-5%	1	2%

Table 5.7 : *Decreases in the Gambling Participation of 5% or more (1990 and 1995).*

Demographic Group	Overall Percentage Decreases across all gambling types 1990-1995	No of Gambling types where Decreased Participation is 5% or more 1990-1995	Highest Percentage Decrease 1990-1995
Beneficiary/Umemployed	-40%	4	-13%
Student	-25%	4	-10%
Trade/Technical Qualification	-18%	2	-10%
UE/Bursary	-14%	4	-10%
Age 15-25	-14%	3	11%
Blue Collar	-9%	2	-14%
Age 45-54	-7%	2	-11%
Household Income <\$40,000	-5%	1	-9%

Not all the demographic groups surveyed showed increases in gambling participation. Marked decreases were also exhibited (tables 5.6 and 5.7). The number of decreases (greater than 5%) as well as the size of the declines were significantly less than

corresponding period increases. The number of demographic groups showing declines increased from 8 in 1990 to 21 in 1995, and those decreasing by more than 5% increased from 5 to 8 respectively. The fact that significant decreases occurred in participation in the later five-year period raises the intriguing possibility that a degree of gambling saturation had occurred by 1990 in these, mostly low-income, demographic groups. The possibilities that circumstances had changed to a point where financial resources could no longer be made available for gambling, or that attitudes towards gambling had changed are suggested. Each reason appears equally valid. It could be argued that the beneficiary-unemployed group decreases are purely economic, given that over the 1987 to 1994 period, welfare provisions were targeted for cuts by Government (Peirson 1994). Similarly, education began the move to a more user-pays regime in the early 1990's, resulting in students having much less discretionary income or spare time for gambling. Also the saturation stance can be argued from the perspective that the demographic groups showing declines (table 5.7) are within the lower end of the low income cluster, suggesting that a financial and/or non-financial threshold may have been reached affecting their propensity to gamble.

Of particular interest is the 9% decline in the blue-collar demographic group (table 5.7). It must be emphasised that the underlying blue-collar statistics from 1990 to 1995 are heavily influenced by a single large disproportionate decrease in Instant Kiwi participation, inflating the decline in blue-collar gambling. It should therefore be treated with caution, as Instant Kiwi had a strong following when introduced in 1989 but by 1995 this following had reduced significantly (Department of Internal affairs).

In summary, from 1985 to 1990 annual and monthly participation rate increases were smaller, more frequent, and more widely distributed across the demographic groups surveyed than during the subsequent 1990 to 1995 period. The increases were found to be mainly within the lower income groups (Tables 5.4). From 1990 to 1995, markedly different gambling participation behaviours were exhibited. The number of demographic groups showing declines increased, but this was outweighed significantly by the increases. The increases occurred mainly within the middle income demographic groups.

University graduates, white-collar workers and those earning over \$30,000 exhibited the largest increases, as opposed to the blue collar-workers and the beneficiaries groups in the earlier five-year period. The outcomes also highlight the fact that those exhibiting high increases are also those participating in a number of gambling forms, suggesting it is the act of gambling that is of primary importance.

Table 5.8 : *Participation Rate changes for each income cluster 1985 –1990 and 1990 –1995.*

Cluster	Percentage Change 1985 –1990 %	Percentage Change 1990 –1995 %
Low Income	+4.3%	+4.9%
Middle Income	+3.2%	+6.1%
High Income	+1.6%	+1.1%

Table 5.8 highlights the participation rate changes within each income cluster. Whilst the low and high-income clusters have exhibited increased participation at similar rates over both periods, the middle income cluster exhibited a sharp 2.9% percentage point rise in participation between 1990 and 1995.

I emphasise that participation changes on their own are not sufficient to show cause for increased gambling revenues. However the rates of change and the direction of the changes across the demographic groups surveyed are sufficient to narrow the focus to the groups exhibiting measurable changes in the propensity to gamble.

Participation changes can be misleading in isolation, but when read in conjunction with the frequency of gambling they become more meaningful in the context of this analysis. The following frequency-of-participation evaluation adds to the outcomes from the previous analysis. When Lotto, horse/dog race and raffle respondents are isolated, the frequency of participation results for each income cluster are shown in tables 5.9 and 5.10.

Table 5.9 : Participation rate by cluster 1985 - 1990 (lotto, horse racing & raffles)

Cluster	At least once a week Percentage Change 1985-1990 %	At least once a month Percentage Change 1985-1990 %	Less often than monthly Percentage Change 1985-1990 %
Low Income	+44	+11	+5
Middle Income	+22	+39	+38
High Income	+7	+11	+22

Note that all the 1988-1990 changes are heavily influenced by the inclusion of Lotto, a gambling form introduced in 1987.

Table 5.10 : Participation rate by cluster 1990 - 1995 (lotto, horse racing & raffles)

Cluster	At least once a week Percentage Point Change 1990-1995 %	At least once a month Percentage Point Change 1990-1995 %	Less often than monthly Percentage Point Change 1990-1995 %
Low Income	+5.0	+3.1	+4.5
Middle Income	+5.7	+5.8	+6.2
High Income	+1.7	+3.1	+7.8

For three of the high-participation forms of gambling the low income cluster exhibited a pattern of rapidly increasing weekly participation, and moderate increases in at least monthly and or less than monthly participation rates (Table 5.9). This result suggests the possibility of gambling as a routine and ritualistic activity, say a Lotto ticket or horse race bet every Saturday (at least once a week). During the later period (1990 to 1995) the trend reversed and where at-least-monthly or less than monthly participation rates increased relative to weekly participation. Given that the overall participation rates increased for the low-income cluster over the two periods, there has been a significant move away from weekly to monthly or less than monthly participation between 1990 and 1995.

The 1985 to 1990 results for the middle income group show a pattern of higher at-least-monthly and less-than-monthly rather than weekly participation. This result raises the

possibility that gambling was a less ritualistic activity in this group during this period. However the 1990 to 1995 results show a different picture, with high increases in weekly participation as well as moderate and steady rises in both at least monthly and less-than-weekly participation (Table 5.10). An overall increase in frequency across all gambling forms, is evident.

For the high-income group, both the 1985 to 1990 and 1990 to 1995 results (Table 5.9 and 5.10) show similar patterns: a move to less-than-monthly participation relative to moderate increases in the at least monthly and small increases in weekly participation. This result suggests that gambling for many high-income earners is possibly not a planned or routine activity. It is more likely to be a spur-of-the-moment activity, undertaken for entertainment or a challenge rather than for financial reward. The high-income cluster, whilst showing increased participation, were participating much less often between 1990 and 1995 than in the previous period.

Table 5.11 : Frequency of participation in each gambling activity (Lotto, horse/dog and raffles) - 1995

Gambling Form	At least once a week %	At least once a month %	Less often than monthly %
Lotto	44	51	4
Horse/Dog Racing	10	35	55
Raffles	11	17	72

Forty-four percent of all lotto players said they participated weekly, 51% at least once monthly and 4% less often than monthly but at least once a year. Fifty-five percent had bet on horse/dog racing in the past year, 10% had done so on a weekly basis and 35% once a month. Only 11% of raffle buyers (8% of all respondents) said they bought tickets weekly; 17% bought them at least once a month and 72% less often than once a month (Table 5:11).

The frequency of participation for lotto players changed little from 1990 to 1995. For racing gamblers there was a small (3%) increase in weekly participation but a significant

increase of 7% in those betting at least once a month. Those who had taken raffle tickets showed similar results from 1990 to 1995, with a slight move from at least once a month to less than once monthly participation.

To summarise the frequency of gambling the following can be drawn:

- Within the low-income cluster there was a marked move from weekly to at least monthly and less than monthly participation by 1995.
- From 1985 to 1990 the middle-income cluster participated most, at least monthly or less-than-monthly (Table 5.9). However during the later period (1990-1995) notable increases in weekly participation relative to the low- and high-income clusters occurred, with smaller increases in at least monthly and less than monthly participation. Overall this cluster participated more frequently by 1995 and the number of participants increased also. This result indicates that by 1995 the majority of new and more frequent gambling participants were from the middle-income cluster.
- The high-income cluster exhibited little change from 1985 to 1995: marginal increases in participation rates but less frequent gambling and a move away from weekly or monthly to less than monthly participation.

Spending on Gambling

Whilst participation changes and frequency of participation changes are important components to the gambling behaviour and attitude picture it is the expenditure on gambling and the reasons for gambling that will complete the gambling picture.

Table 5.12 : Average Spending on Gambling per year by Household Income

Household Income	1985 \$	1990 \$	1995 \$
<\$40,000 (Low income cluster)	382	378	370
\$40,000 - \$70,000 (Middle income cluster)	447	464	472
>\$70,000 (High income cluster)	517	531	433

Whilst the average overall amount spent on gambling, per household, decreased, the average expenditure in the low-income cluster (< \$40,000) remained fairly constant over the entire 1985 to 1995 period. In the middle cluster household spending on gambling increased steadily between 1985 and 1995. Although high-income household expenditure increased between 1985 and 1990, it then decreased quite significantly between 1990 and 1995 (Table 5.12).

Table 5.13 : Average annual expenditure on gambling by Occupation

Occupation	1985 \$	1990 \$	1995 \$
White Collar	379	405	458
Blue Collar	698	782	567
Home Duties	231	282	320
Retired	211	237	319
Beneficiary	656	965	402
Student	122	130	217

From 1985 to 1990 significant increases in gambling expenditures occurred in the beneficiary (47%), the home duties (34%) and the blue-collar (12%) occupation groups (Table 5:13). Of the eight occupations surveyed all exhibited increases in gambling expenditures. In contrast, in the later five-year period 1990 to 1995 decreases began to occur. The blue-collar occupation groups, whilst increasing gambling significantly during 1985 to 1995 exhibited significant decreases of 27% from 1990 to 1995, as was the case with the beneficiaries group, with a dramatic decrease of 58% by 1995. All other occupations exhibited substantial spending increases from 1990 to 1995, in particular the student and white-collar occupations.

Table 5.14 - Average Annual Expenditure on Gambling by Education Level

Education level	1985 \$	1990 \$	1995 \$
None	696	675	532
School Certificate	451	446	475
UE/Bursary	221	229	297
Technical Trade	455	425	415
Other Tertiary	111	117	291
University Graduates	228	231	312

People with few or no formal qualifications spent more on average than others in all three survey years, but exhibited a rapid decline of 21% between 1990 and 1995. Three of the six educational groups exhibited increases from 1985 to 1990; not so over the later 1990 to 1995 period, where increases occurred in four of the six groups with dramatic increases in the UE/bursary (30%), other tertiary (149%) and university graduate (35%) education levels (Table 5.14). Increases in spending between 1990 and 1995 came from the relatively higher income education groups as opposed to the earlier 1985 to 1990 period. However the absolute amounts spent remained highest in the low-income- earner groups over both five year periods.

Table 5.15 : Average annual expenditure on gambling (By Cluster)

Cluster	% Change 1985-1990	% Change 1990-1995
Low Income	+5%	+2%
Middle Income	+4%	+14%
High Income	-2%	-6%

By way of a summary it is shown in Table 5:15 that from 1985 to 1990 the low income cluster exhibited the largest increases in spending on gambling. The middle-income cluster exhibited a comparable increase to that in the low income cluster from 1985 to 1990; however from 1990 to 1995 there was a dramatic increase of 14%, a significant 12% increase over the low-income cluster over the same period. The increases were influenced by large increases in the other tertiary, university graduate and white-collar worker spending, offset to some degree by a small reduction in the \$30,00-\$50,000 personal income group.

The high-income cluster exhibited increasing declines in spending on gambling over both periods.

The final and critical strand to the behaviours and attitudes comparative analysis is the reasons for gambling participation. In 1985, 62% of low-income cluster participants gambled to win prizes, 22% for a day out at the races (entertainment) as horse racing was

almost the only form of gambling for most of this period. To win prizes was increasingly the motive, rising to 68% by 1990, and to 72% by 1995. In 1995 other reasons why people gambled emerged: 9% for interest or to be with others (mostly Housie), 5% for excitement or a challenge and the rest for curiosity, as a gift, for entertainment or for worthy causes. For example, 85% of the blue-collar occupation group, 60% of those earning below \$30,000 and 72% of the home-duties occupation group gambled to win prizes in 1995, all being increases over the 1985 to 1990 results. The entertainment factor has clearly increased in importance with the introduction of casinos and gaming machines. However by 1995 there was insufficient reliable data to meaningfully measure the impact of casinos.

Forty-five percent of the middle-income cluster gambled to win prizes in 1985, 53% in 1990 and there was a significant 13% increase to 66% by 1995. This was at the expense of the challenge/excitement factor which reduced from 28% to 12% between 1985 and 1995. Other reasons remained steady from 1985 to 1995, interest remaining at between 8 and 10%, and being with others at between 5% and 8%. Interestingly, by 1995, 75% of those with other tertiary qualifications and 54% of university graduates gambled to win prizes, a dramatic increase over the 1990 and 1985 results. Conversely for the same groups gambling for entertainment or excitement declined markedly (Table 5:16 and 5:17).

Table 5.16 : Reasons for Participation 1990 - 1995 'To Win Prizes'

Demographic Group	1990 %	1995 %	% Change 1990 - 1995
Blue Collar	81	85	+5%
White Collar	64	68	+6%
Personal Income 30 - 50k	63	60	-5%
Household Income 40 - 70k	68	63	-7%
Other Tertiary	41	75	+82%
University Graduates	27	54	+100%

Table 5.17 : Reasons for Participation 1990 – 1995 ‘For Excitement/Challenge’

Demographic Group	1990 %	1995 %	% Change 1990 – 1995
White Collar	21	16	-23%
Personal Income 30 – 50k	17	16	-6%
Household Income 40 – 70k	19	23	+21%
Other Tertiary	32	21	-34%
University Graduates	41	22	-46%

In the high-income-cluster 32% gambled to win prizes in 1995, 19% for entertainment, 15% for the challenge and 12% for worthy causes. To win prizes remained the motive of about the same proportion at 34% in 1985, 30% in 1990 and 32% in 1995. From 1985 to 1995 there was no marked change in the reasons to gamble within this cluster, but the entertainment factor continued to increase relative to other reasons.

In summary; to win prizes was clearly the dominant and increasing reason why people gambled across all income clusters, by 1995, especially in the middle cluster where this motive has increased significantly in the other tertiary and university graduate groups. Similarly, in the low income cluster there has been a corresponding reduction in those gambling for excitement or for the challenge and to win prizes had become increasingly the primary reason to gamble, with well over two thirds gambling for this reason by 1995. Whilst to win prizes is the main reason in the high-income cluster, only a third gamble for this reason. The entertainment associated with casinos appears to be an increasing factor with over 85% of the high income group attending for this reason, a result consistent over all clusters, with on average 65% having attended a casino for entertainment. However, this result needs to be treated with caution given the small sample size as casino participants are only 2% of the sample.

Presented so far in this chapter has been a comparative analysis of gambling participation, expenditure and the reasons to gamble. For the purpose of bringing the results of this analysis and thesis to the common nexus, both spending on gambling and gambling participation are mapped against personal income as follows:

Table 5.18 : Summary of Personal Income and the Change in Average Annual Spending on Gambling (1985 to 1990 and 1990 to 1995).

Personal Income \$	Change in the average annual spending on gambling 1985 –1990	Change in the average annual spending on gambling 1990 –1995
<10,000 (Low-income cluster)	+5%	-4%
10,000 - 15,000 (Low-income cluster)	+2%	-1%
15,001 - 20,000 (Low-income cluster)	+4%	+2%
20,001 - 25,000 (Low-income cluster)	+5% **	+4%
25,001 - 30,000 (Low-income cluster)	+3%	+5%
30,001 - 35,000 (Middle-income cluster)	+3% **	+9%
35,001 - 40,000 (Middle-income cluster)	+2%	+18%
40,001 - 45,000 (Middle-income cluster)	+2% **	+14%
45,001 - 50,000 (Middle-income cluster)	+3%	+8%
50,001 - 55,000 (High-income cluster)	+1% **	+6%
55,001 - 60,000 (High-income cluster)	+1%	+5%
60,001 - 65,000 (High-income cluster)	+1% **	-7%
65,001 – 70,,000 (High-income cluster)	-1%	-8%
> 70,001 (High-income cluster)	-3%**	-9%

** The 1985 survey captured income data at \$10,000 intervals whereas the later 1990 and 1995 surveys income intervals were at \$5,000 intervals. For comparison the intermediate intervals for the 1985 survey have been interpolated.

Figure 5.1

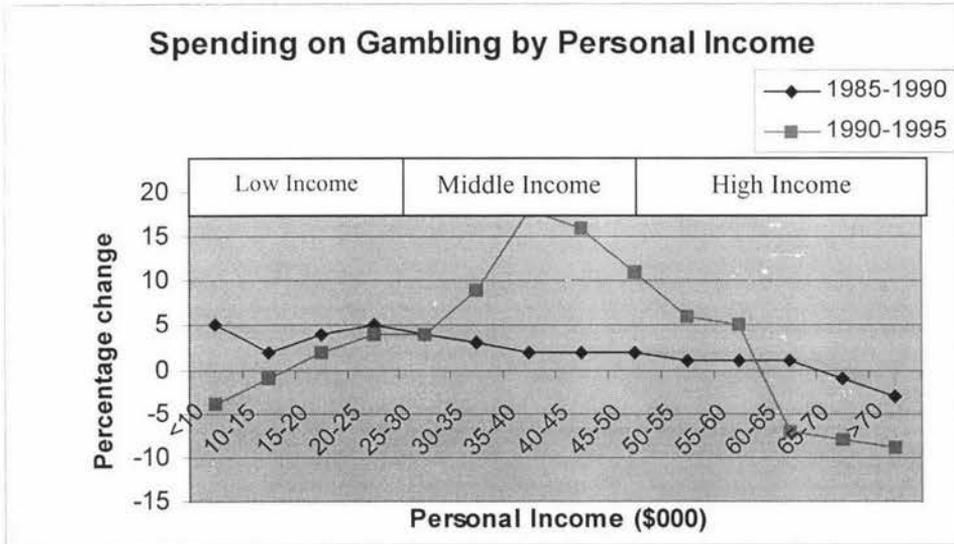


Table 5.18 and Figure 5.1 show the changing pattern of spending on gambling within each personal income cluster. For those earning less than \$30,000 (the low-income cluster) there was minimal change in gambling expenditure over the two five-year periods (Figure 5.1).

For personal incomes between \$30,000 and \$50,000 (the middle income cluster) significant changes occurred, with steady but small increases across all personal income bands between 1985 and 1990. However, from 1990 to 1995 those earning between \$35,000 to \$45,000 exhibited dramatic (16%) increases in spending. Those earning between \$30,000 to \$35,000 and 45,000 to \$50,000 also exhibited 9% and 8% increases in spending respectively.

For personal incomes above \$50,000 (the high-income cluster) spending on gambling declined overall. Moderate increases in spending were found in those earning between \$50,000 and \$60,000 relative to the earlier period, but as incomes rose above \$60,000 rapid declines in spending occurred.

Figure 5.1 illustrates that from 1985 to 1990 there was a slight almost linear decline in spending on gambling with personal income. This was not the case from 1990 to 1995 period, when all incomes below \$30,000 and above \$60,000 exhibited declines in gambling spending. But within all other income bands spending increased, the largest (18%) increase occurring in the \$35,000 to \$45,000 income band.

Table 5.19 : Summary of Personal Income and the Changes in “at least monthly” Participation.

Personal Income \$	Percentage change in “at least monthly” Participation 1985 –1995	Percentage change in “at least monthly” Participation 1990 –1995
<10,000 (Low-income cluster)	+1%	+1%
10,000 - 15,000 (Low-income cluster)	+2%	-3%
15,001 - 20,000 (Low-income cluster)	-1%	+2%
20,001 - 25,000 (Low-income cluster)	+8% **	+11
25,001 - 30,000 (Low-income cluster)	+3%	+23%
30,001 - 35,000 (Middle-income cluster)	+12% **	+22%
35,001 - 40,000 (Middle-income cluster)	+9%	+32%
40,001 - 45,000 (Middle-income cluster)	+8%**	+17%
45,001 - 50,000 (Middle-income cluster)	+13%	+14%
50,001 - 55,000 (High-Income cluster)	+8%**	+11%
55,001 - 60,000 (High-income cluster)	+9%	+5%
60,001 - 65,000 (High-income cluster)	+5%**	-1%
65,001 – 70,000 (High-income cluster)	+3%	-5%
> 70,001 (High-income cluster)	+4%**	-2%

** The 1985 survey captured income data at \$10,000 intervals whereas the later 1990 and 1995 surveys income intervals were at \$5,000. For comparison the intermediate intervals for the 1985 survey have been interpolated.

Figure 5.2

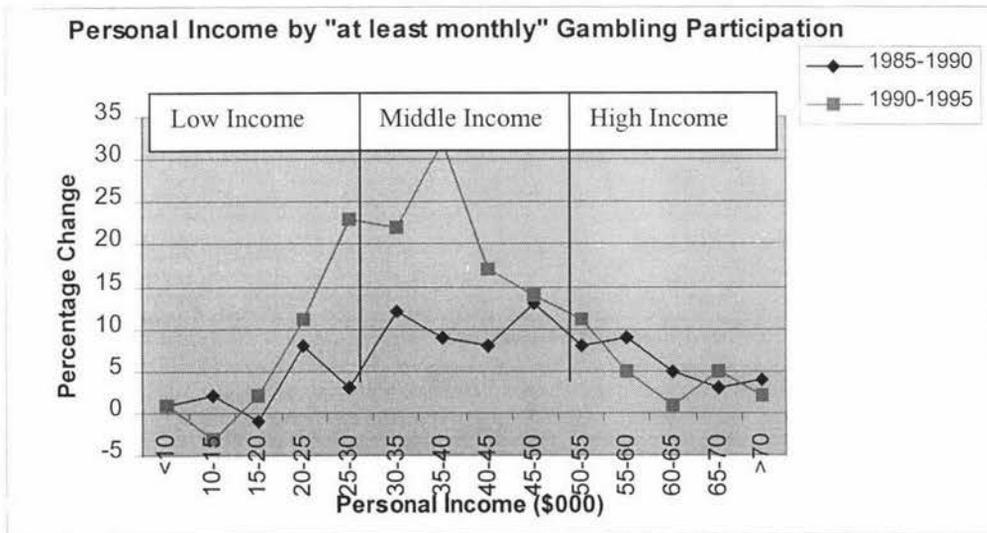


Table 5.19 and Figure 5.2 detail the changing pattern of gambling participation within each personal income group and income cluster.

For those earning less than \$30,000 (low-income earners) minimal change occurred in participation over the two periods, particularly among those earning below \$25,000. However rapid rises occurred for those earning between \$25,000 and \$30,000. It should be noted that this change has been influenced by a disproportionate number of blue-collar workers participating in Instant Kiwi during the late 1980's and early 1990's.

For personal incomes between \$30,000 and \$50,000 (the middle-income cluster) volatile changes occurred. Dramatic increases in participation of 32% occurred among those earning between \$30,000 and \$40,000, or a 23% increase over the previous 1985 to 1990 period. At the upper end of the middle-income cluster (incomes of \$45,000 to \$50,000) participation increases declined to levels similar to those of the earlier 1990 to 1995 period.

For those earning incomes above \$50,000 (the high-income cluster) gambling participation has decreased marginally at similar rates between 1985 and 1990 and 1990 and 1995.

In a generic sense Figure 5.2 illustrates that gambling participation has been volatile when compared to personal income but there is a clear trend in each five-year period. Between 1985 and 1990 small steady increases occurred in the low-income cluster, slightly higher increases in the middle income cluster (average of 9% over the period) and a small increase of 5% in the high-income cluster. When the 1985 to 1990 period is compared with the 1990 to 1995 period, dramatic changes occurred. The low-income cluster exhibited slightly higher increases, particularly at the upper end. The middle cluster saw dramatic increases, particularly within the \$30,000 to \$40,000 income bands; and there were similar but lesser increases in the high-income cluster.

Table 5.20 : Summary of Statistical Findings for each Cluster

Cluster	Participation Change from 1985-1990 %	Participation Change from 1990-1995 %	Expenditure Change from 1990-1995 %	Expenditure Change from 1990-1995 %	Primary reason to Gamble 1985 %	Primary reason to Gamble 1990 %	Primary reason to Gamble 1995 %
Low Income	+4.3%	+4.9%	+5%	+2%	To win prizes 62%	To win prizes 68%	To win prizes 72%
Middle Income	+3.2%	+6.1%	+4%	+14%	To win prizes 45%	To win prizes 53%	To win prizes 66%
High Income	+1.6%	+1.1%	-2%	-6%	To win Prizes 34%	To win Prizes 30%	To win Prizes 32%

To summarise this chapter is to bring together the pertinent findings as shown in Table 5.20, which assembles in one table all the critical outcomes. It shows that gambling participation has increased only marginally in the low-income demographic groups, spending on gambling continuing to increase at a slow rate. This rate slowed even further between 1990 and 1995 and the reasons for gambling increasingly being to win prizes.

For the middle-income cluster, after a period of relatively slow but constant growth between 1985 and 1990, all three measures then exhibited dramatic increases from 1990 to 1995. Both participation in and spending on gambling dramatically increased and the motive of winning prizes increased from 45% in 1985 to 66% in 1995.

About one third of all high-income gamblers gamble to win prizes and this changed little over both periods. Other reasons rate almost as highly, such as the challenge and as entertainment. In this a group participation on gambling slowed, frequency of participation dropped-off and spending on gambling declined in both periods by 2% and 6% respectively.

When participation in and spending on gambling are compared with personal income, the results (Figures 5.1 and 5.2) show a similar pattern over the two five year periods. In broad terms, from 1985 and 1990 there were small increases in both participation and spending across all income levels, although participation in the middle income cluster

had begun by 1990 to show slightly higher increases than the low or high clusters did. However between 1990 and 1995 rapid increases in both participation and spending occurred within the 25,000 to 55,000 income levels, with dramatic increases occurring between personal incomes of \$35,000 to \$45,000. At the high- and low-income ends of the personal income continuum there were marked declines in both participation and spending.

CHAPTER SIX - Linking Gambling and the Culture of Poverty

Oscar Lewis (1967) argues where a sustained culture of poverty exists there will be a strong propensity to gamble. The outcomes presented in this thesis support this notion. Where the social, economic and political pre-conditions of a culture of poverty are met, an environment emerges where gambling is seen as the only way for many individuals to move beyond their current financial position or status. Although few New Zealanders experience what many describe as real poverty, poverty in the New Zealand context clearly fits the culture of poverty model, as “broadly a lack of fit between culturally prescribed goals and the socially structured means to achieve those goals” (Merton, 1936).

Chapter two has established that a culture of poverty can be found in any society that has at its core a social democratic political system and a dominant production-for-profit ethos. These are clearly New Zealand characteristics in the 1980’s and 1990’s (Miller, 1997). It also established that the phenomenon has a timeless dimension, as the same culture of poverty conditions found in Latin America or the United States in the 1960’s can be found in New Zealand in the 1990’s. In essence, a case was made for recognising without a need for measurement, that a culture of poverty existed in many strata of New Zealand society. Only its composition, location and size were unknown.

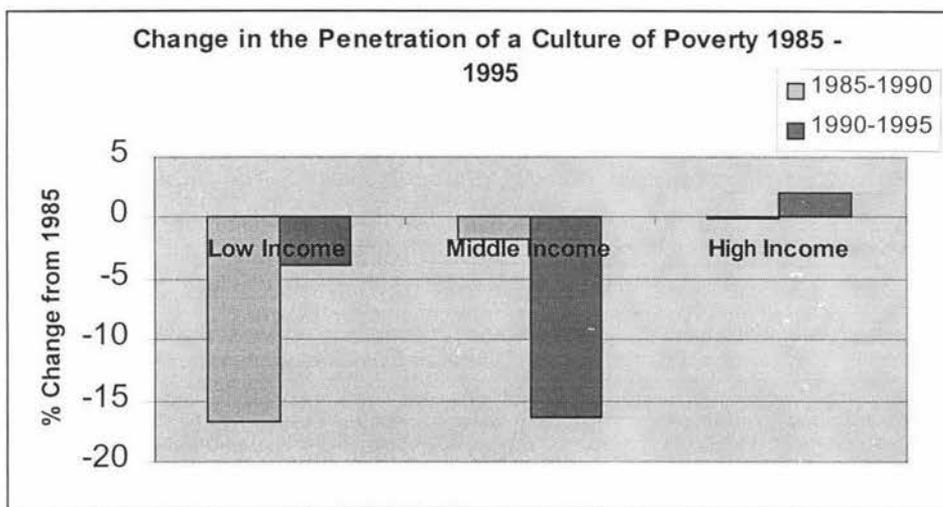
In chapter two also, Oscar Lewis (1967) asserted that out of a prolonged ‘Culture of Poverty’ comes the possibility of internal conflict or revolutionary action through new social movements. A case has been made, that whilst the possibility of a new social movement exists in New Zealand, it remains highly unlikely any movement will emerge with sufficient momentum within the foreseeable future. However this eventuality cannot be discounted, but as Lewis states it tends to occur only in societies where extreme levels of poverty exist. A level of poverty that New Zealand will clearly not fall to in the foreseeable future. In addition New Zealand’s stable economic and political structures and the welfare safety net, reduce the emergence of real poverty and consequently new social movements. Therefore in the absence of any new social movement, gambling becomes the one individually-situated means for many to rise above the relative poverty

levels where the propensity to gamble is perpetuated by the combined social, economic and psychological impacts of a culture of poverty.

Chapter four presented a comprehensive evaluation of the degree to which a culture of poverty had penetrated New Zealand society; and chapter five an equally rigorous statistical analysis of the changes in gambling attitudes and behaviours (from available survey data). The results of chapters four and five have been mapped onto a common nexus of personal incomes as shown in Figure 6.4. The evaluation and analysis focused on the periods 1985 to 1990 and 1990 to 1995.

A synthesis of the outcomes of chapters four and five is now presented.

Figure 6.1



Negative values are increasing penetration of a culture of poverty and positive values a reduction

Figure 6.1 brings together the outcomes presented in chapter four, combining Table 4.13 and Figure 4.6. This figure captures the changes in the penetration of a culture of poverty between the years 1985 and 1995. It is important to note that the negative values show an increasing penetration of the phenomenon and the positive values a decrease.

For the low-income cluster (those earning less than \$30,000) a rapid increase in the penetration of a culture of poverty from 1985 to 1990 is shown: a constant, linear rate of around 3% per year followed by a small 0.5% per year increase between 1990 and 1995.

The overall penetration over the 1985 to 1995 decade is 16.7% (Chapter 4, Figure 4.6). The sustained increases in the penetration of a “Culture of Poverty” are a consequence of:

- persistently high rates of unemployment, in particular under-employment of the unskilled
- failure of economic organisation, particularly the increasing powerlessness of worker or trade unions, especially from 1991 to 1995
- an almost total disillusionment with the political process as a way forward
- a sustained and dramatic loss of social organisation, such as working-mens clubs and other low-income support organisations in both rural and urban areas
- a continued decline in wages in real terms and a marked and sustained decline in the ability to save

For the middle-income cluster (those earning between \$30,000 and \$50,000) small increases of 1.8% in the presence of a culture of poverty between 1985 and 1990 were exhibited (Chapter 4, Figure 4.6). Clearly, by 1990 at least a minimal impact of the phenomenon was felt at the middle to upper end of this cluster. However, from 1990 to 1995 a very different picture emerged with a dramatic 15% increase occurring, an overall increase of 16.8% between 1985 and 1995 (Figure 4.6). In terms of Lewis’s model the underlying reasons for the dramatic increases in penetration between 1990 and 1995 were:

- rapid increases in unemployment within a cluster that was largely insulated from the effects of unemployment prior to 1990
- a sustained decline in wages and salaries and a consequential decline in the ability to save
- a dramatic reduction in economic organisation as a consequence of the demise of the majority of middle-income workplace unions, due to the enactment of Employment Contracts Act 1991
- a widespread and sustained disillusionment with the political process and politics as a whole
- a marked decline in social organisation as highlighted by the rapid reduction in the number of Country Women’s Institutes and rugby clubs

The impact of the culture of poverty on the high-income cluster (those earning over \$50,000) was negligible from 1985 to 1990. The evidence shows that high-income earners increasingly insulated themselves from the phenomenon between 1990 and 1995 (Figure 4.6). It is straight-forward to show that this cluster increasingly distanced itself from a sustained culture of poverty. The key factors that lead to this conclusion are that:

- political organisation increased with the entry of the ACT Political Party supporting high-income causes and with the National Party continuing to enshrine strong market ideologies which also supported high-income earners
- there was effectively no loss of economic organisation as the high-income professional unions continued to exhibit significant workplace power
- high-income social organisations, such as the business round table, showed no signs of decline and remained influential in political circles.
- wages and salaries whilst declining slightly remained high relative to the low and middle clusters and so higher levels of savings continued to be achieved
- there was a low proportion receiving income solely from wages and a growing proportion with business interests, fostering a sense of upward mobility.

The conclusions to be drawn from the culture of poverty evaluation at an income-cluster level, is that by 1995, all of the low income cluster and the low to middle end of the middle-income cluster exhibited real and sustained feelings of despair and a widespread sense of hopelessness, as shown in Chapter Four, Figure 4.5. More importantly the once strong and growing social, economic and political support structures had declined to a level where many individuals could see no opportunity for economic progress or upward mobility through traditional means, even if one was prepared to work hard. Gambling had become an increasingly attractive alternative for economic progress for these individuals.

The middle to upper end of the middle-income cluster and particularly the high-income cluster had managed in a tangible way to protect their circumstances and those in the high-income cluster in many instances enhanced their position in society. Importantly they were able to maintain and foster a strong sense of upward mobility.

In chapter five changes in gambling attitudes and behaviours were measured from existing survey information covering gambling participation (including gambling frequency), spending on gambling and the reasons why participants gambled. The results are shown in Figures 6.2 and 6.3.

Figure 6.2

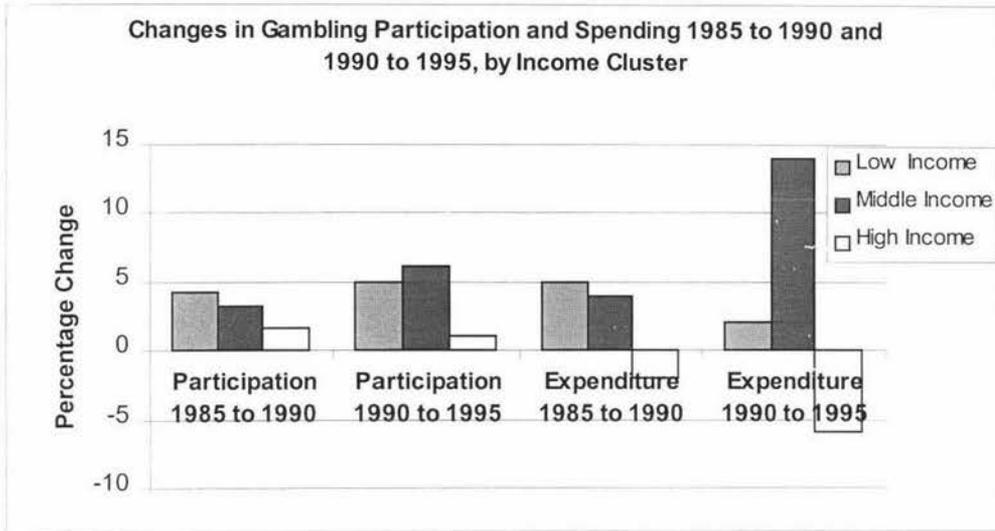
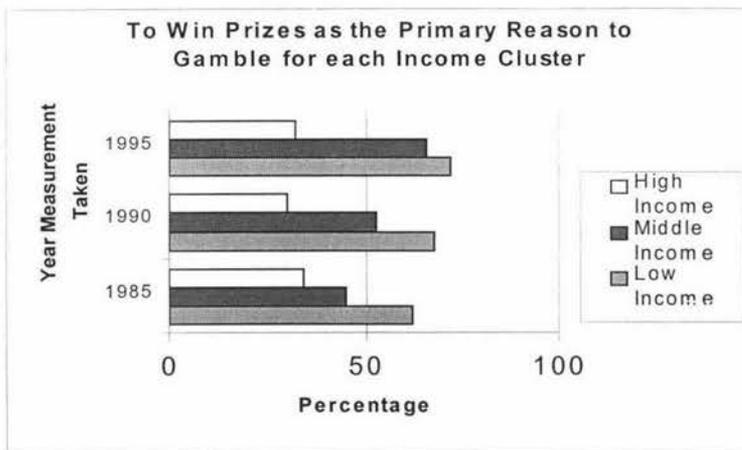


Figure 6.3



For low-income earners gambling participation increased rapidly from 1985 to 1990 and although continuing to increase, the increases declined markedly between 1990 and 1995. In terms of gambling frequency, by 1995 there was a marked swing away from weekly to less than weekly gambling participation. For middle-income earners the opposite

occurred with moderate increases in participation during the 1985 to 1990 period followed by dramatic increases from 1990 to 1995. Frequency of participation increased significantly from at least monthly to weekly. For high-income earners small increases in participation occurred between 1985 and 1990, but then continual and steady declines between 1990 and 1995, with average frequency of participation moving significantly from at least monthly to less than monthly.

Low-income spending on gambling increased rapidly between 1985 and 1990. The increases slowed significantly between 1990 to 1995. The reverse occurred in the middle income earners, but middle-income earner spending increased at moderate rates between 1985 and 1990, followed by rapid increases between 1990 to 1995.

For high-income earners the trend was a steady decline in gambling spending over both five-year periods.

When the reason for gambling is assessed, approximately 33% of all high-income earner participants gambled to win prizes throughout the 1985 to 1995 decade. A relatively high proportion (22%) gambled for entertainment and/or excitement and the rest for various reasons such as to be with others, as a hobby or as a challenge. Middle income earners predominantly and increasingly gambled to win prizes; by 1995 over 66% gambled for this reason, substantially up from 44% in 1985 and 53% in 1990. About two thirds (65%) of low income earners gambled to win prizes in 1985 increasing slowly to 72% by 1995. However, this statistic is influenced by a disproportionately high number of Maori, who gambled to be with others (mainly on Housie).

Figure 6.4

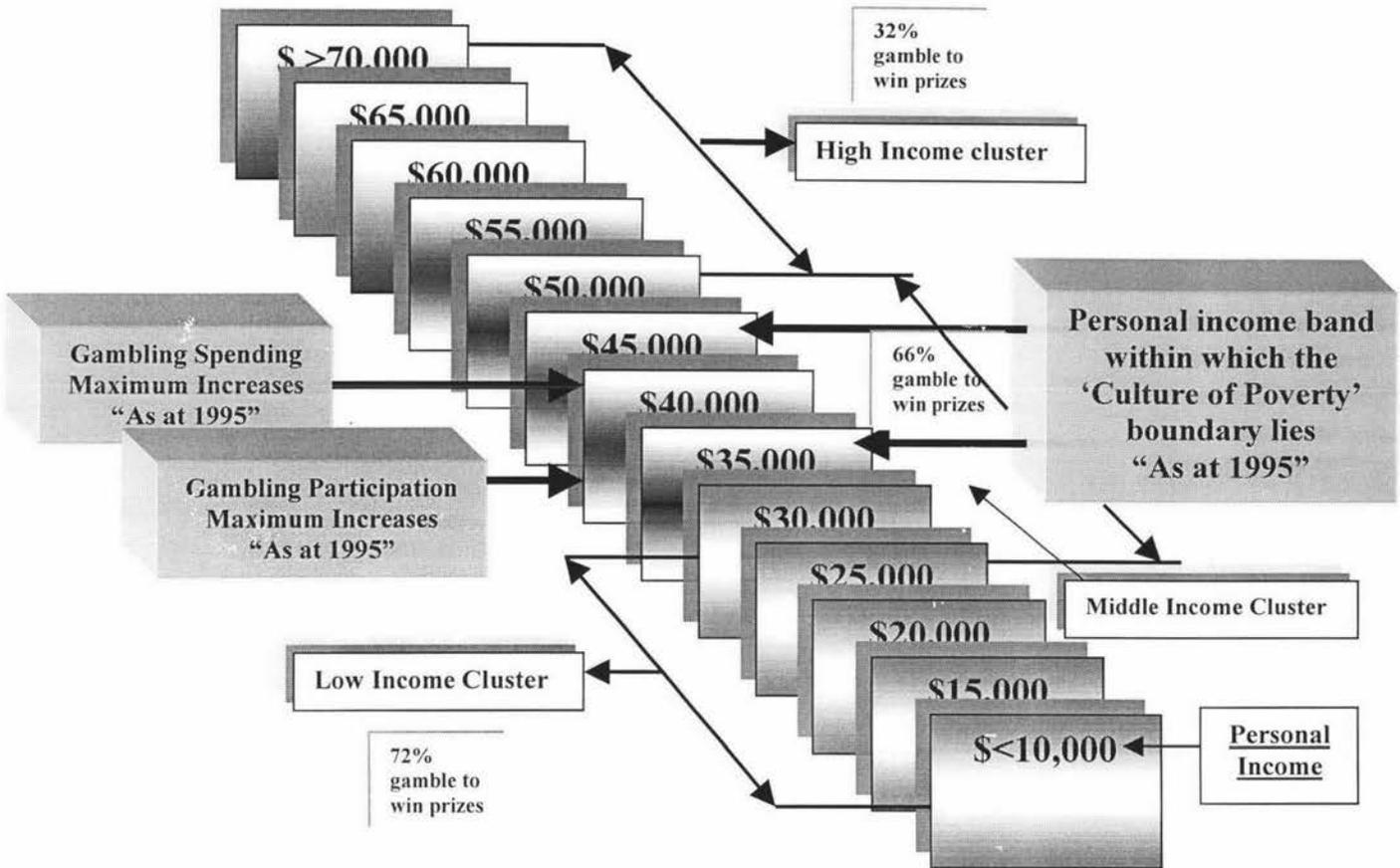


Figure 6.4 brings together all the critical quantitative outcomes from chapters four and five, but importantly illustrates the link between the outcomes of the attitude and behaviour analysis and the culture of poverty evaluation. The central linkage is a personal income nexus that brings the outcomes to a single reference continuum. The schema illustrates that by 1995 maximum increases in gambling participation and spending were occurring among those earning \$40,000 and that a culture of poverty had penetrated to a personal income level somewhere between \$35,000 and \$43,000, assumed to be around \$38,000 at 1995.

To add a time dimension to the schema culture of Poverty' indices were developed in chapter 4 allowing for a comparison to be made between gambling participation changes and culture of poverty penetration changes between 1985 and 1995. For instance by 1990

gambling participation rates showed that maximum increases were occurring among those earning \$30,000. Using the culture of poverty index (Chapter 4, Table 4.13) the culture of poverty had penetrated to a personal income level of around \$31,500 as at 1990⁴. These outcomes are not conclusive, but there is a surprising degree of correlation in 1990 and 1995 between the extent to which the culture of poverty had penetrated New Zealand society on the personal income continuum and those demographic groups exhibiting large increases in both gambling participation and spending on gambling. This allows a coherent case to be made that culture of poverty penetration changes go hand in hand with changes in gambling propensities, whether increasing or decreasing.

However, while working through the analysis it has become surprisingly and increasingly apparent that a degree of gambling saturation may well have occurred in the low-income cluster by 1990, and moved to the lower end of the middle income cluster by 1995. Whilst the evidence is debatable, the propensity to gamble reduced markedly between 1990 and 1995 in many low-income demographic groups, in particular the student, the beneficiary and to some extent the blue-collar-worker demographic groups. However this was offset by increases in the NZ Maori and the retired groups. This suggests a degree of saturation, an outcome that was certainly not anticipated at the outset of the thesis.

A degree of saturation could be assumed in the low-income cluster before 1985, which explains the slow increases in gambling revenues between 1980 and 1985 in the low-income cluster. From 1985 to 1990 rapid gambling increases occurred around incomes of \$25,000 along with dramatic increases in culture of poverty factors. From 1990 gambling revenues from the low-income cluster increased only marginally but the culture of poverty continued to bite deeper into this cluster. This finding suggests that gambling activity was not keeping pace with the culture of poverty penetration between 1990 and 1995.

⁴ Derived from the change in the 'Culture of Poverty' indices from 1990 to 1995 (refer table 4.14).

Although the findings described above cannot prove the conclusion that gambling saturation existed, they make a strong case that there is a threshold at which the propensity to gamble reduces or is maintained at some level even though a culture of poverty continues to bite. A number of reasons can be put forward for this apparent saturation threshold:

- i) That financial resources are no longer available for gambling at this level, as evidenced by the decline in student and beneficiary gambling between 1990 and 1995.
- ii) There is a culture of poverty level at which individuals become so disillusioned or apathetic that not even gambling is seen as a way forward.
- iii) The loss of political, social and economic support structures have become so debilitating and soul destroying that many see no way out of their plight.
- iv) That there is a cultural barrier that New Zealanders will not go beyond, a kind of “prioritised thrift” mentality as espoused by Syme (1992).

Clearly this finding cannot be dealt with adequately in the context of this thesis and will need to be explored in subsequent studies given the many complex issues involved. Suffice to say a degree of saturation is clearly apparent and the reasons are problematic.

It would not be useful to leave the question of the future penetration of a culture of poverty unconsidered. To extrapolate a continued penetration of the phenomenon would require further evaluations of the social, political and economic conditions within New Zealand since 1995. However the findings as at 1995 clearly show that a culture of poverty had increasingly penetrated New Zealand society between 1985 to 1995, and by 1995 it was well into the middle income cluster. From 1995 to the time of writing this thesis (November 1999) it would appear little has changed, and an imminent slowdown or reversal is unlikely. The prospect of enhanced economic, political or social organisation of the magnitude necessary to stem the culture of poverty tide is not on the horizon, nor are wages or savings expected to grow in the medium term (NZIER, Quarterly Forecasts, June 1998). In addition the findings of chapter four suggest a

culture of poverty will continue to penetrate New Zealand society at similar rates to that shown between 1990 and 1995 well into the foreseeable future.

It is worth noting that at the time of finishing this thesis (November 1999) New Zealand has elected a new Labour Government. The question is will the change in political ideology represent the beginning of a gradual turnaround. In my opinion there will be no dramatic ideological shift but there will be a slight swing to more socially driven outcomes but with the culture of poverty continuing to deepen at a slightly slower rate.

CHAPTER SEVEN - Conclusion : The Thesis Propositions Confirmed

The platform upon which this thesis is based is that the catalyst for the dramatic growth in gambling since 1980 has been the sustained existence of a 'Culture of Poverty'. The culture of poverty explanation in a New Zealand context is a systemic perspective, combining a number of economic, socio-cultural and political influences under a single umbrella.

A carefully crafted theoretical perspective on the propensity to gamble in New Zealand in the 1990's is presented in this thesis. That is, the increasing propensity to gamble is an outcome, of a phenomenon called a culture of poverty. It has been demonstrated that a culture of poverty powerfully brings together, not just economic influences, but also important political and social elements.

Oscar Lewis's theoretical 'Culture of Poverty' construct was moved from the site and time of his anthropological works with some uneasiness. The outcomes of the discussions laid out in chapter two put these concerns to rest. A culture of poverty clearly has a timeless, space-less, and sustainable ideological quality as described within its four fundamental characteristics:

- A culture of poverty exists in social democratic capitalist societies where a strong Protestant Ethic and wealth accumulation outlook exists.
- It transcends regional, urban, rural and national differences.
- It has a temporal quality and changes little from decade to decade.
- It is symptomatic of the persisting conditions of relative poverty in stable social systems.

These characteristics underpin the case that the phenomenon has a place in New Zealand society, but hinges on the following premise as the catalyst for gambling:

- ◆ Those living in a capitalist society with a dominant free market ideology, as developed in New Zealand over the past two decades, have traditional expectations of economic progress and upward mobility.
- ◆ In a society that pressures persons to be successful, but denies them equal access to the means to attain that success (real or perceived) through traditional avenues, they will seek alternative means to this end. Gambling then becomes a desirable and legitimate means.

- ◆ To evaluate the loss of the means to success, is to take on the ‘Culture of Poverty’ concept. The concept both describes the factors that deny people access to the means to attain success and also develops a coherent linkage between an increasingly penetrating culture of poverty and corresponding increases in the propensity to gamble.

Each of the ten culture of poverty conditions were evaluated between 1985 and 1995. It was found that by 1995 a culture of poverty had penetrated to the level of people on personal incomes of around \$38,000. This was an increase of \$5,000 from \$33,000 in 1990 (Chapter Four). The statistical analysis presented in chapter five revealed that by 1990 gambling participation increases were occurring at personal income levels between \$25,000 and \$30,000 and spending on gambling around \$30,000. By 1995 this had increased to around \$40,000. These outcomes suggest, that as a culture of poverty increasingly penetrated society there were corresponding increases in gambling participation and spending. The findings, although not conclusive, also suggest there is a degree of lag between culture of poverty increases and increasing gambling activity. The corresponding increases in “to win prizes” as the primary reason for gambling support these findings.

The crux of this thesis is embodied in the previous paragraph: that there is a demonstrable relationship between the level at which a culture of poverty penetrates society and corresponding increases in propensities to gamble. In addition, where sectors of society such as the low-income earners have been exposed to the phenomenon for a sustained period a degree of gambling saturation has also been demonstrated.

It is now pertinent to draw from the outcomes of the analysis and evaluation a confirmation or otherwise of the two primary propositions articulated in chapter two, that is:

- 1 That the catalyst for the increase in gambling revenues has been the emergence of a ‘Culture of Poverty’ that is continuing to spread through New Zealand society. Also that there has been a measurable relationship between a culture of poverty and the increasing gambling revenues.
- 2 That over the next decade gambling revenue increases will largely come from the middle income segment of New Zealand Society, as a direct consequence of the increasing penetration of a culture of poverty within this segment.

It is straight forward to confirm the first proposition, in that as a 'Culture of Poverty' spreads and is sustained there will be corresponding increases in propensities to gamble (participation and spending). Clearly a measurable increase in the penetration of the culture of poverty between 1990 and 1995 has been demonstrated.

Based on the above reasoning, one could expect a culture of poverty to continue to penetrate New Zealand society at similar rates well into the future. But importantly the newly-attracted gambler could be expected to be the higher-earning, higher-spending middle to upper-middle-income socio-economic participant.

The answer to the second proposition is far more problematic, even if you accept the consequential extrapolation that a culture of poverty will penetrate deeper into society and gambling revenues increase as a result. The first problem is this extrapolation does not address the obvious difficulties of predicting the future. Whilst a case has been presented that gambling will continue to grow over the next few years it will only be in the absence of what has been described as new social movements. The quandary here is that as a culture of poverty increases, the susceptibility to new social movements also increases. One could argue that a new social movement almost emerged in 1993 with the emergence of the New Zealand First political party under Winston Peters. Incidentally there was a corresponding dip in gambling revenues over the 1993 and 1994 period, but whether the two are connected requires further exploration. This type of visionary leader could well emerge over the next few years, so extrapolating a continued culture of poverty penetration clearly has some risk attached.

The second part of the second proposition is, in my opinion, an unqualified 'yes'. The evidence is sufficient to show that material increases in gambling propensities will come from the middle-income cluster in the future. In addition there is little doubt that significant untapped economic capacity exists within the middle to upper end of the middle income cluster to support this claim.

The culture of poverty thesis has been put forward as one of many possible theses. It would be inappropriate to conclude the thesis without explaining the reasons that two of the commonly articulated alternative theses do not stand up to scrutiny as a credible explanation for the dramatic growth in New Zealand gambling revenues since 1980.

The first is the repetitive economic argument. In New Zealand the prevailing axiom has been that gambling revenues mirror the state of the economy. The media and industry focus has been on the linkage between the economy and gambling propensities, for many years put forward as the only reason for any person to gamble and for gambling activity *per se*. This thesis alone is far too narrow and far from convincing as it excludes the wider socio-cultural and political influences which are far too important to ignore and clearly equally important components in the gambling propensity mix.

The Totalisator Agency Board (TAB) holds the economic view (*Dominion* : 7 October 1998), in that it claims horse/dog race and sports betting turnover directly mirror both the state of the economy and consumer confidence. I contend the TAB are stretching the claim of an absolute relationship too far. There is clearly a lack of breadth and depth to their economic stance. Firstly, it would appear the TAB have not dared look beyond the economic perspective nor at the body of opinion that suggests gambling may increase in times of economic depression (*The Annals of American P & S*, March 1998). Secondly, the TAB story implies patrons wager on racing for its entertainment (day out at the races) value rather than for profit, yet they continue to run the line of an economic relationship. Thirdly, when economic growth and gambling activity are compared, even allowing for a degree of lag, any correlation is difficult to find. For instance from 1988 to 1989 economic conditions declined (reducing GDP) yet gambling growth over the period increased dramatically by 26% and 35% respectively. I must stress however that in no way do I underestimate the economic impact on gambling. It is certainly a significant influence, but at the same time socio-cultural and political drivers cannot be dismissed.

The second example of an unconvincing reason for the growth of gambling is the business thesis, a thesis that has created a following over recent years. It is that the influx

of new gambling products, the business approach to the provision of these products and associated targeted marketing strategies have been the catalyst for the dramatic gambling growth since 1987 (NZ Marketing, May 1998 et al). They suggest upsurges in sustained gambling activity occurred as a result of the introduction of new gambling forms. However, with the exception of Lotto, the impact has typically been a short-lived increase in revenues, as evidenced by the introduction of Instant Kiwi and Daily Keno. What is more problematic is the marketing effort and the emotional hard sell such as promoting Lotto as entertainment, as a five minute slot on television every Saturday. The evidence is overwhelmingly that 87% of Lotto participants are interested in Lotto only to win prizes and not for entertainment. Business can clearly create an image, but its ability to create a sustainable “want” or “need” for gambling has not been demonstrated. It could easily be argued that without any marketing at all, Lotto would have taken hold as dramatically as it has on its own merits.

Whatever way these theses are articulated, individually they do not adequately explain the prolonged and dramatic growth in gambling revenues since 1980. A case can be made for aspects of each thesis as important explanatory constituents but in no way does each provide a comprehensive answer. In my opinion, they can be considered peripheral only to the combined culture of poverty influences.

Whilst the thesis has been carefully developed it is not without limitations:

1. A culture of poverty as described is sub-cultural and as such may develop in any strata of a social democratic society. The three clusters used in this study are possibly too broad to adequately isolate the complex and multifaceted sub culture of poverty. For example, the out-of-work, the retired, the beneficiary and the student demographic groups, which comprise 33% of all gambling participants, are missing as an identified segment of society.

2. The sample sizes may not have been large enough to evaluate the impact of the newly-introduced gambling forms. For instance in the case of casino participation, 85% of the

20 respondents or about 2% of the sample said the reason for attending was curiosity. I believe many would argue this is a disputable statistic.

3. The 1985, 1990 and 1995 Internal Affairs surveys used could have been enhanced by including a more detailed breakdown of incomes and of ethnic groups, particularly in the New Zealand context. Many people spoken to during the thesis research asked about the proportion of gambling in the Asian community, who are assumed to be heavy gamblers. This strata of New Zealand society is missing, however I acknowledge the difficulty of developing comparable longitudinal surveys around a domain that is continually changing.

4. I am confident that the overall analytical outcomes of the thesis accurately reflect the magnitude of the changes measured. However, depending on the underlying measurement criteria used they could vary considerably. Certainly the criteria used in this thesis to measure the ten culture of poverty conditions is open to debate.

5. Some discernable differences between the various forms of gambling are hidden in the analysis. Horse racing has been put forward, particularly in the media, as way to become a millionaire, while lotto is represented as a form of entertainment. Both claims do not sit well in an intuitive sense. It is unlikely anyone could become a millionaire from racing alone, and Lotto as an entertainment cannot be justified because it is only a five-minute slot on television every Saturday night. I would also contend that housie or raffles are not seen as forms of gambling by many participants. These aspects of the gambling question need to be explored further. The assumption in this thesis has been that all gambling forms are equal and are equally comparable, which is possibly not the case in reality.

6. I must reiterate that a culture of poverty analysis is not the total answer to the gambling propensity question, although it provides a meaningful and wide-ranging explanation. A number of aspects are missing:

- the full psychological picture, such as the multitude of issues surrounding the compulsive gambler and the increasing peer pressures to become part of the gambling scene.
- the full marketing effect, that is the impact of the intense promotional and advertising effort.
- the ripple effect of the introduction of new gambling forms is clearly evident in the statistics (chapter five) but does not feature in the culture of poverty measure.

Before ending the thesis it is worth revisiting briefly an important driver for the thesis, that is the lack of a single or coherent theoretical construct. Although, the culture of poverty notion cannot be explained under the umbrella of any single theoretical construct, it does draw on a number of relevant strands from contemporary discourse on gambling.

Within the analysis of the phenomenon there are strong elements of a structural-functionalist perspective (Devereux's, 1949:549) on gambling as "*being symptomatic and a consequence of the structured values of society*". This would entail a belief among gambling participants that they have an equal chance of gaining status and reward that they could achieve in no other way. Myrdal's (1964) position also fits well with the analysis. He argued that the widespread gambling in 'Negro Cultures' is heavily committed to the Protestant Ethic. Because of this the American 'Negro' is economically repressed and gambling is one of the few activities that offer the possibility of making quick financial gains and a way to a better life. There is the possibility that New Zealand Maori and Polynesian cultures are showing a similar outlook.

Durkheim's Anomie Theory (Merton, 1938) describes poverty as a lack of fit between culturally prescribed goals and the socially structured means to achieve these goals. To the gambler, innovation is appropriate as gambling is viewed as an innovative alternative to gaining material wealth. A perspective I suggest aligns closely with the results of this culture of poverty analysis where people increasingly see gambling clearly as an innovative alternative to achieving wealth and happiness.

Marxian theory Frey (1984) argues that it is the ruling class that controls all aspects of the gambling enterprise in order to create a sense of false consciousness among the exploited workers. Certainly the analysis encompasses strong Marxist perspectives. For instance, the gambling arena *per se* is without-doubt in the hands of big business or when in government ownership has been run by the ruling or upper classes (Syme 1992).

To bring the thesis to a conclusion is to articulate the case for the 'Culture of Poverty' concept as an explanation for the dramatic increases in gambling revenues in New Zealand since 1980. I have carefully demonstrated the presence of the phenomenon in New Zealand and that it is increasingly penetrating New Zealand society. There is a demonstrable relationship between the penetration of a culture of poverty and the increases in gambling revenues between 1985 and 1995.

A surprising outcome of the analysis has been the possible existence of degree of saturation, which was particularly evident throughout the entire low-income cluster and at the lower end of the middle income cluster between 1990 and 1995. This was evidenced by a marked fall-off in both gambling participation and spending in many low income demographic groups whilst at the same time a culture of poverty continued to penetrate deeper into these groups. The reason for this reduction remains problematic and further exploration is required to confidently draw any meaningful conclusions.

The culture of poverty thesis is the one that I believe to be far more convincing than any other, because it provides a meaningful and demonstrable relationship between culture of poverty changes and gambling revenue changes. However complex questions do remain unanswered, in particular, the absolute size and location of the culture of poverty, which would require a more theoretical articulation of the phenomenon in a New Zealand context. In addition a further refinement of the conceptual and operational model including the psychological and marketing aspects would also provide a more systemic view and add value to the notion. However further analyses in the vein of this thesis will

only serve to firm up the credibility and usefulness of the culture of poverty concept as an explanation for the propensity to gamble.

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Appendix A

SECTION A: ALL RESPONDENTS

Q.1 (SHOW CARD A)

"Firstly, this card lists various activities. For each one listed, please tell me whether or not you have done that activity in the last 12 months." (READ OUT ALL & CIRCLE ONE FOR EACH)

	Q.1 Done in last 12 months	Q.2 Not done in last 12 months
"Played cards for money (not in a casino)"	01	01
"Played dice games (e.g. Crown & Anchor) for money (not in a casino)"	02	02
"Attended a 'gaming or casino' evening for social or fund-raising purposes."	03	03
"Made bets with friends, workmates, on such things as the Melbourne Cup, etc."	04	04
"Taken part in sports betting with an Australian betting agency"	05	05
"Paid for entry for football pools"	06	06

ASK Q.3 FOR EACH ACTIVITY NOT DONE IN LAST 12 MONTHS - SEE ABOVE.

Q.3 (SHOW CARD B) "From this card, please tell me why you have not ...<played cards for money> in the last 12 months." (REPEAT FOR EACH ACTIVITY NOT DONE. CIRCLE BELOW.)

	Q.4 Not played cards	Q.5 Not played dice	Q.6 Not gone to casino evening	Q.7 Not made bets with friends	Q.8 Not taken part in sports betting	Q.9 Not paid for football pool entry
Too expensive	01	01	01	01	01	01
Moral or religious reasons	02	02	02	02	02	02
Not interested	03	03	03	03	03	03
Don't know anything about this activity	04	04	04	04	04	04
The chances of winning aren't very good	05	05	05	05	05	05
Waste of time, money	06	06	06	06	06	06
Not available where I live	07	07	07	07	07	07
I'm not lucky at things like that	08	08	08	08	08	08
Other (SPECIFY) _____	37	37	37	37	37	37

Don't know	45	45	45	45	45	45

THERE IS NO Q.10.

SECTION B: BOUGHT A LOTTO TICKET (INCLUDE STRIKE BUT NOT DAILY KENO)

CHECK THAT RESPONDENT HAS BOUGHT A LOTTO TICKET IN THE LAST 12 MONTHS (01 CIRCLED IN Q.11 COLUMN 1). IF NOT, GO TO SECTION C.

Q.24 "You said that you had bought a Lotto ticket in the last 12 months."

(SHOW CARD D)

"About how often do you buy Lotto tickets either by yourself or as part of a syndicate?" (CIRCLE ONE ONLY)

- Once a week 01
- Once every 2 weeks 02
- Once every 3 weeks 03
- Once a month 04
- Once every 2 months 05
- Once every 3 months 06
- Once every 6 months 07
- Once a year 08
- Less frequently than once a year 09

Q.25 "In the average week when you buy Lotto tickets by yourself or as part of a syndicate, how much do you usually spend?"

(FOR PEOPLE WHO TAKE PART LESS FREQUENTLY THAN ONCE EVERY TWO MONTHS, TAKE LAST OCCASION.)

(RECORD TO NEAREST DOLLAR) \$ _____

Q.26 (SHOW CARD E)

"Which of the reasons on this card best describes why you buy Lotto tickets?" (CIRCLE ALL MENTIONED)

- To win prizes/money 01
- For excitement/or a challenge 02
- To support worthy causes 03
- Out of curiosity 04
- To oblige or please other people 05
- As a gift for another person 06
- As an interest/or a hobby 07
- To be with people/get out of the house 08
- As entertainment 09
- Other reasons (SPECIFY) _____ 37
- Don't know 45

Q.11 (SHOW CARD C) "Now for each one listed on this card, please tell me whether or not you have done that activity in the last 12 months." (READ OUT ALL & CIRCLE ONE FOR EACH)

	Q.11 Done in last 12 months	Q.12 Not done in last 12 months
"Bought a Lotto ticket"	01	01
"Bought an Instant Kiwi ticket or other Scratch ticket"	02	02
"Bought a Daily Keno ticket"	03	03
"Bought a raffle or lottery ticket"	04	04
"Played housie (bingo) for money"	05	05
"Bet money on a horse or dog race"	06	06
"Played a gaming machine (not in a casino)"	07	07
"Bet at a casino"	08	08
"Played 0900 telephone games"	09	09
"Taken part in other gaming activity" (PLEASE SPECIFY)	37	37

ASK Q.13 FOR EACH ACTIVITY NOT DONE IN LAST 12 MONTHS - SEE ABOVE.

Q.13 (SHOW CARD B) "From this card, please tell me why you have not ...<bought a Lotto ticket> in the last 12 months." (REPEAT FOR EACH ACTIVITY NOT DONE. CIRCLE BELOW.)

	Q.14 Not bought Lotto	Q.15 Not bought Instant Kiwi	Q.16 Not bought Daily Keno	Q.17 Not bought other raffle	Q.18 Not played Housie	Q.19 Not bet on horse or dog race	Q.20 Not played gaming machines	Q.21 Not bet at 0900 casino	Q.22 Not played 0900 games
Too expensive	01	01	01	01	01	01	01	01	01
Moral or religious reasons	02	02	02	02	02	02	02	02	02
Not interested	03	03	03	03	03	03	03	03	03
Don't know anything about this activity	04	04	04	04	04	04	04	04	04
The chances of winning aren't very good	05	05	05	05	05	05	05	05	05
Waste of time, money	06	06	06	06	06	06	06	06	06
Not available where I live	07	07	07	07	07	07	07	07	07
I'm not lucky at things like that	08	08	08	08	08	08	08	08	08
Other (SPECIFY) _____	37	37	37	37	37	37	37	37	37

Don't know	45	45	45	45	45	45	45	45	45

THERE IS NO Q.23.

N.B. IF NOT DONE ANY (ALL CIRCLED AT Q.12), SKIP TO Q.57.

SECTION C: BOUGHT INSTANT KIWI TICKETS

(INCLUDE OTHER SCRATCH TICKETS LIKE BINGO OR MONOPOLY)

CHECK THAT RESPONDENT HAS BOUGHT AN INSTANT KIWI TICKET IN THE LAST 12 MONTHS (02 CIRCLED IN Q.11 COLUMN 1). IF NOT, GO TO SECTION D.

Q.27 "You said that you had bought an Instant Kiwi ticket (or other Scratch ticket) in the last 12 months." (SHOW CARD F)

"About how often do you buy Instant Kiwi or other Scratch tickets either by yourself or as part of a syndicate?" (CIRCLE ONE ONLY)

- Four times a week or more 01
- Two or three times a week 02
- Once a week 03
- Once every 2 weeks 04
- Once every 3 weeks 05
- Once a month 06
- Once every 2 months 07
- Once every 3 months 08
- Once every 6 months 09
- Once a year 10
- Less frequently than once a year 11

Q.28 "On the average day when you buy Instant Kiwi or Scratch tickets by yourself or as part of a syndicate, how much do you usually spend?"

(FOR PEOPLE WHO TAKE PART LESS FREQUENTLY THAN ONCE EVERY TWO MONTHS, TAKE LAST OCCASION.)

(RECORD TO NEAREST DOLLAR) \$ _____

Q.29 (SHOW CARD E)

"Which of the reasons on this card best describes why you buy Instant Kiwi or Scratch tickets?" (CIRCLE ALL MENTIONED)

- To win prizes/money 01
- For excitement/or a challenge 02
- To support worthy causes 03
- Out of curiosity 04
- To oblige or please other people 05
- As a gift for another person 06
- As an interest/or a hobby 07
- To be with people/get out of the house 08
- As entertainment 09

Other reasons (SPECIFY) _____ 37

SECTION D: BOUGHT DAILY KENO TICKETS

CHECK THAT RESPONDENT HAS BOUGHT A DAILY KENO TICKET IN THE LAST 12 MONTHS (03 CIRCLED IN Q.11 COLUMN). IF NOT, GO TO SECTION E.

Q.30 "You said that you had bought a Daily Keno ticket in the last 12 months." (SHOW CARD F) "About how often do you buy Keno tickets?" (CIRCLE ONE ONLY)

- Four times a week or more 01
- Two or three times a week 02
- Once a week 03
- Once every 2 weeks 04
- Once every 3 weeks 05
- Once a month 06
- Once every 2 months 07
- Once every 3 months 08
- Once every 6 months 09
- Once a year 10
- Less frequently than once a year 11

Q.31 "On the average day when you buy Keno tickets, how much do you usually spend?" (FOR PEOPLE WHO TAKE PART LESS FREQUENTLY THAN ONCE EVERY TWO MONTHS, TAKE LAST OCCASION.) (RECORD TO NEAREST DOLLAR) \$ _____

Q.32 (SHOW CARD E) "Which of the reasons on this card best describes why you buy Keno tickets?" (CIRCLE ALL MENTIONED)

- To win prizes/money 01
- For excitement/or a challenge 02
- To support worthy causes 03
- Out of curiosity 04
- To oblige or please other people 05
- As a gift for another person 06
- As an interest/or a hobby 07
- To be with people/get out of the house 08
- As entertainment 09
- Other reasons (SPECIFY) _____ 37
- Don't know 45

SECTION F: PLAYED HOUSIE IN LAST 12 MONTHS

CHECK THAT RESPONDENT HAS PLAYED HOUSIE FOR MONEY IN THE LAST 12 MONTHS (05 CIRCLED IN Q.11 COLUMN). IF NOT, GO TO SECTION G.

Q.37 "You said you had played housie in the last 12 months." (SHOW CARD F) "About how often do you take part in a session of housie?" IF NECESSARY: "One session means all the games you took part in at one time, e.g. in one evening." (CIRCLE ONE ONLY)

- Four times a week or more 01
- Two or three times a week 02
- Once a week 03
- Once every 2 weeks 04
- Once every 3 weeks 05
- Once a month 06
- Once every 2 months 07
- Once every 3 months 08
- Once every 6 months 09
- Once a year 10
- Less frequently than once a year 11

Q.38 "Can you tell me how much you would normally spend at your usual housie session?" (FOR PEOPLE WHO TAKE PART LESS FREQUENTLY THAN ONCE EVERY TWO MONTHS, TAKE LAST SESSION.) (RECORD TO NEAREST DOLLAR) \$ _____

Q.39 (SHOW CARD E) "Which of the reasons on this card best describes why you play housie?" (CIRCLE ALL MENTIONED)

- To win prizes/money 01
- For excitement/or a challenge 02
- To support worthy causes 03
- Out of curiosity 04
- To oblige or please other people 05
- As a gift for another person 06
- As an interest/or a hobby 07
- To be with people/get out of the house 08
- As entertainment 09
- Other reasons (SPECIFY) _____ 37
- Don't know 45

SECTION E: BOUGHT RAFFLES/OTHER LOTTERIES (EXCLUDING 0900 GAMES)

CHECK THAT RESPONDENT HAS BOUGHT A RAFFLE TICKET IN THE LAST 12 MONTHS (04 CIRCLED IN Q.11 COLUMN). IF NOT, GO TO SECTION F.

Q.33 "You said that you have purchased a raffle or lottery ticket in the last 12 months." (SHOW CARD F) "About how often do you buy a raffle ticket?" (CIRCLE ONE ONLY)

- Four times a week or more 01
- Two or three times a week 02
- Once a week 03
- Once every 2 weeks 04
- Once every 3 weeks 05
- Once a month 06
- Once every 2 months 07
- Once every 3 months 08
- Once every 6 months 09
- Once a year 10
- Less frequently than once a year 11

Q.34 "When you buy raffle tickets, about how much do you usually spend on any one occasion?" (FOR PEOPLE WHO TAKE PART LESS FREQUENTLY THAN ONCE EVERY TWO MONTHS, TAKE LAST OCCASION.) (RECORD TO NEAREST DOLLAR) \$ _____

Q.35 (SHOW CARD G) "Looking at this card, what types of organisations have benefitted from the raffles you bought tickets in over the last 2 months." (CIRCLE ALL MENTIONED)

- Sports groups 01
- Recreational groups (e.g. arts & crafts and hobby groups) 02
- Welfare organisations (IHC, Red Cross, etc.) 03
- Educational groups (e.g. school/pre-school groups) 04
- Political parties/groups 05
- Social clubs 06
- Special community fund-raising groups (e.g. for community facilities, programmes and projects - town halls, medical equipment) - - 07
- Service clubs (Lions, Rotary, etc.) 08
- Other (PLEASE SPECIFY) _____ 37
- Don't know 45

Q.36 (SHOW CARD E) "Which of the reasons on this card best describes why you buy raffle tickets?" (CIRCLE ALL MENTIONED)

- To win prizes/money 01
- For excitement/or a challenge 02
- To support worthy causes 03
- Out of curiosity 04
- To oblige or please other people 05
- As a gift for another person 06
- As an interest/or a hobby 07
- To be with people/get out of the house 08
- As entertainment 09
- Other reasons (SPECIFY) _____ 37
- Don't know 45

SECTION G: BET MONEY ON A HORSE OR DOG RACE IN LAST 12 MONTHS

CHECK THAT RESPONDENT HAS BET MONEY ON A HORSE OR DOG RACE IN THE LAST 12 MONTHS (06 CIRCLED IN Q.11 COLUMN). IF NOT, GO TO SECTION H.

Q.40 "You said that you had bet on horse or dog races in the last 12 months." (SHOW CARD F) "About how often do you place a bet on horse or dog races with the TAB?" (CIRCLE ONE ONLY IN GRID BELOW) (DO NOT INCLUDE BETS MADE AT A RACETRACK)

Q.41 "On the average day that you go to place bets at the TAB, about how much do you bet?" (RECORD TO NEAREST DOLLAR) \$ _____

Q.42 "About how often do you place a bet on horse or dog races at a racetrack?" (CIRCLE ONE ONLY IN GRID BELOW)

Q.43 "On the average day that you place bets at the racetrack, about how much do you bet?" (RECORD TO NEAREST DOLLAR) \$ _____

	Q.40 TAB Bets	Q.42 Racetrack Bets
Four times a week or more	01	01
Two or three times a week	02	02
Once a week	03	03
Once every 2 weeks	04	04
Once every 3 weeks	05	05
Once a month	06	06
Once every 2 months	07	07
Once every 3 months	08	08
Once every 6 months	09	09
Once a year	10	10
Less frequently than once a year	11	11

Q.44 (SHOW CARD E) "Which of the reasons on this card best describes why you place bets on horse or dog races?" (CIRCLE ALL MENTIONED)

- To win prizes/money 01
- For excitement/or a challenge 02
- To support worthy causes 03
- Out of curiosity 04
- To oblige or please other people 05
- As a gift for another person 06
- As an interest/or a hobby 07
- To be with people/get out of the house 08

SECTION II: PLAYED GAMING MACHINES (NOT IN A CASINO)

CHECK THAT RESPONDENT HAS PLAYED GAMING MACHINES IN THE LAST 12 MONTHS (07 CIRCLED IN Q.11 COLUMN). IF NOT, GO TO SECTION I. EXCLUDE PLAYING GAMING MACHINES IN CASINOS.

- Q.45 "You said you had played gaming machines in the last 12 months." IF NECESSARY: "By gaming machines I mean slot, poker, fruit machines, or one armed bandits." (SHOW CARD F)
 "About how often do you play gaming machines?" (CIRCLE ONE ONLY)
- | | | | |
|---------------------------|----|----------------------------------|----|
| Four times a week or more | 01 | Once a month | 06 |
| Two or three times a week | 02 | Once every 2 months | 07 |
| Once a week | 03 | Once every 3 months | 08 |
| Once every 2 weeks | 04 | Once every 6 months | 09 |
| Once every 3 weeks | 05 | Once a year | 10 |
| | | Less frequently than once a year | 11 |

- Q.46 "On an average day when you play gaming machines, about how much of your money do you usually spend?"
 (FOR PEOPLE WHO TAKE PART LESS FREQUENTLY THAN ONCE EVERY TWO MONTHS, TAKE LAST SESSION.)
 (RECORD TO NEAREST DOLLAR) \$ _____

- Q.47 (SHOW CARD E)
 "Which of the reasons on this card best describes why you play gaming machines?" (CIRCLE ALL MENTIONED)
- | | |
|--|---------------|
| To win prizes/money | 01 |
| For excitement/or a challenge | 02 |
| To support worthy causes | 03 |
| Out of curiosity | 04 |
| To oblige or please other people | 05 |
| As a gift for another person | 06 |
| As an interest/or a hobby | 07 |
| To be with people/get out of the house | 08 |
| As entertainment | 09 |
| Other reasons (SPECIFY) _____ | 37 |
| | Don't know 45 |

SECTION I: CASINOS

CHECK THAT RESPONDENT HAS BET AT A CASINO IN THE LAST 12 MONTHS (08 CIRCLED IN Q.11 COLUMN). IF NOT, GO TO SECTION J.

- Q.48 "You said that you had bet at a casino in the last 12 months." (SHOW CARD F)
 "About how often do you go to a casino?" (CIRCLE ONE ONLY)
- | | | | |
|---------------------------|----|----------------------------------|----|
| Four times a week or more | 01 | Once a month | 06 |
| Two or three times a week | 02 | Once every 2 months | 07 |
| Once a week | 03 | Once every 3 months | 08 |
| Once every 2 weeks | 04 | Once every 6 months | 09 |
| Once every 3 weeks | 05 | Once a year | 10 |
| | | Less frequently than once a year | 11 |

- Q.49 "On the average occasion when you go to a casino, about how much of your money do you usually spend?"
 (FOR PEOPLE WHO TAKE PART LESS FREQUENTLY THAN ONCE EVERY TWO MONTHS, TAKE LAST VISIT.)
 (RECORD TO NEAREST DOLLAR) \$ _____

- Q.50 "Which casinos have you been to in the last 12 months?" (CIRCLE ALL MENTIONED)
- | | | | |
|-------------------|-------------------------|-----------------------------------|------------|
| Christchurch - 01 | Australian casinos - 02 | Casinos in any other country - 03 | GO TO Q.53 |
|-------------------|-------------------------|-----------------------------------|------------|

- Q.51 "Did you make the trip to Christchurch especially to go to the casino?" (CIRCLE)
 Yes - 01 No - 02 → GO TO Q.53

- Q.52 "Would you do so again?" (CIRCLE)
 Yes - 01 No - 02 Don't know - 45

- Q.53 (SHOW CARD E)
 "Which of the reasons on this card best describes why you go to the casino?" (CIRCLE ALL MENTIONED)
- | | |
|--|---------------|
| To win prizes/money | 01 |
| For excitement/or a challenge | 02 |
| To support worthy causes | 03 |
| Out of curiosity | 04 |
| To oblige or please other people | 05 |
| As a gift for another person | 06 |
| As an interest/or a hobby | 07 |
| To be with people/get out of the house | 08 |
| As entertainment | 09 |
| Other reasons (SPECIFY) _____ | 37 |
| | Don't know 45 |

SECTION J: 0900 TELEPHONE GAMES

CHECK THAT RESPONDENT HAS PLAYED 0900 TELEPHONE GAMES IN THE LAST 12 MONTHS (09 CIRCLED IN Q.11 COLUMN). IF NOT, GO TO SECTION K.

- Q.54 "You said you had played 0900 telephone games in the last 12 months." (SHOW CARD F)
 "About how often do you play 0900 games?" (CIRCLE ONE ONLY)
- | | |
|----------------------------------|----|
| Four times a week or more | 01 |
| Two or three times a week | 02 |
| Once a week | 03 |
| Once every 2 weeks | 04 |
| Once every 3 weeks | 05 |
| Once a month | 06 |
| Once every 2 months | 07 |
| Once every 3 months | 08 |
| Once every 6 months | 09 |
| Once a year | 10 |
| Less frequently than once a year | 11 |

- Q.55 "On the average day when you play 0900 telephone games, how much do you usually spend?"
 (FOR PEOPLE WHO TAKE PART LESS FREQUENTLY THAN ONCE EVERY TWO MONTHS, TAKE LAST OCCASION.)
 (RECORD TO NEAREST DOLLAR) \$ _____

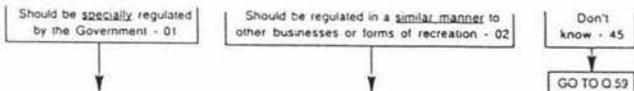
- Q.56 (SHOW CARD E)
 "Which of the reasons on this card best describes why you play 0900 telephone games?" (CIRCLE ALL MENTIONED)
- | | |
|--|---------------|
| To win prizes/money | 01 |
| For excitement/or a challenge | 02 |
| To support worthy causes | 03 |
| Out of curiosity | 04 |
| To oblige or please other people | 05 |
| As a gift for another person | 06 |
| As an interest/or a hobby | 07 |
| To be with people/get out of the house | 08 |
| As entertainment | 09 |
| Other reasons (SPECIFY) _____ | 37 |
| | Don't know 45 |

SECTION K: ALL RESPONDENTS

"I would like to ask you some general questions about gaming in New Zealand."

IF NECESSARY: "Gaming activities are such things as Lotto, Instant Kiwi, raffles, housie, playing gaming machines, betting on races, casinos and so on."

- Q.57 "In your opinion, do gaming activities need to be specially regulated by the Government, or should they be regulated in a similar manner to other businesses or forms of recreation?" (CIRCLE ONE)



- Q.58 "Why do you say this?" (CIRCLE ANY REASONS MENTIONED THAT ARE FOUND IN THE LIST BELOW. DO NOT READ OUT. RECORD OTHER REASONS MENTIONED, PROBING FULLY)

- | | |
|---|----|
| To make sure the profits fund worthy causes | 01 |
| To prevent criminal activity | 02 |
| To make sure gaming is run fairly | 03 |
| To protect people who could be harmed by gaming | 04 |
| To restrict the opportunity to gamble | 05 |
| To limit the size and numbers of groups running gaming activities | 06 |
| To support the racing industry | 07 |
| To give people more choice | 08 |
| To allow customer demand to be met | 09 |
| To encourage competition within the gaming industry | 10 |
| To allow the market to decide how much gaming is available | 11 |
| Other (PLEASE SPECIFY) | 37 |

Q.59 (SHOW CARD I)

"Here are some reasons other people have suggested for government specifically regulating gaming activities. Using the scale shown on this card, do you think these reasons are very important, important, not important, or not at all important?"
(READ OUT REASONS ONE AT A TIME, CIRCLING RESPONSE AS YOU GO)

"To make sure the profits fund worthy causes"	Very important - 01 Important - 02	Not important - 03 Not at all important - 04 Don't know - 45
"To prevent criminal activity"	Very important - 01 Important - 02	Not important - 03 Not at all important - 04 Don't know - 45
"To make sure gaming is run fairly"	Very important - 01 Important - 02	Not important - 03 Not at all important - 04 Don't know - 45
"To protect people who could be harmed by gaming"	Very important - 01 Important - 02	Not important - 03 Not at all important - 04 Don't know - 45
"To restrict the opportunity to gamble"	Very important - 01 Important - 02	Not important - 03 Not at all important - 04 Don't know - 45
"To limit the size and numbers of groups running gaming activities"	Very important - 01 Important - 02	Not important - 03 Not at all important - 04 Don't know - 45
"To support the racing industry"	Very important - 01 Important - 02	Not important - 03 Not at all important - 04 Don't know - 45

Q.60 (SHOW CARD I)

"Here are some reasons other people have suggested for gaming activities to be able to be regulated in a similar manner to other businesses or forms of recreation. Using the scale shown on this card, do you think these reasons are very important, important, not important, or not at all important?"
(READ OUT REASONS ONE AT A TIME, CIRCLING RESPONSE AS YOU GO)

"To give people more choice"	Very important - 01 Important - 02	Not important - 03 Not at all important - 04 Don't know - 45
"To allow customer demand to be met"	Very important - 01 Important - 02	Not important - 03 Not at all important - 04 Don't know - 45
"To encourage competition within the gaming industry"	Very important - 01 Important - 02	Not important - 03 Not at all important - 04 Don't know - 45
"To allow the market to decide how much gaming is available"	Very important - 01 Important - 02	Not important - 03 Not at all important - 04 Don't know - 45

Q.70 (SHOW CARD K)

"Now we have some questions about sports betting, i.e. betting on the results or the outcome of sporting events."
(SHOW CARD K)
"If sports betting was introduced, to which of the purposes shown on this card do you think the main proceeds should go?" (CIRCLE ALL MENTIONED)

- Community purposes/worthy causes 01
- The particular sport being bet on 02
- All sports 03
- Government revenue 04
- The racing industry 05
- Organisations set up to run sports betting 06
- Other purposes (PLEASE SPECIFY) 37
-
-
-
- Don't know 45

Q.71 If we had sports betting in New Zealand, do you think sports would be run and played?"
(READ OUT ALL AND CIRCLE ONE)

- "... more honestly than they are now" 01
- "... less honestly than they are now" 02
- "... much the same as they are now" 03
- DO NOT READ OUT: Don't know 45

Q.61 (SHOW CARD J)

"Looking at this card, I would like you to tell me for each of these things, whether you are generally in favour or generally not in favour of gaming activities being run for these purposes." (READ OUT EACH ACTIVITY AND CIRCLE ONE FOR EACH)

	Generally in favour	Generally not in favour	Don't know
Q.62 "Fund raising for worthy causes"	01	02	45
Q.63 "A means of raising Government revenue (i.e. through government receiving the profits from gaming)"	01	02	45
Q.64 "Sales promotion (e.g. prize competitions to promote products)"	01	02	45
Q.65 "Business enterprise (i.e. for commercial profit, e.g. casinos)"	01	02	45
Q.66 "Profit sharing between a promoter and a worthy cause"	01	02	45

Q.67 "Are you generally in favour or generally not in favour of a part of the income from all gaming activities going to worthy causes?" (CIRCLE ONE)

- Generally in favour - 01
- Generally not in favour - 02
- Don't know - 45

Q.68 "When gaming profits go to worthy causes, who do you think they should be distributed by ...?"
(READ OUT ONE AT A TIME, CIRCLING ALL MENTIONED)

- "Community representatives" - - - - 01
- "Government departments" - - - - - 02
- "Local authorities" - - - - - - - - 03
- "The gaming industries" - - - - - - 04
- DO NOT READ OUT: Don't know - - - 45

Q.69 "Do you think people running gaming activities should or should not be allowed to advertise?"
(CIRCLE ONE)

- Should be allowed - 01
- Should not be allowed - 02
- Don't know - 45

Q.72 "Should any sports or types of sports be excluded from sports betting? For example, amateur or professional sports?" (CIRCLE ONE)

- Yes - 01
- No - 02
- GO TO Q.75

Q.73 "Which sports or types of sports are these?"
(CIRCLE THOSE MENTIONED FROM THE LIST BELOW OR RECORD AS OTHERS - DO NOT READ OUT)

Q.73 Which?	Q.74 Reasons why
Amateur sports 01	-----
Professional sports 02	-----
All sports 03	-----
Boxing 04	-----
Football 05	-----
Cycling 06	-----
Others (PLEASE SPECIFY)	-----
-----	-----
-----	-----
-----	-----
-----	-----

Q.74 FOR EACH SPORT MENTIONED AT Q.73, ASK Q.74 & RECORD RESPONSE FULLY IN COLUMN 74 ABOVE

"Why do you think ...<SPORT> ... should be excluded from sports betting?"

Q.75 "Now we have a question about casinos. Ideally how many casinos would you like to see in New Zealand?" (READ OUT ALL AND CIRCLE ONE ONLY)

- "None" 0 1
- "Two (in Auckland and Christchurch)" 0 2
- "More than two" 0 3

DO NOT READ OUT: Don't know 4 5

Q.76 (SHOW CARD L)

"At present there are different government regulations which control how gaming activities can be run. Do you think regulations should control or should not control the following?" (READ OUT EACH STATEMENT AND CIRCLE ONE FOR EACH)

	Should control	Should not control	Don't know
Q.77 "The age at which people can take part in different gaming activities"	0 1	0 2	4 5
Q.78 "Who can run or operate gaming activities"	0 1	0 2	4 5
Q.79 "The amount each person can spend at one time on a particular activity"	0 1	0 2	4 5
Q.80 "The proportion of the total income from the gaming activity that must be returned as prizes (e.g. in raffles)"	0 1	0 2	4 5
Q.81 "Where gaming activities are located"	0 1	0 2	4 5
Q.82 "The total amount of gaming available to the public"	0 1	0 2	4 5

Q.83 "What other aspects of gaming, if any, do you think should be controlled by government?" (PROBE UNTIL CLEAR)

IF 'No others' OR 'Don't know', RECORD AT Q.84.

Q.84 CIRCLE HERE IF RESPONDENT SAYS: No others should be controlled - 01
 Don't know - 45

Q.85 (SHOW CARD M)

"Looking at this card, for each activity in turn, please tell me whether you think the government should have stricter control, less control or should make the activity illegal?" (READ OUT EACH ACTIVITY AND CIRCLE ONE FOR EACH)

	Like stricter control	Like less control	Should be illegal	DO NOT READ OUT	
				Stay the same	Don't know
Q.86 "Lotto"	0 1	0 2	0 3	0 4	4 5
Q.87 "Instant Kiwi"	0 1	0 2	0 3	0 4	4 5
Q.88 "Daily Keno"	0 1	0 2	0 3	0 4	4 5
Q.89 "Raffles"	0 1	0 2	0 3	0 4	4 5
Q.90 "Housie"	0 1	0 2	0 3	0 4	4 5
Q.91 "Betting on horse and dog racing with the TAB"	0 1	0 2	0 3	0 4	4 5
Q.92 "Gaming machines"	0 1	0 2	0 3	0 4	4 5
Q.93 "Betting at casinos"	0 1	0 2	0 3	0 4	4 5
Q.94 "Sales promotions (e.g. mystery prize competitions to promote products)"	0 1	0 2	0 3	0 4	4 5
Q.95 "0900 telephone games"	0 1	0 2	0 3	0 4	4 5
Q.96 "Gambling or casino evenings for social or fund raising purposes"	0 1	0 2	0 3	0 4	4 5

Q.97 (SHOW CARD N) "Here is a list of other gaming activities. These are activities which under most conditions, are not legal at present in New Zealand. Please tell me if there are any of these activities you think should be legalised so they could be made available." (READ OUT ALL ACTIVITIES AND CIRCLE ONE FOR EACH)

"Overseas lotteries (e.g. posted from Australia)"	0 1	ASK Q.98
"Sports betting (betting by predicting the results or the outcome of sporting events)"	0 2	
"Betting on horse or dog racing with bookmakers"	0 3	
"Betting with bookmakers on the outcome of other events (e.g. election results)"	0 4	
"None of these should be legalised"	0 5	GO TO Q.103
DO NOT READ OUT: Don't know	4 5	

Q.98 (SHOW CARD O)

"You mentioned that ...<ACTIVITY>... should be legalised. Looking at this card, what level of government control would you like to see over that activity?" (READ OUT EACH ACTIVITY MENTIONED IN Q.97 AND CIRCLE ONE FOR EACH)

	No Govt control	Moderate Govt control	Strict Govt control	Don't know
Q.99 "Overseas lotteries"	0 1	0 2	0 3	4 5
Q.100 "Sports betting"	0 1	0 2	0 3	4 5
Q.101 "Betting on horse and dog racing with bookmakers"	0 1	0 2	0 3	4 5
Q.102 "Betting with bookmakers on the outcome of other events"	0 1	0 2	0 3	4 5

ASK EVERYONE:

Q.103 "If ...<ACTIVITY>... was/were legalised, would you be interested in taking part?" (READ OUT EACH ACTIVITY AND CIRCLE ONE FOR EACH)

	Yes	No	Don't know
Q.104 "Overseas lotteries"	0 1	0 2	4 5
Q.105 "Sports betting"	0 1	0 2	4 5
Q.106 "Betting on horse and dog racing with bookmakers"	0 1	0 2	4 5
Q.107 "Betting with bookmakers on the outcome of other events"	0 1	0 2	4 5

CHECK BACK TO Q.103. IF 'YES' 01 CIRCLED FOR ANY ACTIVITIES AT Q.104-107, ASK Q.108 OTHERWISE SKIP TO Q.110.

Q.108 "About how much would you be likely to spend on average per month for ...<ACTIVITY>?" (READ OUT EACH ACTIVITY CODED 01 AT Q.104-107 AND RECORD TO NEAREST DOLLAR FOR EACH IN COLUMN Q.108 IN THE TABLE BELOW IMMEDIATELY ASK Q.109 AND CIRCLE RESPONSE IN COLUMN Q.109).

Q.109 "Would this be money that you would have previously spent on other types of gaming, or would have spent on a non-gaming activity?" (CIRCLE RESPONSE AT COLUMN Q.109 IN TABLE BELOW)

	Q.108 Expenditure \$	Q.109		
		Spent on other types of gaming	Spent on a non-gaming activity	Don't know
a. Overseas lotteries	\$ _____	0 1	0 2	4 5
b. Sports betting	\$ _____	0 1	0 2	4 5
c. Horse and dog racing	\$ _____	0 1	0 2	4 5
d. Other events	\$ _____	0 1	0 2	4 5

Q.110 "Are there any other gaming activities you would like to see legalised?" (CIRCLE ONE)

Yes - 01
 No - 02 → GO TO Q.111
 PLEASE SPECIFY AND PROBE UNTIL CLEAR

Q.111 (SHOW CARD P)

"Please look at this list closely and tell me any of these activities that you think are socially undesirable."

IF NECESSARY: "By socially undesirable I mean likely to cause damage to people in general." (CIRCLE ALL MENTIONED)

- Lotto 0 1
- Instant Kiwi 0 2
- Daily Keno 0 3
- Raffles 0 4
- Housie 0 5
- Betting on horse and dog racing with the TAB 0 6
- Gaming machines 0 7
- Betting at casinos 0 8
- Sales promotions (e.g. mystery prize competitions to promote products) 0 9
- Gambling or casino evenings for social or fund raising purposes 1 0
- 0900 telephone games 1 1
- Overseas lotteries (e.g. posted from Australia) 1 2
- Sports betting (betting by predicting the results or the outcome of sporting events) 1 3
- Football pools (betting on soccer) 1 4
- Betting on horse or dog racing with bookmakers 1 5
- Betting with bookmakers on the outcome of other events (e.g. election results) 1 6

Q.112 (SHOW CARD Q)

"In the following statements, do you agree strongly, agree, disagree, disagree strongly for each statement." (READ OUT BOTH STATEMENTS AND CIRCLE ONE FOR EACH)

	Agree Strongly	Agree	Disagree	Disagree Strongly	Don't Know
Q.113 "There is a problem in New Zealand with people being heavily involved in gambling"	01	02	03	04	05
Q.114 "There should be special help and support available for people who want to give up gambling"	01	02	03	04	05

Q.115 (SHOW CARD R)

"Who should provide money to help people give up gambling?" (CIRCLE ALL MENTIONED)

- Problem gamblers themselves 01
- The gaming industry (through a tax or levy) 02
- Government 03
- Don't know 04

SECTION I

"Finally, one or two details about yourself."

Q.116 CIRCLE SEX: Male - 01 Female - 02

Q.117 (SHOW CARD S)

"Which of these age groups are you in?" (CIRCLE ONE)

- 15 - 24 years 01
- 25 - 34 years 02
- 35 - 44 years 03
- 45 - 54 years 04
- 55 - 64 years 05
- 65+ years 06

Q.118 "How many people are there altogether in this household, including yourself, any boarders and any children?" (CIRCLE ONE)

- 01 02 03 04 05 06 07 08 09 10

Q.123 (SHOW CARD V)

"Which of these groups was the last level you completed in your formal education?" (CIRCLE ONE)

- Primary School 01
- Secondary School - No School Certificate 02
- School Certificate 03
- U.E./Matric/6th Form/Bursary 04
- Technical or Trade Qualification 05
- Other Tertiary Qualification 06
- University Graduate 07

Q.124 "Are you actively involved in any type of sport or sport administration?" (CIRCLE ONE)

- Yes - 01 No - 02

Q.125 (SHOW CARD W)

"Which of these best describes your ethnic origin?" (CIRCLE ONE)

- New Zealander of European descent 01
- New Zealand Maori 02
- Samoan 03
- Cook Island Maori 04
- Niuean 05
- Tongan 06
- Other Pacific Islander 07
- Chinese 08
- Indian 09
- Other Asian 10
- Other 11

"May I please have your name and home phone number in case my supervisor wishes to verify this interview?"

Name: _____ Phone No. _____

Interview Duration: _____ mins

"Thank you very much for taking part in this survey. We do appreciate your help."

CERTIFICATION: I hereby certify that this is a true and accurate record of an interview conducted by me at the time and place specified. TICK WHEN CHECKED:

Interviewer Sign: _____ Date: _____

Location: _____

Supervisor Sign: _____ Field Check: _____

Q.119 (SHOW CARD T) "Would you please look at this card and tell me which of these groups best describes your own occupation." (CIRCLE ONE)

- Home duties (not otherwise employed) 01
- Retired/Superannuitant 02
- Social Welfare Beneficiary/Unemployed 03
- Student 04
- Clerical or Sales Employee 05
- Semi-skilled worker 06
- Technical or skilled worker 07
- Business Proprietor or Self Employed 08
- Business Manager or Executive 09
- Teaching/Nursing/Police and other trained Service Worker 10
- Professional or Senior Government Official 11
- Labourer, Manual, Agricultural or Domestic Worker 12
- Farm Owner or Manager 13

Q.120 (DO NOT ASK IF ANSWER OBVIOUS) "Are you the main income earner?" (CIRCLE ONE)

- Yes - 01 No - 02

Q.121 (SHOW CARD U)

"Which of these groups does your own personal gross income from all sources before tax fall into?" (CIRCLE ONE)

- Up to \$10,000 01
- Between \$10,001 and \$20,000 02
- Between \$20,001 and \$30,000 03
- Between \$30,001 and \$40,000 04
- Between \$40,001 and \$50,000 05
- Between \$50,001 and \$60,000 06
- Between \$60,001 and \$70,000 07
- Between \$70,001 and \$80,000 08
- Over \$80,000 09

Q.122 (SHOW CARD U)

"Which of these groups does the total gross household income from all income earners and all other sources before tax fall into?" (CIRCLE ONE)

- Up to \$10,000 01
- Between \$10,001 and \$20,000 02
- Between \$20,001 and \$30,000 03
- Between \$30,001 and \$40,000 04
- Between \$40,001 and \$50,000 05
- Between \$50,001 and \$60,000 06
- Between \$60,001 and \$70,000 07
- Between \$70,001 and \$80,000 08
- Over \$80,000 09